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DERC

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1384)/DERC/2016-17/

Petition No. 17/2017

In the matter of: Petition for Annual Revenue Requirement (ARR) for the FY 2016-17, Revised ARR for FY 2015-16, True up expenses for FY 2014-15 and final True Up for Control Period up to FY 2013-14.

And

Petition No. 24/2017

In the matter of: Petition for Annual Revenue Requirements (ARR) for FY 2017-18, revised ARR for FY 2016-17, True up of expenses for FY 2015-16 and Final True up for control period up to FY 2014-15.

Tata Power Delhi Distribution Limited,
Through its: **Managing Director**
Sub-Station Building, Hudson Lines,
Kingsway Camp ,
Delhi 110 009. **...Petitioner/Licensee**

Coram: Sh. B. P. Singh, Member.

ORDER

(Date of Order: 31.08.2017)

M/s. Tata Power Delhi Distribution Limited filed aforesaid Petition No. 17 of 2017 for Annual Revenue Requirement (ARR) for the FY 2016-17, Revised ARR for FY 2015-16, True up expenses for FY 2014-15 and final True Up for Control Period up to FY 2013-14; and Petition No. 24 of 2017 for Annual Revenue Requirements (ARR) for FY 2017-18, revised ARR for FY 2016-17, True up of expenses for FY 2015-16 and Final True up for control period up to FY 2014-15. These Petitions were admitted by the Commission *vide* Order dated 26.05.2017. The Petitions along with Executive summary were uploaded on the website of the Commission seeking response of the stakeholders. This was also widely publicised through advertisement in newspapers. In response to the advertisement the Commission received comments from the Stakeholders, which have been replied to by the Petitioner. The comments and suggestions of the stakeholders, After having considered the above, the Commission in exercise of the power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, hereby pass this Tariff Order signed, dated and issued on 31.08.2017.

The Petitioner shall take immediate steps to implement the said Order, so as to make the revised tariffs applicable from 01.09.2017.

This Tariff Order shall remain in force till replaced by a subsequent Tariff Order and/or is amended, reviewed or modified, in accordance with the provisions of the Electricity Act, 2003 and the Regulations made there under.

(B. P. Singh)
Member

CONTENTS

List of Abbreviation

Abbreviation	Explanation
ARR	Aggregate Revenue Requirement
A&G	Administrative and General
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
ACD	Advance Consumption Deposit
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEST	Birhanmumbai Electric Supply and Transport
BHEL	Bharat Heavy Electricals Limited
BIS	Bureau of Indian Standards
BPTA	Bulk Power Transmission Agreement
BRPL	BSES Rajdhani Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CCGT	Combined Cycle Gas Turbine
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamp
CGHS	Cooperative Group Housing Societies
CGS	Central Generating Stations
CIC	Central Information Commission
CISF	Central Industrial Security Force
CoS	Cost of Supply
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CPSUs	Central Power Sector Utilities
CSGS	Central Sector Generating Stations
CWIP	Capital Work in Progress
DA	Dearness Allowance
DDA	Delhi Development Authority
DERA	Delhi Electricity Reform Act
DERC	Delhi Electricity Regulatory Commission
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)
DMRC	Delhi Metro Rail Corporation
DPCL	Delhi Power Company Limited

Abbreviation	Explanation
DTL	Delhi Transco Limited
DVB	Delhi Vidyut Board
DVC	Damodar Valley Corporation
EHV	Extra High Voltage
EPS	Electric Power Survey
FBT	Fringe Benefit Tax
FPA	Fuel Price Adjustment
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GTPS	Gas Turbine Power Station
HEP	Hydro Electric Power
HPSEB	Himachal Pradesh State Electricity Board
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
IDC	Interest During Construction
IGI Airport	Indira Gandhi International Airport
IPGCL	Indraprastha Power Generation Company Limited
JJ Cluster	Jhugghi Jhopadi Cluster
KSEB	Kerala State Electricity Board
LED	Light Emitting Diode
LIP	Large Industrial Power
LT	Low Tension
LVDS	Low Voltage Distribution System
MCD	Municipal Corporation of Delhi
MES	Military Engineering Service
MLHT	Mixed Load High Tension
MMC	Monthly Minimum Charge
MoP	Ministry of Power
MTNL	Mahanagar Telephone Nigam Limited
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NFA	Net Fixed Asset

Abbreviation	Explanation
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Units of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

A1: INTRODUCTION

1.1 This Order relates to the petition filed by Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' or the 'Petitioner') for True-up of expenses for FY 2014-15 & FY 2015-16 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as the '2nd MYT Regulations') and approval of Aggregate Revenue Requirement & Tariff for FY 2017-18 in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as the Tariff Regulations').

TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

1.2 Tata Power Delhi Distribution Limited (TPDDL) is a company incorporated under the Companies Act, 1956 and is engaged in the business of distribution and retail supply of electricity within its area of supply (as defined in the license) in the National Capital Territory (NCT) of Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by the GoNCTD on 03.03.1999 and it became operational from 10.12.1999.

1.4 The Commission's approach to regulation is driven by the Electricity Act, 2003, the National Electricity Plan, the National Tariff Policy and the Delhi Electricity Reform Act 2000 (hereinafter referred to as 'DERA'). The Electricity Act, 2003 mandates the Commission to take measures conducive to the development and management of the electricity industry in an efficient, economic and competitive manner, which inter alia includes Tariff determination.

THE STATE ADVISORY COMMITTEE MEETING

1.5 The Commission has, since constitution of the State Advisory Committee on 27.03.2003, held 16th meetings so far. In the 16th State Advisory Committee Meeting held on 29.03.2017, the Commission discussed the following:

Table 1: Issues discussed in State Advisory Committee Meeting

S. No.	Issues Discussed
i.	Biling and Metering Audit of Distribution Licensees.
ii.	Implementation of UJALA scheme by Distribution Licensees in collaboration with EESL for distribution of LED bulbs, LED tubes and BEE5 star rated fans under Demand side Management(DSM)
iii.	Energy Audit of DISCOMs.
iv.	Draft DERC (Supply Code and Performance Standards) Regulations, 2017.
v.	Funding of Pension Trust.

MULTI YEAR TARIFF REGULATIONS

1.6 The Commission issued Tariff Regulations vide its gazette notification dated 31.01.2017 specifying Terms and Conditions for Determination of Tariff for Distribution of electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities has also been approved by the Commission in Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 under Tariff Regulations for the period FY 2017-18 to FY 2019-20 .

1.7 The Commission issued '2nd MYT Regulations' vide Order dated 02.12.2011 specifying Terms and Conditions for Determination of Tariff for Distribution of electricity under the Multi Year Tariff (MYT) framework for the period FY 2012-13 to FY 2014-15.

1.8 The Commission vide order dated October 22, 2014 has extended the MYT period of FY 2012-13 to FY 2014-15 for a further period of one year till FY 2015-16.

FILING OF PETITION FOR TRUE-UP OF EXPENSE FOR FY 2014-15 & FY 2015-16 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2017-18

FILING AND ACCEPTANCE OF PETITION

1.9 TPDDL has filed its petition before the Commission on 07.04.2016 for "Annual Revenue Requirement (ARR) for the FY 2016-17, Revised ARR for FY 2015-16, True up expenses for FY 2014-15 and final True Up for Control Period up to FY 2013-14" .

1.10 Further, TPDDL has filed its petition before the Commission on 02.03.2017 for "Annual Revenue Requirements (ARR) for FY 2017-18, revised ARR for FY 2016-17, True up of expenses for FY 2015-16 and Final True up for control period up to FY 2014-15".

1.11 The Commission admitted both the Petitions vide its Order dated 26.05.2017 subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 26.05.2017 is enclosed as **Annexure I** to this Order.

INTERACTION WITH THE PETITIONER

1.12 The Order has referred at numerous places to various actions taken by the "Commission". It may be mentioned for the sake of clarity, that the term "Commission" in most of the cases refers to the Officers of the Commission and the Staff Consultants appointed by the Commission for carrying out the due diligence on the petition filed by the Petitioner, obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.

1.13 For this purpose, the Commission Officers and Staff Consultants held discussions with the Petitioner, obtained information/clarifications wherever required and carried out technical validation with regard to the information provided.

1.14 The Commission held Public Hearing on 19.07.2017 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination. The Commission has considered due diligence conducted by the Officers of the Commission and the Staff Consultants in arriving at its final decision. The use of the term "Commission" may, therefore, be read in the context of the above clarification.

1.15 A preliminary scrutiny/analysis of the petition submitted by the Petitioner was conducted and certain deficiencies were observed. Accordingly, deficiency notes were issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed key issues raised in the petition, which included details of capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, AT&C loss reduction trajectory, liability towards SVRS expenditure, etc.

1.16 The Commission also conducted multiple validation sessions with the Petitioner during which discrepancies in the petition and additional information required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised in these sessions and provided documentary evidence to substantiate its claims regarding various submissions.

1.17 The replies of the Petitioner, as mentioned in the **Table-1.2** as follows have been considered for approval of the ARR of the Petitioner:

Table 2: List of Correspondence with the Petitioner

Sl. No.	Letter No.	Letter Dated	Subject
1	Email	24.03.2017	Submission of additional information on O & M expenses
2	F.3(388)/Tariff/DERC/ 2014-15/4583/258	01.05.2017	Inputs for Business plan regulations and True up of FY 2014-15 and FY 2015-16
3	Email by Commission	09.05.2017	Prudence Check for FY 2014-15 and FY 2015-16
4	Email by Commission	22.05.2017	Arrers for FY 2014-15
5	Email by Commission	05.06.2017	Prudence Check for FY 2014-15 and FY 2015-16
6	Email by Commission	14.06.2017	UI Charges for FY 2014-15 and FY 2015-16
7	Email by Commission	15.06.2017	Prudence Check for FY 2014-15 and FY 2015-16 regarding Long term and Transmission Charges.
8	Email	02.06.2017	Loan detail & interest rates for FY. 16-17
9	Email	26.07.2017	Response to Stakeholders on Petitions for True Up of expenses for FY 2014-15 & FY 2015-16 and Aggregate Revenue Requirement and Tariff for FY 2017-18 and Business Plan Regulations 2017.
10	Email	26.07.2017	Prudence check for claim on account of APTEL Judgement (Additional information on Issue no 6 and Issue no 9 of Appeal 310 of 2015)
11	Email	28.07.2017	Prudence check for claim on account of APTEL Judgement (Actual payment of ,Food Allowance and Children Education Allowance for FY 2010-11 & FY 2011-12)
12	TPDDL/Regulatory/03	17.07.2017	Details for subsidy involved in respect of JJ Cluster Consumer (Submission of details/ information, for one time settlement scheme) along with CD

PUBLIC NOTICE

1.18 The Commission published a Public Notice in the following newspapers on 07.06.2017 inviting comments from stakeholders on the Tariff petitions filed by the Petitioners latest by 27.06.2017:

(a)	Indian Express (English)	:	07.06.2017
(b)	The Pioneer (English)	:	07.06.2017
(c)	Times of India (English)	:	07.06.2017
(d)	Hindustan (Hindi)	:	07.06.2017
(e)	Dainik Jagaran (Hindi)	:	07.06.2017
(f)	Educator (Punjabi)	:	07.06.2017

1.19 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.20 The Petitioner also published a Public Notice indicating salient features of its petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 27.06.2017 in the following newspapers on the respective dates mentioned alongside:

(a)	Times of India (English)	:	16.06.2017
(b)	Hindustan Times(English)	:	16.06.2017
(c)	Hindustan (Hindi)	:	17.06.2017
(d)	Inquilab (Urdu)	:	21.06.2017
(e)	Qaumi Patrika (Punjabi)	:	21.06.2017

1.21 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in). A copy of the petition was also made available for purchase from the head-office of the Petitioner on any working day between 11 A.M. and 4 P.M. on payment of Rs.100/- for hard copy of each petition either by cash or demand draft/pay order. A copy of the complete petition was also uploaded on the website of the

Commission, as well as that of the Petitioner, requesting for comments of the stakeholders thereon.

1.22 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 18.07.2017 for which the public notice was issued in the following newspapers on the respective dates mentioned along side:

(a)	Pioneer (English)	:	25.06.2017
(b)	Hindustan Times (English)	:	25.06.2017
(c)	Mail Today (English)	:	25.06.2017
(d)	Hindustan (Hindi)	:	25.06.2017
(e)	Punjab Kesari (Hindi)	:	25.06.2017
(f)	Rashtriya Sahara (Hindi)	:	25.06.2017

1.23 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.24 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, the Commission prepared a Executive Summary highlighting salient features of the Tariff Petition filed by the Petitioner, which was uploaded on the Commission's website. In this regard, three officers of the Commission viz. Joint Director (Tariff-Finance), Joint Director (Engineering) and Joint Director (PS&E) were nominated for discussion on the ARR Petitions. This was duly highlighted in the Public Notices published by the Commission.

1.25 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 4th and 5th July, 2017 in the following newspapers on the respective dates mentioned alongside:

(a)	Pioneer (English)	:	25.06.2017
(b)	Hindustan Times (English)	:	25.06.2017
(c)	Mail Today (English)	:	25.06.2017
(d)	Hindustan (Hindi)	:	25.06.2017
(e)	Punjab Kesari (Hindi)	:	25.06.2017
(f)	Rashtriya Sahara (Hindi)	:	25.06.2017

1.26 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.27 At the request of the stakeholders, the Commission extended the date of Public hearing from 04th and 05th of July 2017 to 19th of July 2017 .The public notice was issued in the following newspapers on the respective dates mentioned along side:

(a)	Pioneer (English)	:	02.07.2017
(b)	Hindustan Times (English)	:	02.07.2017
(c)	Mail Today (English)	:	02.07.2017
(d)	Indian Express (English)	:	02.07.2017
(e)	Hindustan (Hindi)	:	02.07.2017
(f)	Punjab Kesari (Hindi)	:	02.07.2017
(g)	Dainik Jagran (Hindi)	:	02.07.2017
(h)	Jadid in dinon (Urdu)	:	02.07.2017
(i)	The Jan Ekta (Punjabi	:	02.07.2017

1.28 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.29 The Commission received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission. The Commission invited all stakeholders, including those who had filed their objections and suggestions, to attend the Public Hearing.

1.30 The Public Hearing was held at the Auditorium of Scope Convention Centre, Scope Complex, New Delhi for all stakeholders on 19.07.2017 to discuss the issues related to the petition filed by the Petitioner. The issues and concerns voiced by various stakeholders have been examined by the Commission. The major issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

LAYOUT OF THE ORDER

1.31 This Order is organised into six Chapters:

a) **Chapter A1** provides details of the tariff setting process and the approach of the Order.

b) **Chapter A2** provides a brief of the comments of various stakeholders including the comments during the Public Hearing, the Petitioner's response and views of the Commission thereon.

c) **Chapter A3** provides details/analysis of the True up for FY 2014-15 & FY 2015-16.

d) **Chapter A4** provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2017-18.

e) **Chapter A5** provides details of the possible options for determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2017-18, and the approach adopted by the Commission in its determination.

f) **Chapter A6** provides details of the Directives of the Commission.

1.32 The Order contains following Annexure, which are an integral part of the Tariff Order:

a) **Annexure I** - Admission Order.

b) **Annexure II** - List of the stakeholders who submitted their comments on True-up of expense for FY 2014-15 & FY 2015-16 and approval of Aggregate Revenue Requirement & Tariff for FY 2017-18.

c) **Annexure III** – List of Stakeholders/consumers who attended the public hearing.

PERFORMANCE REVIEW

1.33 Regulation 10.2 of the DERC (Terms & Conditions for determination of Wheeling and Retail Supply Tariff) Regulation, 2011 stipulates as under:

"The Distribution Licensee shall submit information as part of annual review on actual performance to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including latest available audited accounts as well as the regulatory accounts in the prescribed formats and the

tariff worked out in accordance with these Regulations."

1.34 The Commission sought inputs on overall Standards of Performance prescribed in Schedule-II of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007. The details submitted by TPDDL for FY 2014-15 and FY 2015-16 are as follows:

Table 3: Standards of Performance during FY 2014-15 and FY 2015-16

Sr. No.	Parameter	Prescribed Time Limit / Measure	Overall Standard of Performance	Standard of Performance achieved	
				FY 2014-15	FY 2015-16
1	Normal Fuse-Off Calls	Within three hours for Urban area	At least 99% calls received should be rectified within prescribed time limits in both Cities and Towns and in Rural areas.	99.05%	98.45%
		Within eight hours for Rural areas		9.69%	.38%
2	Line breakdown	Temporary Supply to be restored within four hours from alternate source, wherever feasible.	At least 95% of cases resolved with in time limit in both Cities and Towns and in Rural areas.	99.66%	66.61%
		Rectification of fault and thereafter Restoration of normal power supply within twelve hours.			
3	Distribution Transformer Failure*	Temporary supply to be restored within four hours from alternate source, wherever feasible.	At least 95% of DTR's to be replaced within prescribed time limits in both Cities and Towns and in Rural areas.	100%	98.54%
		Rectification of fault and thereafter restoration of normal power supply within twelve hours.			
4	Period of Scheduled Outage				
	Maximum duration in a single stretch	Maximum duration shall not exceed 12 hours in a day.	95% of cases resolved within time limit	99.97%	99.89%
	Restoration	Supply to be Restored by		99.97%	98.09%

Sr. No.	Parameter	Prescribed Time Limit / Measure	Overall Standard of Performance	Standard of Performance achieved	
				FY 2014-15	FY 2015-16
	of supply by 6:00 P.M.	6:00 P.M.			
5	Street light Faults				
	Rectification of line faults	72 hours	At least 90% cases should be complied within prescribed time limits	93.99%	97.84%
	Replacement of fused/ defective unit	72 hours			
6	Frequency Variation		To maintain supply frequency within range as per IEGC	0	0
7	Voltage Unbalance	Computation of voltage unbalance is to be specified by the Honorable Commission	Maximum of 3% at point of Commencement of Supply	0	0
8	Billing Mistakes	% = bills required modifications/total number of bills issued.	Not exceeding 0.20%	0.00%	0.003%
9	Faulty Meter	% = Total defective meters/ total number of meters in service.	Not exceeding 3%	0.78%	0.69%
10	Reliability Indices	SAIFI	NA	2.935	2.515
		SAIDI		3.175	20639
		MAIFI		0.047	0.046

APPROACH OF THE ORDER

APPROACH FOR FY 2014-15 AND FY 2015-16

1.35 Under the MYT Framework, the Commission had projected the ARR of the Petitioner for FY 2014-15 and FY 2015-16 in the MYT Order issued on 13.07.2012 and Tariff Order issued on 29.09.2015. Under '2nd MYT Regulations', the components of ARR have been segregated into controllable and un-controllable parameters. As per the regulation

4.21 of the '2nd MYT Regulations' , various controllable and un-controllable parameters shall be trued-up as per the principle stated as follows:

a) Variation in revenue/expenditure on account of uncontrollable sales / power purchase respectively shall be trued-up every year;

b) For controllable parameters,

i) Any surplus or deficit on account of Operation and Maintenance (O&M) expenses shall be to the account of the Licensee and shall not be trued-up in ARR; and

ii) Depreciation and Return on Capital Employed shall be trued-up every year based on the actual capital expenditure and actual capitalization vis-à-vis capital investment plan (capital expenditure and capitalisation) approved by the Commission.

Provided that any surplus or deficit in Working Capital shall be to the account of the Licensee and shall not be trued-up in ARR.

Provided further that the Commission shall not true-up interest rate, if variation in State Bank of India Base Rate as on 01.04.2012, is within +/- 1% during the Control Period. Any increase / decrease in State Bank of India Base Rate beyond +/- 1% only shall be trued-up.

1.36 The Commission has accordingly, trued up the uncontrollable parameters viz. power purchase cost, energy sales and revenue based on the audited accounts and other information submitted by the Petitioner for FY 2014-15 and FY 2015-16 after exercising prudence check. The true up of controllable parameters is governed by Regulation 4.21 of the '2nd MYT Regulations' as mentioned above. The detailed treatment of each component of uncontrollable and controllable parameters is provided in Chapter A3 of this Order.

1.37 The Commission has implemented various directions of Hon'ble APTEL subject to the decision on the issues which have been covered under Clarificatory application filed before Hon'ble APTEL due to variance in judgment on similar issues. Following issues have been covered under Clarificatory application:

a) Change in methodology for computation of AT&C losses

b) True up of rate of interest on loans

c) AT&C loss true up of FY 2009-10 due to disallowance of KWH figures

d) AT&C loss target revision for FY 2011-12

e) Efficiency factor applied on O&M expenses during 2nd MYT Control Period

f) SVRS terminal benefit payment

g) Food and Children Education Allowance

h) Comparable pay for Non FRSR employees

i) Arbitrary computation of efficiency factor for FY 2011-12

APPROACH FOR FY 2016-17

1.38 The Petitioner has requested for a review of ARR for FY 2016-17. The mechanism for True up as specified in the MYT Regulations envisages that variations on account of uncontrollable items like energy sales and power purchase cost shall be trued up. Truing up shall be carried out for each year based on actual/audited accounts and prudence checks undertaken by the Commission. Accordingly, the Commission is of the opinion that in accordance with the '2nd MYT Regulations' the True up of FY 2016-17 can only be considered based on the audited financial statement once the Petitioner makes a regular tariff Petition for True up of FY 2016-17.

APPROACH FOR FY 2017-18

1.39 The Commission vide its notification dated January 31, 2017 issued the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

1.40 Further, the Commission has issued the Delhi Electricity Regulatory Commission Business Plan Regulations, 2017.

1.41 The ARR for the FY 2017-18 shall be determined inter alia based on the provisions of the Tariff Regulations 2017 read with Delhi Electricity Regulatory Commission Business Plan Regulations relevant to the Distribution business.

1.42 The allocation from the unallocated quota of Power at the disposal of GoNCTD may change from time to time and needs to be considered based on the latest available data or the Commission may have to make reasonable assumptions with respect to allocation of power from the unallocated quota.

1.43 Availability of power from the new sources of generation has been considered based on their actual / revised Commissioning schedule.

1.44 The Commission has evaluated the ARR submitted by the Petitioner on the basis of the provisions in Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 read with Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 and other factors considered appropriate by the Commission.

A2: RESPONSE FROM STAKEHOLDERS

2.1 Summary of objections/suggestions from stakeholders, response of DISCOMs (Tata Power Delhi Distribution Limited (TPDDL), BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL), New Delhi Municipal Council (NDMC) and Commission's Analysis.

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the distribution licensees, after consideration of all suggestions received from the public and the response of the DISCOMs to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly public hearing was held on 19.07.2017 in Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi with consumers to discuss the issues related to the petitions filed by the DISCOMs viz., Tata Power Delhi Distribution Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited & New Delhi Municipal Council for true up of expenses for FY 2014-15 & FY 2015-16 and Annual Revenue Requirement (ARR) for FY 2017-18.

2.3 In the public hearing, the stakeholders offered their comments and suggestions before the Commission in the presence of the Petitioners.

2.4 The Commission has examined the issues taking into consideration the comments/ suggestions offered by the various stakeholders in their written statements and during the public hearing and also the response of the Petitioners thereon.

2.5 The comments/suggestions of various stakeholders, the replies/response from the Petitioners and the views of the Commission thereon are summarized below under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION PROCESS

STAKEHOLDER'S VIEW

2.6 Commission must try to make public hearing and objection process more transparent and fruitful by creating awareness among consumers for participation in the process.

2.7 Date and Venue for public hearing should be widely publicised.

2.8 Complete petition is not available on DISCOMs' and Commission's websites.

PETITIONER'S SUBMISSION

TPDDL

2.9 Salient Features of our Petition have been published by TPDDL through Public Notice in various newspapers.

2.10 Process of inviting comments is governed by the Rules, Regulations of the Hon'ble Commission. Suggestions, if any, are made to Hon'ble Commission accordingly.

BYPL

2.11 We appreciate the concern of the stakeholders regarding transparency and participation of consumers in the Tariff determination process. In this regard we humbly clarify that a notice regarding submission of comments and Public hearing on the Tariff Petitions filed by Licensees was published by the Hon'ble Commission in various newspapers. In order to extend help to the consumers in understanding the ARR Petition and filing their comments, Hon'ble Commission has also uploaded on its website executive summary of the Petitions filed by the Petitioners. Further, in compliance with the directions of the Hon'ble Commission, the Petitioner has published Public Notices on their respective Petitions in leading newspapers for ensuring wide circulation.

2.12 As regards the stakeholder's comment regarding uploading of ARR on the website by BYPL, we would like to respectfully submit that BYPL has duly uploaded its True up & ARR Petitions on its website for the convenience of all stakeholders.

BRPL

2.13 The observations and suggestions made by the esteemed stakeholder pertain to Hon'ble Commission's notice inviting public comments and seem to be directed towards the Hon'ble Commission. We sincerely trust that the same would be duly considered by the Hon'ble Commission.

2.14 The stakeholder may also note that the complete Petition is available on the Petitioner's website for free download. Alternately, any consumer may procure a hard copy of the Petition from the Petitioner's head office by making requisite payment. Further, the stakeholder may contact the Hon'ble Commission personally in case any explanation is required concerning the ARR / True-up Petition.

2.15 It is submitted that the ARR Petitions are available on the BRPL's website at the URL www.bsesdelhi.com/HTML/Regulatory.html.

2.16 The stakeholder may also procure a hard copy of the Petition from the petitioner's head office by making requisite payment.

COMMISSION'S VIEW

2.17 The process of public hearing is conducted in a transparent manner and wide publicity has been given at various stages.

2.18 The Commission published a Public Notice in leading newspapers on 07.06.2017, as detailed on DERC website, inviting comments from stakeholders on the Tariff petitions filed by the Petitioners by 27.06.2017.

2.19 The Petitioners also published a Public Notice indicating salient features of its petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 27.06.2017 in leading newspapers as detailed on DERC website,.

2.20 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 18.07.2017, for which the public notice was issued on 25.06.2017 in leading newspapers as detailed on DERC website.

2.21 The Commission also published a Public Notice indicating the venue, date and time of public hearing on 4th and 5th July, 2017 in leading newspapers on 25.06.2017, as detailed on DERC website.

2.22 At the request of the stakeholders, the Commission extended the date of Public hearing from 04th and 05th of July 2017 to 19th of July 2017. The public notice was issued in leading newspapers on 02.07.2017, as detailed on DERC website.

ISSUE 2: MYT REGULATION & BUSINESS PLAN

STAKEHOLDER'S VIEW

2.23 Hard copy of MYT Regulation was not circulated among stakeholder. Many issues like RoE, Loss reduction program, depreciation etc are missing from MYT Regulation. Business Plan Regulation has not yet been finalized yet, it is improper to issue Tariff Order for FY 2017-21 without the finalization of Business Plan Regulation.

2.24 Collective wisdom of full Commission are not available as there are vacant seats of Chairman and Member.

2.25 DERC should come out with tariff order by 31st March of every year, so that the consumers do not bear the carrying cost.

2.26 How consumers are benefited by reduction in years of MYT Regulation which is 3 years for current as compared to 5 years in last MYT Regulation order.

2.27 It is difficult for stakeholders to comment on Tariff & Business plan at the same time; it is requested to postpone the date to file comments by 6 weeks i.e. August 9, 2017.

2.28 Tariff Petition should be rejected as FY 2016-17 audit report is not signed by Majority of Directors.

PETITIONER'S SUBMISSION

TPDDL

2.29 The Tariff Regulations have been notified and are available on the Hon'ble Commission's website.

2.30 Hon'ble Commission has already extended the last date for submission of comments by stakeholders for Draft Business Plan Regulations till 18th July 2017. Thus, the request by stakeholders for providing adequate opportunity for giving suggestions/comments has already been considered by the Hon'ble Commission.

2.31 Hon'ble Commission is obligated to perform and discharge certain functions mandated under the Electricity Act 2003, including tariff determination in a time bound manner. The ARR finalization cannot be left as an open ended exercise, which is in violation of the aforesaid functions of Hon'ble Commission. TPDDL strongly objects to the said request/comment.

2.32 Any delay in issuance of tariff order would adversely impact the overall growth of power sector. Therefore, Tariff Order should be released within given time frame as prescribed in the Regulations.

2.33 MYT control period of 3 years is more appropriate as the components of ARR undergo through various changes. The various factors impacting ARR like statutory increases, inflation, variation in power purchase cost, sale of power etc. can be conveniently mapped and factored after the 3 year control period. If the said period is considered to be longer to include more years, the same may lead to unrealistic projections and deviations. The 3 year period is in line with provisions of NTP etc. and thus, may be retained.

BYPL

2.34 As regards the circulation of hard copy of final Tariff Regulations notified by the Hon'ble Commission, we would like to submit that the Regulations were duly uploaded on the website of the Hon'ble Commission as circulation of hard copy to every stakeholder would not be possible. Moreover, it supports digital India initiative.

2.35 In terms of 4 of DERC (Terms and Conditions for Determination of Tariff Regulation, 2017), the following parameters shall be contained in the Business Plan Regulation:

(1) Rate of Return on Equity,

(2) Margin for rate of interest on Loan,

(3) Operation and Maintenance Expenses,

(4) Capital Investment Plan,

(5) Mechanism for sharing of incentive-disincentive mechanism,

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure for Operation and Maintenance Expenses and for creation of Capital Asset,

(7) Generating Norms:

(8) Transmission Norms:

(9) Distribution norms:

(a) Distribution Loss Target;

(b) Collection Efficiency Target;

(c) Targets for Solar and Non Solar RPO;

(d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions

(e) The ratio of various ARR components for segregation of ARR into Retail supply and wheeling business.

2.36 Accordingly, the Hon'ble Commission has issued the Draft Business Plan Regulations and invited comments from all stakeholders before finalisation.

2.37 Stakeholder has view that Commission is in depleted state with 67% vacancy of chairman and Members. With respect to the same we would like to contend that some of the Electricity Commission has single Member Commission. However fulfilment of vacancies is the sole prerogative of the Commission.

2.38 An explanatory Memorandum is also issued by the Hon'ble Commission which contains reasoning and justification of each and every issue of Draft Business Plan on which comments can be given. Hence, there is neither misuse of any power by Hon'ble Commission nor the exercise of circulating the Draft Business Plan Regulation is eye wash.

2.39 Hon'ble Commission in the Draft Business Plan regulations has defined the control period of 3 years. The Petitioner in its comments to the draft Regulations has also requested for revising the Control period to 5 years in view of the fact that the Hon'ble Commission's own Tariff Regulations 2017 contemplate that the utility shall have a "business plan" for the next five years. We hope that the Hon'ble Commission will consider the stakeholder's comment while finalizing Business Plan Regulations.

BRPL

2.40 As regards the issue of MYT Regulation, we would like to say that the same pertains to the Hon'ble Commission and the licensee would not be in a position to comment on the same.

2.41 As regards the 67% vacancy in the Hon'ble Commission is concerned, it is submitted that Section 82 of the Electricity Act, 2003 provides that the Chairperson and the Members of the Hon'ble Commission shall be appointed by the State Government on the recommendation of a Selection Committee. The licensee has no role to play in the appointment and therefore would not be in a position to comment on the issue.

2.42 As regards the comments on the Business Plan Regulations are concerned, we expect that the Hon'ble Commission will give due consideration to the comments.

COMMISSION'S VIEW

2.43 The Tariff Regulations notified by the Hon'ble Commission were duly uploaded on the website of the Commission. Circulation of hard copy to every stakeholder may not be desirable in view of digital India initiative.

2.44 The principles for determination of tariff have been finalized in Tariff Regulations. The draft Business Plan Regulations have been circulated inviting the stakeholder's comments. Comments received from the stakeholders on the operational norms indicated in draft Business Plan Regulations are considered in the final Business Plan Regulations approved by the Commission before issuance of the Tariff Order.

2.45 As per the judgement of Hon'ble APTEL dated 02.12.2013 in the matter of OP 1 of 2011, it is a settled law that a Commission may function even with a single member. The observations of Hon'ble APTEL are:

"9. In view of the above decision, we are to direct all the Commissions to conduct the proceedings irrespective of the quorum since the proceedings before the Commission could be conducted even by a single Member."

"12. Therefore, we direct that all the Commissions concerned irrespective of the Regulations with regard to the quorum for a meeting, that Commission, even with a single Member despite that there are vacancies of other Members or Chairperson, can continue to hold the proceedings and pass the orders in accordance with the law."

2.46 The last MYT Regulations, 2011 were also valid for three years (FY 2012-13 to FY 2014-15), and its applicability was only extended subsequently.

2.47 The Commission has already extended the last date for submission of comments by stakeholders for Draft Business Plan Regulations and the Tariff Petitions till 18th July 2017 in consideration for providing adequate opportunity for giving suggestions/ comments.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW:

2.48 DISCOMs may provide the status of current RPO.

2.49 DISCOMs must submit the half yearly report on the RPO target and achievement to

Commission.

2.50 Either the inefficient and costly power plants must be closed or RPO obligation must be removed so that power purchase cost does not go up as DISCOMs have sufficient long term PPA's. DISCOMs should promote net metering over REC purchase as it will reduce financial burden of DISCOMs.

2.51 It is requested to Commission to reconsider RPO targets with respect to cost to DISCOMs, in consumer interest.

2.52 Rooftop Solar should be promoted which will reduce power purchase cost. Commission should consider rooftop solar as a part of DISCOMs RPO.

2.53 Solar power should be made compulsory for Govt. offices and E-rickshaw. Banks should provide loan at low rates for solar project.

PETITIONER’S SUBMISSION

TPDDL

2.54 TPDDL has tied up 20MW of solar power from SECI, 60 MW of Small Hydro Power and 13 MW of Waste to Energy from Timarpur Okhla & Bawana Plant. In addition, TPDDL plans to harness 400 MW of solar rooftop under net metering through consumer rooftop in future years.

2.55 Targets are fixed by the Hon’ble Commission on yearly basis. The same precedent has been followed since notification of the RPO targets through separate Regulations in Oct 2012.

2.56 TPDDL is in agreement that its expensive power plants need to be reallocated and is pursuing the same at various forums i.e. both State and Central level. In addition, TPDDL has also requested Hon’ble DERC to reconsider the steep RPO trajectory considering the power surplus situation of Delhi and the availability of renewable resources.

2.57 TPDDL is in agreement of the same and has requested Hon’ble DERC to defer the steep RPO trajectory to future years allowing consumers of Delhi sufficient time to become Consumers of green power by installation of Solar Rooftops.

2.58 TPDDL has proactively engaged with RWAs and IWAs to create awareness on solar energy and implementation of solar rooftops. TPDDL is consistently pursuing the same with consumers to harness solar power through rooftop generation.

BYPL

2.59 We would like to respectfully submit that in terms of DERC (Terms and Conditions for Determination of Tariff) Regulation, 2017 the RPO targets for Solar and Non Solar RPO has been defined in the Draft Business Plan Regulations for the Control Period.

2.60 Further the targets are given on the percentage of total sales to retail consumers in its area of supply excluding procurement of hydro power for the financial year.

2.61 BYPL is encouraging its customers for installing roof-top solar under the Net metering Regulations of the Hon'ble Commission. In FY 14-15 BYPL had only Net Metering consumers of 20 KW under net metering Regulations which has now increased to 63 numbers contributing approx. 3.2 MW.BYPL has also long term contract in place for purchase of Solar and Non-solar energy.

2.62 We appreciate the concern of the stakeholder regarding implementation of roof top solar, we would like to submit that BYPL is encouraging its customers for installing roof-top solar under the Net metering Regulations of the Hon'ble commission. BYPL also has long term contract in place for purchase of Solar and Non-solar energy.

2.63 As regard of stakeholder's comment of 17% RPO target we would like to submit that Hon'ble commission has approved the RPO targets in Draft Business Plan Regulation, 2017 which are as under:

"The targets for Renewable Purchase Obligation (RPO) in terms of the Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the distribution Licensee from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be computed as a percentage of total sales to retail consumers in its area of supply excluding procurement of hydro power" as follows:

Table 4: RPO Target as submitted by DISCOM

Sr. No.	Distribution Licensee	2017-18	2018-19	2019-20
1	Solar Target (Minimum)	2.75%	4.75%	6.75%
2	Total	11.50%	14.25%	17.00%

2.64 However in view of the fact that there are very few Renewable sources available in Delhi for fulfilling the RPO and purchase of REC would be unnecessary burden on the part of Consumers of the Petitioner, BYPL has filed a petition before DERC for waiver/deferment of RPO targets for FY 12-13 to FY 16-17 and a separate petition filed for waiver/deferment of RPO targets of FY 16-17.

2.65 We appreciate concern on Renewable Purchase Obligations for Delhi DISCOMs. The Renewable resources are limited in Delhi so the DISCOM is bound to buy REC (Renewable Energy Certificates) to fulfil RPO obligations.

2.66 We would like to mention that BYPL was first among the DISCOMs in Delhi to have successfully installed solar net metering. Further, way before the net metering Regulations were in place and Delhi Government notification of Solar Policy, BYPL have installed roof top solar in many of its Grids.

BRPL

2.67 As regards submission of half yearly reports to the Commission is concerned, the licensee is already in compliance of the same.

2.68 As regards purchase of renewable energy it is pertinent to highlight that the Hon'ble Commission has already specified obligations to purchase renewable energy on a year-to-year basis. Accordingly, BRPL has been procuring renewable power to the extent possible. However, it may also be noted that availability of renewable power in Delhi has not been sufficient to meet the complete demand, a fact that has been highlighted before the Hon'ble Commission. Notwithstanding, BRPL continues to procure renewable power to the extent possible. During FY 2016-17, BRPL managed to procure 118 MU from renewable sources at an average tariff of Rs.3.76/unit. In addition, BRPL has also procured REC of 333 MU at a cost of Rs.1.5/unit to fulfil part of its RPO obligations

2.69 The stakeholder's concern for renewable power obligation on DISCOMs vis-à-vis surplus power is appreciated. It would only be relevant to mention here that the licensee has time and again sought for relaxation from the Hon'ble DERC in the RPO targets. The licensee has also given several representations before the DERC regarding RPO targets from time to time. The licensee's Petition 30 and 31 of 2015 is also pending adjudication before the Hon'ble DERC

COMMISSION'S VIEW

2.70 Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for promotion of co-generation and generation based on renewable energy sources. The policy framework of the Government of India also stresses on the encouragement of renewable energy sources keeping in view the need for energy security and reducing carbon footprint.

2.71 Section 86 (1) (e) of the Electricity Act 2003 states:

"The State Commission shall discharge the following functions:

Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee"

2.72 The Commission in pursuance of the same has mandated the renewable purchase obligation to be met through purchase of energy from renewable energy sources/renewable energy certificate to ensure that RPOs are met in the most optimum manner.

2.73 The Commission has issued DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2012, notified on 01.10.2012. As per these Regulation, every obligated entity is required to fulfil a defined minimum percentage of the total quantum/consumption from eligible renewable energy sources at the percentages as per the following schedule:-

Table 5: RPO approved by the Commission

Year	Solar	Total
2012-13	0.15%	3.40%
2013-14	0.20%	4.80%
2014-15	0.25%	6.20%
2015-16	0.30%	7.60%
2016-17	0.35%	9.00%
2017-18	4.75%	14.25%
2018-19	6.75%	17.00%
2019-20	8.75%	19.75%

2.74 The Commission has already notified the Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 and the provision has been specified that the quantum of electricity generated under these Regulations shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee if Renewable Energy Generator is not an obligated entity.

2.75 The Commison is of the view that generation of electricity from renewable sources of energy should be promoted and hence non-compliance shall attract penal action as per provisions of the Regulations. Further, the penalty imposed by the Commission on the obligated entity has to be used for serving the best interest of the consumers, and cannot be allowed as a pass through in the Aggregate Revenue Requirement (ARR), in case the obligated entity is a Distribution Licensee.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.76 DISCOMs must suggest some ways in Petition to reduce the power purchase cost and also think to re-develop the BTPS plant in UMPP to reduce power purchase cost. Kindly mention the status of agreement with low cost solar power from Rewa and Rajasthan project.

2.77 Power Purchase Cost is the major component of tariff, and DISCOMs are purchasing costly power from inefficient plants which add financial burden. DISCOMs must stop buying power from inefficient Plants and plants having FSA issue. Ways to reduce the power purchase cost like re-develop the BTPS plant to UMPP to reduce power purchase cost or procurement of low cost solar power from Rewa or Rajasthan project may be adopted.

2.78 Reason for 11% increase in power purchase cost over previous period and Sale of Power by 4% may be provided by the DISCOMs. Proper planning should be done by DISCOMs for prudent power purchase.

2.79 Proper planning should be done by DISCOMs for prudent power purchase.

2.80 North & South Delhi must receive power from new power station having higher tariffs whereas Old Delhi must receive power from old cheaper plants because North and South Delhi electricity is used in large scale for commercial purpose.

2.81 Surplus Sale of power by DISCOMs is at very low rates, why not this surplus power is sold to poor people under CSR initiative or the Industry of Delhi.

2.82 Is there any micro analysis for surplus power purchase? If yes, then provide the output.

2.83 The Commission had estimated rebate in power purchase and transmission charges at Rs. 128 Crore in comparison to actual amount of Rs. 26 crore. Please explain.

PETITIONER'S SUBMISSION

TPDDL

2.84 Power Purchase is a component of the ARR in addition to other cost of distribution utilities. All these costs together are taken for deciding the future tariffs.

2.85 TPDDL currently has no agreement with Rewa solar power or any plant in Rajasthan for sourcing power at tariff of Rs. 3/- per unit or less.

2.86 TPDDL has been proactively taking steps to reduce the burden of expensive power on the consumers. TPDDL has got its share from new stations such as Koldam and Tanda II reallocated through MoP. TPDDL has also submitted various proposals both to the Hon'ble DERC and MoP for reallocation of expensive power from plants like Aravali, Dadri 1 & 2 along with a suggested mechanism for realigning the existing allocation from these plants amongst Delhi DISCOMs in such a way that better scheduling can be done and power purchase costs can be optimized. The above proposal is currently in consideration by Hon'ble DERC.

2.87 As per the current Regulations in vogue, generators are eligible to recover full fixed costs if they are able to demonstrate availability of 85% even on the basis of expensive fuel.

2.88 TPDDL schedules these plants on the basis of Merit Order to avoid any additional burden on consumers.

2.89 TPDDL has also been pursuing the same for quite some time as BTPS has long outlived its useful. 3X95 MW units of the plants are under shutdown. However, remaining 2X210 MW units are still running on account of transmission constraints at DTL end. It is expected that the same will be closed by 1st June 2018 after Commissioning of 400/220 KV Tughlaqabad Grid by DTL.

2.90 Power allocations entered into by DVB/DTL have been entered for Delhi as a whole. The power re-allocation has been done by Hon'ble DERC based on load profile, consumer profile of the respective geographical licensed areas. The suggestion is impractical as tie ups for power purchase cannot be split to differentiate between old power procured versus new power procured for certain areas, while the grid is integrated and uniform tariff prevailing in Delhi. Further the Hon'ble Commission is bound under the Electricity Act 2003 not to show any undue preference to any specific consumers of an area.

2.91 The Hon'ble DERC cannot decrease power purchase cost for plants regulated by the Hon'ble CERC. Further DISCOMs are allowed schemes based on their criticality and necessity after due prudence by Hon'ble Commission. Power Purchase Costs do not govern the decision for investment in such schemes. Thus if a particular area requires new scheme, up-gradation the same must be pointed out to Hon'ble DERC with data of breakdowns, poor supply, load shedding etc.

BYPL

2.92 We appreciate the concern of the Stakeholder regarding closing down of Badarpur Thermal Power Station and reducing Power Purchase cost from other costlier plants. It is submitted that the Petitioner is making all efforts for power purchase cost optimization and has approached various forums such as CERC, DERC for reduction in Power Purchase Cost and closing down of costly stations such as BTPS.

2.93 Petitioner is also contesting the fuel availability of Pragati Bawana and is also filing its responses against the Tariff petition filed by Central Generating stations including Pragati Bawana, Aravali and other costly NTPC stations such as BTPS, Dadri Stations in CERC.

2.94 We appreciate the concern of the stakeholder and would like to apprise that BYPL is sincerely inclined towards power purchase optimization. Time and again BYPL has pursued DERC for exploring different possibilities to reduce loss on sale of surplus power. BYPL precisely forecasts its demand and corresponding energy requirement. Services of consultants and experts will further strengthen our endeavour towards power purchase optimization.

2.95 The petitioner has taken various steps for closing down higher cost power stations such as BTPS, Rajghat etc. It is further submitted that the Petitioner has also approached various forums such as CERC, DERC for reduction in Power Purchase Cost. Petitioner is also filing its responses against the petition filed by Central Generating stations in CERC.

As regard to difference in power purchase cost between new stations and old station, the petitioner would like to clarify that the power cost from old Hydro stations of NHPC etc. and Thermal stations such as Singrauli, Rihand etc. are cheaper however the power from new Hydro Stations and thermal/ Gas Stations such as Aravali, Pragati Bawana are costlier the same is on account of fact that pithead stations are cheaper in nature due to lower fuel cost as against the non pithead stations which have higher fuel cost and there is a higher recovery of Fixed cost for older hydro/ thermal stations as against the newer stations.

2.96 In this regard the petitioner submits that the power is sold in the short term market through following various means such as 1) Banking 2) Bilateral 3) Exchange 4) intra state sale & UI. The petitioner always endeavours to dispose power through banking along with the other available means. Although we always endeavour to sale surplus power through banking but due to various constraints it is not always possible to dispose the full quantum of surplus power only through banking. Hence, petitioner always endeavours to purchase and sale the power in the most economical manner as per the principles outlined by Hon'ble Commission.

2.97 Since the Hon'ble Commission allows PPC after deducting the maximum normative rebate from Gross Power Purchase cost, any actual rebate ought not to be deducted as it would lead to double accounting.

BRPL

2.98 We would like to submit that power plants are allocated to the licensee by the Hon'ble Commission and the Ministry of Power, Government of India. Further the tariff from these plants is determined by the Hon'ble CERC.

2.99 The stakeholder's observation regarding the need to surrender / reallocate costly power is well appreciated. In this regard it is noteworthy that the petitioner has written to the Hon'ble Commission on several occasions relating to surrendering of costlier power plants. We trust, the Hon'ble Commission would give due cognizance to this aspect while determining tariff.

COMMISSION'S VIEW

2.100 The long term Power Purchase Agreements are entered into by the Petitioner considering the overall average projected demand of the consumers and likely growth in the demand vis-à-vis the likely availability of Power from various sources. The surplus/shortfall in power availability arising due to difference in demand during peak hours and non-peak hours including seasonal variations is required to be sold/purchased by the Petitioner on need basis. The Commission has directed the Petitioner to optimize such short term transactions and maintain transparency in its short-term power purchases and sales.

2.101 The Commission has specified in Tariff Regulations 2017, as well as in earlier Tariff Orders, that the Merit Order Dispatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also incentive and disincentive mechanism for sale of surplus power to minimize the revenue from sale of surplus power. Further, as per the provision of Delhi Electricity Regulatory Commission Business Plan Regulations, 2017, the contingencies limit for sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.

2.102 The Commission has already approved various PPAs entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21.10.2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.

2.103 The Commission has also noted that the load curve in Delhi is peculiar in nature with high morning and evening peaks and very low load demand during night hours. It is due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement of power primarily during day time. The round-the clock industries, which are a common feature in most of the States and which contribute towards flattening of the load curve, are very few in Delhi.

2.104 To cater to the peak demand during day time, DISCOMs have been buying Round the Clock (RTC) Power. The surplus power during night hours/off peak hours gets sold at the prevailing short-term market rate/Power Exchange Rate/UI Rates which is much lower than the average power cost. In order to optimize the cost of power purchase, the Commission has advised the distribution utilities to explore the possibility of higher banking transactions to avoid purchase of peaking power for a short duration, so as not to burden the consumers with avoidable purchases of RTC power which entail the sale of off-peak surplus at very low rates under the mechanism of Unscheduled Interchange.

2.105 The Commission has already issued guidelines for short term power procurement which inter-alia includes provisions related to power purchase and sales from sister concerns. Most of the power for Delhi is purchased from Central Generating stations and State Generating Stations based on long term Power Purchase Agreements. The price of power supplied by Central/State Generating stations is determined by CERC/DERC. A small quantum of power is purchased in the short term to meet the peak demand. The Commission tries to ensure that the entire process for power purchase for Delhi is transparent. The Commission approves the cost of power procurement after prudence check.

2.106 The Commission had projected power purchase cost net of rebate as per the provisions of MYT Regulations, 2011 in which the power purchase cost should be allowed to the distribution licensee after considering maximum normative rebate available for each generating stations.

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.107 How can the collection efficiency be greater than 100% for DISCOMs?

2.108 Why has TPDDL proposed higher AT&C losses for FY 2017-18 as comparison to FY 2014-15 (actual)? External support may be taken from experts like IIT Delhi for reduction of interstate transmission losses.

2.109 The whole country T&D losses in China and US are in the range of 6-8%, while in Delhi only T&D loss is around 17%. Kindly clarify the reasons for such high losses.

2.110 Honest consumers should not be penalized by high tariff because of high power theft in some particular areas like Janta Majdur Colony, Jafrabad, and Seelampur etc.

DISCOMs must deploy CRPF, CISF and Police forces to reduce the power theft.

2.111 In some areas of Delhi, DISCOMs itself indulge in power theft and supplying power to industrial consumer against guidelines.

2.112 E-rickshaws are indulging in rampant theft of electricity. Separate Charging points for E-rickshaws should be provided by DISCOMs and apply rates under commercial tariff category.

2.113 DISCOMs should do more load shedding, impose additional penalty and disallow subsidy benefits for areas which indulge in power theft.

2.114 Recovery from power theft and other benefit by reduction in losses should be passed to consumers instead of DISCOMs.

2.115 Target for AT&C losses set by DERC was soft to allow high incentive out of proposition with reality and effort made by License.

2.116 DISCOMs shows wide gap between energy input and energy billed, DISCOMs must clarify for the discrepancy.

2.117 Also TPDDL shows a considerable increase in energy input as comparison on other distribution companies, TPDDL must clarify the reason for such increase.

2.118 DISCOMs sold more energy but collected less amount against Commission approved sales and income.

PETITIONER'S SUBMISSION

TPDDL

2.119 As per the Regulation incentive upon overachievement of AT&C loss reduction targets is earned by the DISCOMs. With the overachievement of AT&C loss target and continuously improvement/growth in its network, TPDDL is able to generate profit on accrual basis. Further it is clarified that fixation of tariff is done as per applicable Regulations/Rules/Judgments etc. and any accounting loss/ profit based on books of account of the DISCOMS has no impact on fixation of Tariff.

2.120 TPDDL in its Business Plan has given detailed reasons along with explanation why the Distribution Loss Level would increase in ensuing years. However, for easy reference the gist of main reason as given in Business Plan are as follows:

1. Impact of Open Access

2. Impact of Net Metering/ Solar Roof Tops
3. Change in Consumption Mix
4. Declining Enforcement collections
5. More Migration of Lower Income Class Families to Delhi
6. Issue of non-confirming Industrial clusters
7. Installation of Rooftop Solar

2.121 TPDDL is making all out efforts to curb theft and reduce AT&C losses and to come up to the expectations of the Consumers. Our Zonal and Enforcement Teams are on continuous vigil and whenever any such incidents are observed / reported, the defaulters are booked for Electricity Theft, as per the applicable law/s. Had such steps including curbing of theft not been undertaken, the AT&C losses would not have reduced to that extent and further, the tariff requirement would have been many fold higher than the existing tariff.

2.122 Police Support including CISF helps in curbing theft and hence, reduction in AT&C losses further. Any benefit accrued due to such AT&C loss reduction is passed on to the consumer and accordingly, cost of such Police Support/CISF should also be allowed in the ARR.

2.123 We have suggested a separate Tariff Category for E-Rickshaws in Tariff Rationalization Measures in our petition. Creation of Separate Tariff Category will help in ensuring charging of E- Rickshaw through Legalized Connections. We request Hon'ble Commission to consider it during Tariff Finalization.

2.124 It would be pertinent to mention that TPDDL has worked whole-heartedly and not only achieved these stiff AT&C loss targets but also over-achieved the target. It is also clarified that any loss on account of higher AT&C loss levels vis-à-vis the stipulated target is not passed on to the consumers.

2.125 Also, now that AT&C losses in TPDDL distribution area are approaching acceptable minimum technical loss levels, as also brought out by the Hon'ble Commission vide its public awareness bulletin-2 published in Times of India on 24.4.2011, where-in it has been mentioned that technical losses are normally in the range of 8-12%, further decrease would be increasingly arduous and will involve high order of Capex investments due to application of law of diminishing returns.

2.126 Therefore, every incremental percentage decrease in loss will be extremely difficult in the case of technical losses and commercially unviable to secure in terms of human effort as well as capital investment. It may be appreciated that even to sustain AT&C losses at the present level is in itself a challenging proposition.

However, to sustain AT&C losses at the present level, Police Support including CISF helps in curbing theft and hence, reduction in AT&C losses further. Any benefit accrued due to such AT&C loss reduction is passed on to the consumer and accordingly, cost of such Police Support/CISF should also be allowed in the ARR.

2.127 TPDDL has already reached a very low AT&C loss level and sustaining such low AT&C loss levels is a big challenge in itself. There have been reported cases of other DISCOMs who after reaching such levels have bounced back by 2%-3%. Rather, the loss levels are expected to go up on account of other factors like Open access, Net metering/Solar roof top etc.

2.128 CEA is actively involved in interstate transmission planning. Power Grid in consultation with CEA, MoP and NLDC has already planned and executed transmission lines to achieve reliability with minimum losses. NLDC is already an expert body in this regard.

BYPL

2.129 The Petitioner's endeavour is always to minimize the loss on account of theft as it not only impact its revenue but also hamper its performance in terms of AT&C loss. We are pleased to inform that BYPL has brought down its AT&C losses by more than 50% since FY 2002. This has been achieved through various efforts put in by the Petitioner including theft control. In order to further reduce the losses and curb theft, the Petitioner has strengthened and streamlined its enforcement machinery along with the augmentation of requisite infrastructure. Teams of enforcement officers are dedicated for the purpose of detection of theft and bringing to book the offending consumers. We have intensified our drive against those stealing power. A large number of power theft accused in BYPL has also been sent to jail for varying jail terms. However, contribution of our esteemed and honest consumers is always vital in further improvement of the system.

2.130 With regard to Stakeholder comment regarding the losses borne by the genuine consumers due to the theft in BYPL area, we would like to appreciate the concern of the stakeholder and would like to submit that Petitioner has already approached and appraised Hon'ble DERC in this regard on various occasions. The Petitioner has also approached task forces like Delhi Arm Police for curbing the losses.

2.131 It is also submitted that theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dis-honest consumers but also the additional revenue collected from all enforcement cases is taken in to account while determining the ARR of the petitioner.

We are pleased to inform that BYPL has brought down the AT & C losses in its distribution area by more than 50 % since FY 2002 and endeavour to further reduce the losses in future. However as regards the comment of the stakeholder to bring down the losses to 6 %, we humbly submit that it is in an ideal scenario and isolated from ground realities in the context of BYPL licensed area being densely populated old Delhi.

2.132 As regards the AT&C loss target of 18% for FY 2011-12, we submit that the issue was challenged by the Petitioner before ATE in Appeal no. 62 of 2012 which the Hon'ble ATE vide its judgment dated 28.11.2014 has disposed off directing the Hon'ble Commission to refix the AT&C loss levels for the FY 2011-12 as per its letter dated 8.3.2011 i.e. to the level of 21%.

2.133 Regarding subsidized tariff, Clause 9.1 of the MYT Regulations states that *any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.*

2.134 Further, control of power theft needs active participation and support from all stake holders including the Govt., the public representatives, Citizens, RWAs and NGOs reinforced with effective legal and enforcement framework.

2.135 We appreciate the concern of the esteemed stakeholder and believe that the Hon'ble Commission will appropriately consider the stakeholders concern.

BRPL

2.136 We appreciate concern on electricity theft by E rickshaw as most of them are charged through direct theft. Not only theft is severely impacting AT&C Losses of the Licensee but at the same time open conductors being used for such theft is exposing danger to human life and animals. We have communicated to the Hon'ble Commission regarding charging stations for E rickshaws. We trust, the Hon'ble Commission would give due cognizance to this aspect.

2.137 We appreciate comments relating to deployment of Police officials along with BSES Enforcement team. Given this background control of power theft needs active participation and support from all stakeholders including Electricity theft has been one of the most aggressively pursued agendas of the Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction. Given this background control of power theft needs active participation and Police support from the Govt. /Hon'ble Commission reinforced with effective legal and enforcement framework.

COMMISSION'S VIEW

2.138 There can be over-lapping in the revenue billed and revenue collected. The Distribution Licensees may not be collecting 100% amount of the revenue billed in respective year. In one particular year, there may be a case that the collection efficiency is 98%, and in another year the collection efficiency can be 101% due to under achievement of collection efficiency in the previous year. Therefore the under achievement of 2% in a particular year may get reflected into additional collection in subsequent year(s). However, the Commission has fixed the target of collection efficiency in Tariff Regulations, 2017 at 99.5%, and any under achievement below 99.5% is to the account of Distribution Licensee in the respective year.

2.139 The DISCOMs are given an incentive if the distribution losses are reduced below the target fixed. If the losses are more than the target fixed, the loss above the target fixed is fully to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them by putting in the extra efforts required. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone, and will get reflected in the true-up of ARR of the respective DISCOMS.

2.140 A detailed methodology for computing the target for distribution losses has been explained in explanatory memorandum issued by the Commission for the draft Business Plan Regulations 2017.

2.141 The Commission is of the view that Distribution loss is an inherent loss in the System which can be minimized up to the technical permissible limit, whereas the losses also include the theft which can be controlled by DISCOMs.

2.142 The details of actual incentive/disincentive given to the DISCOMs for over and under achievement of AT&C loss target are available in Chapter A3 (True up of ARR) of the respective tariff orders which are available at Commission website (www.derc.gov.in).

2.143 The Commission has been repeatedly emphasizing on the DISCOMs to step up their enforcement activities to reduce theft and control AT&C losses. The Commission is of the view that carrying out more load shedding in high loss/theft area is not an appropriate measure, as the honest consumers in these areas will also suffer without being on fault. The Petitioner should make all efforts to prevent theft of electricity by strengthening their enforcement activities without harassing the paying consumers.

2.144 The Commission is of the view that at present the E-rickshaws/Electric vehicles can be charged from any of the metered connections and the tariff shall be charged for that relevant category. Further, in case the E-rickshaws/Electric vehicles are charged at a charging station, then the Commission has specified separate tariff category in its schedule for FY 2017-18.

ISSUE 6: CONNECTED LOAD

STAKEHOLDERS' VIEW

2.145 What does Connected Load mean and how is it measured by the Distribution Company?

2.146 As DISCOMs consider maximum demand to increase the consumer's sanctioned load, DISCOMs must also consider lowest demand during the year to reduce the consumers' sanctioned load and DISCOMs must refund the security deposit accordingly.

PETITIONER'S SUBMISSION

TPDDL

2.147 Delhi Electricity Supply Code and Performance Standards Regulations issued by

Hon'ble Commission stipulates that "Connected load" means aggregate of the manufacture's rating of all energy consuming devices in the consumer's premises, which can be simultaneously used. This shall not include the load of spare plug, sockets, load exclusively installed for fire fighting purposes. Only heating or cooling apparatus shall be taken into account as per prevailing season (1st April to 30th September for cooling use and 1st October to 31st March for heating use).

2.148 Overhead expenses are allowed by the State Commission on normative basis and amount incurred over & above the normative limit, is to be borne by the DISCOMs only. Any disallowance over and above the normative level, shall not form part of regulatory assets.

BYPL

2.149 As per DERC Supply code & Performance Standards Regulations 2007, the definition of connected load is; "Connected load" means aggregate of the manufacture's rating of all energy consuming devices in the consumer's premises, which can be simultaneously used. This shall not include the load of spare plug, sockets, load exclusively installed for fire fighting purposes. Only heating or cooling apparatus shall be taken into account as per prevailing season (1st April to 30th September for cooling use and 1st October to 31st March for heating use)."

2.150 The Fixed charges collected on the basis of sanctioned load/ contract demand is part of the total revenue available towards meeting the ARR of the DISCOMS and hence is suitably considered while determining the Tariff.

BRPL

2.151 It is respectfully submitted that connected Load is the aggregate of the manufacture's rating of all energy consuming devices in the consumer's premises, which can be simultaneously used. This does not include the load of spare plug, sockets, load exclusively installed for fire fighting purposes. Only heating or cooling apparatus are taken into account as per prevailing season (1st April to 30th September for cooling use and 1st October to 31st March for heating use). Sanctioned Load on the other hand is the contracted load opted by the consumer during time of activation.

2.152 Revision of Sanctioned Load: As regards revision of sanctioned load based on MDI readings, it is respectfully submitted that BRPL has been conducting this exercise both for upward as well as downward revision. However, it may be noted that as per the revision formula prescribed by the Hon'ble Commission, it is not mandatory that all consumer's load would be eligible for revision every year. Revision is only done in case a consumer' load is seen to be less or more than the highest average of 3 MDIs as noted in the previous financial year.

2.153 It is also noteworthy that that Hon'ble Commission has revised the norms of the MDI revision exercise vide the Third Amendment to the DERC Supply Code and Performance Standards Regulation 2007. The said amendment has been challenged under a writ petition before the Hon'ble High Court of Delhi and is presently sub-judice.

2.154 As regards the amount collected from Fixed Charges, the same goes towards meeting the total ARR / revenue gap. Any rationalization of fixed charges would need to be met through proportionate increase in energy charges meaning that the overall tariff for the consumer remains the same.

COMMISSION'S VIEW

2.155 As per the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations,

"Connected load" means aggregate of the manufacturers rating of all energy consuming devices in the consumers premises, which can be simultaneously used. This shall not include the load of spare plug, sockets, load exclusively installed for fire fighting purposes. Only heating or cooling apparatus shall be taken into account as per prevailing season (1st April to 30th September for cooling use and 1st October to 31st March for heating use).

2.156 As per the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) 3rd Amendment Regulations 2016, the sanctioned load of the consumer is reviewed by the Distribution Licensee based on the highest average of any four consecutive months maximum demand readings rounded off to the lower integer. The Commission has also made the provisions in the Regulations for sending a notice to the domestic consumers by the Distribution Licensee, if reviewed load based on maximum demand readings is lower than the sanctioned load. The load is reduced after getting the consent from the consumer. If no consent is received from the domestic consumers having load upto 5 KW in the last billing cycle of the Financial Year, the load is reduced automatically by the Distribution Licensee. In case of load reduction the excess security deposit is refunded to the consumer in subsequent bills.

ISSUE 7: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.157 As submitted in the petitions DISCOMs have a connected load of 22,958 MW which may be substantiated with respect to the infrastructure equivalent to connected load to deliver quality power to consumers. If the connected load is as such, why do DISCOMs fail to meet peak demand even after collecting connection charges, load charges and other charges applicable to connected load?

2.158 The EHV transformer capacity is 5,288 MVA and distribution transformer capacity is 4,400 MVA which appears high as comparison to estimated maximum demand of BRPL during the year is 2,500 MW or 2,777 MVA. DISCOMs should clarify on this.

2.159 The no. Of DTs are 7,385 which lead to 22,048 LT feeders i.e. 3 feeders per transformer. DISCOMs must provide reason behind such low ratio.

2.160 As per Govt. order, why do DISCOMs need to buy 2.5 lacs smart meters which form part of ARR expenditure without any upliftment of the transmission and generation system?

2.161 DSIIDC collects development charges from the consumers and also demanding TPDDL to provide all facilities in the area for the same work, such TPDDL work considered as expenditure under ARR. Please stop misuse of consumer's fund.

2.162 DISCOMs must do proper equipment and material procurement planning so that it will not burden end consumers.

2.163 East Delhi DISCOM should be allowed more capex in comparison to other areas as East Delhi is densely populated which leads to difficulty in upgradation of distribution system.

2.164 Commission should allow interest cost on funds raised by DISCOMs for system augmentation and strengthening so that consumers will get uninterrupted power supply in future. DISCOMs should be allowed to incur higher OPEX/CAPEX to ensure good services to Consumers and the allowed CAPEX are bases on the DISCOMs consumer base & service area.

2.165 Commission should not allow North DMC demand of Rs. 75,162/sqm of land for underground cabling.

2.166 Disallowed higher cost of equipment purchased from REL should not be reviewed.

2.167 DTL sought money for upliftment of transmission system but still the consumers face load shedding, Commission must do prudence check of audit report submitted by DTL for their expenditure.

2.168 DISCOMs are not resolving issues of broken electricity pole even after complaining multiple times.

2.169 Commission should do physical verification of DISCOMs assets on yearly basis instead of lapse of multiple years so that the benefits should be passed to consumers as early as possible.

2.170 How Commission has calculated the operational expenses of DISCOMs on the basis of installed capacities in absence of physical verification?

PETITIONER'S SUBMISSION

TPDDL

2.171 We would like to clarify that TPDDL system did not fail at peak load seen by our network. Rather we have successfully met the peak demand of 1852 MW even in May 2017. Direct correlation between peak load & installed capacity may not accurately depict the true picture as different categories of consumer's face peak loads at different timings. Also, the capacities are planned keeping in mind the requirement of N-1 for providing redundancy in the network.

The Hon'ble Commission through Supply Code and Performance Standard issued from time to time has mandated that in area's sponsored by a developer, the electrification shall be carried out by the Licensee on payment of the applicable cost up to the point of supply by the developer towards EHT system, HT system, LT system, civil work, service line, street lights, road restoration charges, and supervision charges, as specified in the Commissions Orders. The Electrification of DSIIDC areas is being carried out as per of Hon'ble Commission.

Currently due to Load Growth in DSIIDC Area, few projects are planned by TPDDL to cater to new load in line with overall infrastructure requirement. Demand for same has been raised to DSIIDC for payment. Continuous follow up is being done with DSIIDC management for payment.

2.172 However due to above non-payment by DSIIDC, several connections in Bawana and J& F Block Narela are on hold due to non-availability of margin in existing grids and 11 kV N/w.

2.173 TPDDL welcomes the observation of consumer and requests to the Hon'ble Commission to approve the higher OPEX in view of the stringent norms of operational / performance standards in Supply Code Regulation.

BYPL

2.174 Infrastructure at consumer level i.e. capacity of service cable and meter is suitable for sanctioned load of consumer. Infrastructure of upstream network is designed by taking "Diversity Factor" of load into account. Diversity factor is the ratio of peak load to sanctioned load i.e. "Peak load of System/Sum of Individual Peak (Sanctioned) Loads". This is done due to the fact that all the consumers could not be able to use its full capacity of connected load at the same time for example a Domestic consumer may be able to use its full connected load during the night time when other non domestic consumers (including DMRC, Shops, Shopping Mall, offices etc) is not able to utilize even its 1% of the total connected load.

2.175 It is denied that the system of DISCOMs failed to meet the Peak load. DISCOMs were successfully able to meet the peak load of 6261 MW in FY 2016-17. BYPL always strived to meet the demand of all of its consumers but due to the constraints on account of Transco/ PGCIL/ Northern Grid/ or the season constraints or the cable broke while digging land by other utilities like MCD, DJB, PWD etc the supply to the consumer forced to stop. In terms of the Tariff Regulation DISCOMs are allowed to recover O&M expenses as determined by the Hon'ble Commission on normative basis. Any controllable expenses over and above the normative expenses are borne by the DISCOMs. Hence, there is no direct correlation of increase in expenses based on connected load.

2.176 We submit that for schemes which require augmentation of network by employing additional assets, BYPL submit scheme wise details to Hon'ble Commission before capitalization of the scheme. Hon'ble Commission after due prudence check approves the scheme and thereafter DISCOMs put any asset to use for the respective schemes. Therefore assets are added only when there is approval from the Hon'ble Commission based on future requirements.

2.177 BYPL would like to submit that capital expenditure done by company is subjected to the scrutiny and approval process of the Hon'ble Commission.

2.178 At the very outset we appreciate the concern of our esteemed stakeholder regarding services provided by the DISCOMs. The concern raised by you is rational and would decide the standard of performance and quality of services being served by the DISCOMs. Your concern that in East Delhi there is no much scope for Capital investment is very genuine.

Further, we would like to apprise you that as per Draft DERC Business Plan Regulations, 2017 Operation and Maintenance expenses are linked to capital assets. As factually mentioned by stakeholder East Delhi has limited scope for capex due to space congestion and relatively high consumer density, the quality of services will depend upon O&M expenses being incurred for technological up-gradation, Customer service improvement, training of O&M staff, repair and maintenance work, etc.

2.179 The Petitioner submits that the Hon'ble Commission has already initiated the process for physical verification of assets upto FY 2015-16. Further, the Hon'ble Commission in the Draft Business Plan Regulations '2017 has proposed physical verification on quarterly basis.

BRPL

2.180 The load of 10319 MW is actually the petitioner's total sanctioned load and not the connected load although conventionally, these two terms have been used interchangeably in the ARR Petition.

Also, it needs to be appreciated that actual load drawn from the gird is never even close to the combined sanctioned load and is significantly lower. Therefore, if we lay an infrastructure capable of meeting 10319 MW, the same would be a severe waste as most of the capacity will lie idle most of the time. Moreover, infusion of so much Capex will result in significantly higher tariffs for consumers and increase their burden.

This is the reason, why Hon'ble DERC allows Capex on simultaneous maximum demand instead of Connected Load or Sanctioned load. In the event, a transformer is continually loading more than 80% of its capacity (which represents Simultaneous maximum demand), we send a proposal to the Hon'ble Commission for up gradation of the same. Hon'ble Commission, after technical validation may approve the same only after which the scheme is executed to meet the increased demand.

2.181 As regards the report of ASCII on physical verification of assets, the Petitioner is unable to comment as the report has not been shared by the Hon'ble Commission with DISCOMs. Further the Hon'ble Commission appointed M/s Feedback Ventures Limited as consultant for physical verification of assets. The Petitioner has already provided all information to the consultant and has extended its cooperation in completing the physical verification of assets.

COMMISSION'S VIEW

2.182 The Capital Expenditure is allowed to the Utilities on the basis of peak load and not Connected Load or Sanctioned load. System augmentation by way of replacement, repairs and maintenance is a continuous exercise. The Commission has also issued the Capital Investment Guidelines to be followed by the utilities. Capital expenditures are approved after adequate technical validation based on which the Utilities are required to meet the increased demand for load.

2.183 The Distribution Licensees have to plan their network based on the peak load and to maintain the N-1 criteria for maintaining the reliable power supply. The Commission has directed Petitioner for restricting the outages so that they do not exceed 1% in its area. Direct correlation between peak load & installed capacity may not accurately depict the true picture as different categories of consumer's face peak loads at different timings and there is always a diversity factor.

2.184 The Commission in first phase has approved installation of Smart Meters for connections having monthly consumption of 500 units and more in line with the revised National Tariff Policy issued by Ministry of Power dated 28.01.2016, which specifies that the appropriate Commission shall mandate smart meters for:

i Consumers with monthly consumption of 500 units and more at the earliest but not later than 31.12.2017;

ii Consumers with monthly consumption above 200 units by 31.12.2019.

2.185 The electrification of an area sponsored by the developer such as DSIIDC is carried out by the Licensee on payment of the charges as notified in the applicable Supply Code Regulations.

2.186 The Commission has taken up the matter with GoNCTD to review the charges claimed by North DMC. The North DMC has reduced the way leave charges from Rs. 75162 to Rs. 684 per running meter.

2.187 Finalization of Capital Expenditure and Capitalisation of the DISCOMs is under process. Pending completion of True up exercise for capitalisation, the Commission has approved the capitalisation on provisional basis so that the future consumers are not burdened with past costs.

2.188 The normative unit rates of O&M expenses for distribution lines have been worked out on per circuit KM length of distribution lines and on per MVA transformation capacity basis for the sub-stations. These rates have been derived from data furnished by DISCOMs in respect of the audited O&M expenses for FY 2011-12 to FY 2015-16 and total length of distribution lines in circuit KM length & total MVA transformation capacities installed in the respective financial years. The variation in the network capacity if any found based on the physical verification shall be dealt appropriately.

ISSUE 8: O&M EXPENSES

STAKEHOLDERS' VIEW

2.189 TPDDL Petition shows increase in employee expense and R&M expense for FY 2014-15 & FY 2015-16, DISCOMs must clarify the reason for the same.

2.190 Employees appointed post privatisation cannot be treated at par with the DVB employees, salary and allowance should not be allowed as per 6th & 7th pay Commission for such employees.

2.191 Reason for TPDDL showing increase in employee expense and R&M expense for FY 2014-15 & FY 2015-16 in its petition may be provided.

2.192 Explanation for "Other adjustment" component given in True-Up Petition for FY 2015-16 may be provided.

2.193 DISCOMs should keep more efficient staff and provide regular training to their contractual staff.

2.194 Commission should allow sufficient O&M expenses to the DISCOMs so that they can spend properly on technology upgradation, customer service improvement, training of staff, carrying R&M work etc.

2.195 Please provide the reason to allow legal expenses to TPDDL for fighting the cases against DERC Orders.

PETITIONER'S SUBMISSION

TPDDL

2.196 O&M expenses are allowed on normative basis by the Regulator for the day to day operations, preventive as well as corrective maintenance of the network, direct consumer related expenses of billing and collection expense, for meeting the stringent performance guidelines etc. Any O&M expense over and above to the normative level is to the account of DISCOMs.

2.197 Detailed rationale along-with the computation of revised employee expenses has been given in the True up Petition. Also, detailed rationale i.e. non-truing up of capitalization in previous years and revised computation of k-factor along-with computation of R&M expenses has been given in the True up Petition.

2.198 Adequate and suitable operational training including safety training is given to all employees (including contractual employees).

It may please be noted that overhead expenses in TPDDL are incurred prudently after duly considering the overall interest/benefit of the Consumers, to meet the operational target (AT&C Loss Level), Stringent target level of performance standards and overall growth of power sector in Delhi. Overhead expenses are generally in operating nature for day to day running of operations.

2.199 Legal expense is part of normative O&M expense; hence any amount incurred over and above normative levels is to the account of utility and not adversely affecting to the consumers.

BYPL

2.200 We would like to apprise the stakeholder that BYPL often schedules training program for skill improvement of its O&M staff as it would help consumers get better services from the Licensee. We always strive best of the services to our consumers.

BRPL

2.201 No Response

COMMISSION'S VIEW

2.202 The Commission exercises prudence check on the expenses that are incurred or allowed to be incurred by the Utilities for approval of O&M expenses during a control period. O&M expenses are a controllable parameter in terms of DERC (Terms & conditions for Determination of Tariff) Regulations, 2017, and any surplus or deficit on account of O&M expenses shall be to the account of the Licensee and shall not be trued up in the ARR.

2.203 The Commission while determining the norms for O&M expenses in its Business Plan Regulations have disallowed the legal expenses.

ISSUE 9: POWER FOR SELF CONSUMPTION

STAKEHOLDER'S VIEW

2.204 Power consumed by DISCOMs are credited at zero price for the period 2002-2012, does this expense is a part of ARR or free power under any provision of EA 2003 or Distribution agreement between DISCOMs and Govt. Does DISCOMs pay 5% ED on self consumption power bill and is this a part of ARR or not.

2.205 DISCOMs in petition mentioned that units for self consumption are wrong due to human error, how consumers can trust DISCOMs on consumers billing accuracy. DISCOMs must clarify the matter.

2.206 DISCOMs must be restricted to 0.25% of the sale as self consumption.

2.207 There should not be any provision to provide free electricity to DVB Employees, also provide us with the break-up of how much percentage of electricity bills is accountable to such employees.

PETITIONER'S SUBMISSION

TPDDL

2.208 Based on the directive given by the Hon'ble Commission in its Tariff Order, DISCOMs avail credit at zero tariff up to normative limit of own consumption. Over and above the normative own consumption limit, DISCOMs has to pay at non-domestic tariff.

2.209 DISCOMs collect Electricity Tax of 5% on behalf of Municipal Corporation and then, reimburse the same to Municipal Corporation, after collecting the same. It is worth to mention that any applicability of electricity tax on own consumption of DISCOMs would ultimately increase the ARR.

BYPL

2.210 No Response

BRPL

2.211 As regards self-consumption it is submitted that own consumption in the electricity distribution business is of the following nature

1. Auxiliary consumption in the 66/33 KV/ 11 KV Substations. Such consumption is similar to the auxiliary consumption of Generating Stations.
2. Auxiliary consumption in offices which are responsible for operational maintenance of the distribution network. This type of consumption is similar to the office consumption in any Generating Station or transmission Utility.

2.212 All such consumption is allowed as essential integrated activity for any Generation, Transmission or Distribution Utility. Presently, the energy meters installed for accounting of energy consumption at the premises of the petitioner are read and billed on monthly basis. The own consumption is billed at zero rates only up to a predetermined limit specified by the Hon'ble Commission and accounted for accordingly in the books of the company.

2.213 We also understand that the practice of allowing own consumption at zero tariff was prevalent even prior to the privatization of the Delhi DISCOMs and has also been approved by the Hon'ble Commission. BRPL being one of the successor entities has been continuing the practice after privatization. Nevertheless, Hon'ble Commission has now imposed a cap on the quantum of own consumption which can be availed at zero tariff

COMMISSION'S VIEW

2.214 The Commission has already given directive to the DISCOMs to provide appropriate meters to record electricity consumption every month in the substations, offices, collection centres etc related to own consumption of the DISCOMs. Furthermore, in order to promote conservation of energy under Own Consumption, the Commission has fixed norms for Own Consumption based on total sales during the year. Any excess consumption beyond norms are charged as per applicable tariff categories, which shall not be allowed to be passed on in ARR of the Petitioner.

2.215 DISCOMs levy applicable electricity duty on the consumption which is over and above the normative consumption. O&M expenses are controllable expenses and are allowed on a normative basis. The electricity consumed forms part of the normative O&M expenses and thus there should not be any additional impact on the ARR of the DISCOMs.

2.216 At the time of unbundling, service conditions of the DVB employees had been protected through a Tripartite Agreement between GoNCTD, employees association, and resultant entities, wherein it was decided that DVB employees shall be entitled for subsidized rate of electricity as per their entitlement before unbundling.

ISSUE 10: DEPRECIATION

STAKEHOLDERS' VIEW:

2.217 Commission is requested to disallow 16% depreciation requested by DISCOMs and must do prudence check before allowing depreciation. DISCOMs must share the details of the assets guarantee period.

PETITIONER'S SUBMISSION

TPDDL

2.218 No Response.

BYPL

2.219 No Response.

BRPL

2.220 No Response.

COMMISSION'S VIEW

2.221 The Depreciation rates have been determined asset wise and there is no flat 16% Depreciation rate. Depreciation rates are specified in the MYT Regulations and Appendix-1 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 and are accordingly allowed in the ARR of the Utilities.

ISSUE 11: OTHER INCOME

STAKEHOLDER'S VIEW

2.222 Revenue from street lighting maintenance, consulting and LPSC must be considered as DISCOMs' income.

2.223 Income from consultancy is not included as income in total income but the expenses is included in the total expenses so my point is either includes both or exclude both.

2.224 Please explain short term gains.

PETITIONER'S SUBMISSION

TPDDL

2.225 No Response.

BYPL

2.226 The Petitioner charged LPSC proportionate to the number of days of delay and not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However the Hon'ble Commission without referring to its direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.

As per DERC Tariff Regulations, 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.

It is further submitted that concept of financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties as per the MYT Regulations 2011:

a) Penalty on account of under-achievement of AT&C Loss: As per DERC MYT Regulations, 2011, the AT&C Loss Target has been categorized as controllable parameter. In case of any under-achievement of AT&C Loss, the Hon'ble Commission levies penalty on the Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.

b) Penalty in repayment of Loans: In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.

c) Penalty by Generators: Generators levy penalty of 1.5% per month in case of non-payment of dues within time.

The Commission neither allows the amount nor financing cost on account of these penalties. These penalties are entirely borne by the Petitioner.

However the penalty paid by the consumers on account of the delayed payment is not being allowed to the Petitioner and only financing cost on such delayed payment is being allowed.

2.227 The Petitioner would like to submit that Short term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins for loans raised. These fixed deposits have been created for the purpose of debt service reserve account (DSRA) required meeting debt service obligation.

BRPL

2.228 No Response.

COMMISSION'S VIEW

2.229 In the event a Licensee engages in any other business for optimization of the assets, any income arising out of such engagement is liable to be treated as other business income of the Licensee as per Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulation, 2005. As per the applicable Regulation, the Licensee shall retain 20%of the revenues arising on account of Other Business and pass on the remaining 80% of the revenues to the regulated business owing to use of the assets used for power distribution which is the main function of the Licensee. Further, as per the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, 80% of the net revenue accrued from other business shall be adjusted in the ARR of the relevant year.

ISSUE 12: APTEL DIRECTIVES

STAKEHOLDER'S VIEW

2.230 Commission must follow the APTEL orders and implement the same to prevent the carrying cost.

PETITIONER'S SUBMISSION

TPDDL

2.231 Timely Implementation of APTEL orders by the Commission is in overall consumer interest and it will prevent carrying cost burden on consumers. Hon'ble APTEL has observed in its judgments that its judgment, orders are to be implemented promptly, in cases, where its judgments have been passed and no stay order has been granted by Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation.

BYPL

2.232 No Response

BRPL

2.233 As regards the judgments and directions of the Appellate Tribunal, it is submitted that the Commission is a quasi-judicial body under the Electricity Act, which is bound to follow the orders and directions of the Appellate Tribunal. The principle of judicial discipline and propriety calls for implementation of the Appellate Tribunal's orders by the Commission in true letter and spirit.

COMMISSION'S VIEW

2.234 The Commission considers all the judgement / Orders passed by the Hon'ble APTEL / High Court / Supreme Court while exercising the prudence check for finalisation of ARR of the Petitioner. Further, the issues decided by the Hon'ble APTEL, in which there is no stay by the Hon'ble Supreme Court or review / clarification application pending before Hon'ble APTEL, are implemented by the Commission.

ISSUE 13: REGULATORY ASSET & PAST PERIOD CLAIMS

STAKEHOLDER'S VIEW

2.235 DISCOMs must give details about their regulatory asset, till date.

2.236 Commission may request Govt. for funding of regulatory asset under UDAY scheme, as it is financial burden on general consumers.

2.237 Regulatory assets should be liquidated in the time bound manner to remove the burden on consumers.

2.238 8% surcharge was allowed to DISCOMs to recover regulatory assets still after lower fuel cost, lower power purchase cost and bailouts, DISCOMs have huge regulatory assets.

2.239 8% surcharge should be removed.

2.240 Regulatory Assets projected by DISCOMs are incorrect. Petitioner has failed to furnish true / correct statement of accounts, revenue gap, etc.

2.241 Commission should bring some mechanism on recovery of regulatory asset and to check whether DISCOMs have borrowed fund.

2.242 Rate of carrying cost should be in line of SBI PLR.

2.243 Is there any proposal in Commission to provide financial aid to DISCOMs so that they will not face any power regulation notice in future?

2.244 Penalty charges against the regulated power should not be part of ARR and DISCOMs must the bear the cost of this.

2.245 Commission should allow appropriate tariff and past recoveries so that DISCOMs can lend loans from Financial Institutions at lower interest rate. DISCOMs are unable to strengthen their system as Commission disallows lending money at higher interest rate.

2.246 Please explain Syndication Fees and borrowing costs.

PETITIONER'S SUBMISSION

TPDDL

2.247 Regulatory Assets of Rs. 7,665.92 Cr. at the end of FY 2015-16, being the year for which truing up is required to be done in current tariff petition, as estimated by TPDDL subject to prudence check of the Commission.

2.248 The Commission has brought into effect a mechanism for dealing with regulatory assets. However any such funding as suggested in this stakeholder comment may be extended to Delhi DISCOMs, which would be welcome and in overall consumer interest.

2.249 We agree with the comment of stakeholder and even National Tariff Policy mandates the same. The Commission has brought into effect a mechanism for dealing with regulatory assets. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets.

2.250 Any such funding as suggested may be extended to Delhi DISCOMs, would be welcome and in overall consumer interest.

BYPL

2.251 In this regard it is submitted that the Petitioner is in severe financial conditions due to time lag in recovery of Regulatory Asset, non-implementation of ATE judgments which are in favour of the Petitioner and non-cost reflective tariff. We would like to submit that BYPL from time to time has been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective tariff and time bound recovery of accumulated Regulatory Asset.

In the past there has been a wide gap between DERC projections in the Tariff Order and the actual expenses of DISCOMs resulting in creation of Regulatory Assets. The Appellate Tribunal for Electricity has also raised serious concern on the rising Regulatory Assets and deferment of legitimate expenses of DISCOMs by DERC through improper projections.

This huge un-recovered Regulatory asset is severely impacting the financials of the Company leading to the precarious financial position. DISCOMs have so far sustained operations by funding the Regulatory Assets through heavy Bank Borrowings. However, this trend is detrimental to the Power Sector Reforms in the state of Delhi. The Commercial Banks have already stopped extending additional loans to the DISCOMs which has further limited the financial capability to procure power to meet the Demand.

The Revenue Gaps will be further compounded with similar gap in the future years making it impossible for the Petitioner to sustain its power supply obligations. Further, it is also hampering the ability of the Petitioner to implement the capital expenditure plan and is limiting its capacity to borrow funds because of precarious financial position.

It would be pertinent to mention that the accumulation of huge regulatory assets is not only against the provisions of the Electricity Act, 2003, National Tariff Policy, MYT Regulation and various directions of the Appellate Tribunal for Electricity, but also against the public interest as it further impacts the tariff by adding the carrying cost. Hence, Commission should evolve some remedy for amortization of the Regulatory Assets in a time bound manner such that it neither cripples the DISCOMs nor the consumers.

2.252 We agree with the stakeholder’s suggestion that the benefits of Government schemes like UDAY should also be extended to Delhi DISCOMs and the consumers of Delhi should not be deprived of such benefits just because they are being served by private DISCOMs. Commission may issue suitable advice to the Delhi government for taking up the matter with Central Government in the interest of both the DISCOMs and consumers.

2.253 We appreciate the concern raised by the esteemed stakeholder regarding financial viability of the Petitioner. In this regard it is submitted that the Petitioner is in severe financial conditions due to time lag in recovery of Regulatory Asset, non-implementation of ATE judgments which are in favour of the Petitioner and non-cost reflective tariff. The Petitioner is making every effort to pay outstanding dues of Genco's but due the reasons mentioned above which are not in control of the Petitioner, results in shortfall of dues for some of the Genco's. The same leads to notice by the Genco's. The root cause for notice has been mentioned above which are beyond the control of the Petitioner.

2.254 We appreciate the concern of Stakeholder regarding reduction in higher interest cost. Due to the high regulatory asset and various factors such as credit rating, bench marking and other relevant matters such as risk free return, risk premium, prime lending rate etc., It is difficult to get the required interest rate from banks. However petitioner has approached Commission and taken various steps for curbing the higher rate of interest.

2.255 It is submitted that Petitioner has had to take huge loans to finance its Regulatory Assets. For the purpose of availing such loans, the banks in the ordinary course of its business have charged various bank charges. These charges are called syndication fees. Additionally, the lead bank in a consortium of lenders charged syndication fee which is ad valorem to the quantum of the syndication.

2.256 We appreciate the concern of stakeholder regarding the UDAY and RPDRP Scheme and we would like to submit that benefits of Government schemes like UDAY and RPDRP should also be extended to Delhi DISCOMs and the consumers of Delhi should not be deprived of such benefits just because they are being served by private DISCOMs. Commission may issue suitable advice to the Delhi government for taking up the matter with Central Government in the interest of both the DISCOMs and consumers.

2.257 Carrying Cost - The Petitioner submits that the Commission in previous tariff orders has over and over fallen short of providing a cost reflective tariff to DISCOMs. The deferment of recovery of expenses incurred in the previous years has forced Delhi DISCOMs to resort to heavy borrowings, which has reached unsustainable levels. As regards the rate of carrying cost, the petitioner has claimed the rate of funding of Regulatory Asset based on its actual cost of funding of RA.

2.258 The Commission in the Tariff Regulations'17 has provided rate of interest as bank rate as on 1st April of the year plus the margin as approved by the Commission. Bank rate is defined as Base rate or MCLR or any other Benchmark rate as notified by SBI. The Commission has linked interest rate on long term borrowings to MCLR or any other benchmark. If the MCLR falls, interest rate allowed by DERC will also decrease.

BRPL

2.259 The total accumulated regulatory asset is Rs.16335 crore till FY 2016-17 for BRPL.

2.260 It is submitted that the comments pertain to the Commission and therefore the licensee would not be in a position to respond to the same. However, it is noteworthy to mention that the creation of regulatory assets is not beneficial to either to the licensee or to the consumers. The creation of regulatory assets is detrimental to the interest of the sector also. It further defies object and intent behind the Electricity Act and also against the Tariff Policy.

2.261 It is also relevant to say that uninterrupted power supply, upgraded power system infrastructure and the quality and reliability of power supply hugely depends upon the financial health of the DISCOMs, which can only be ensured with the determination of tariff which is cost-reflective tariff and covers all the legitimate claims of the DISCOMs.

2.262 As far as bail-out package is concerned, it is up to the Commission to issue Statutory Advice to the Government in this regard under the provisions of the Electricity Act. It is further submitted that the grant of subsidy to any consumer is the prerogative of the State Government under Section 65 of the Electricity Act, 2003.

2.263 As regards levying of surcharge @ 8% of tariff, the Petitioner would like to submit that the Aggregate Revenue Requirement (ARR) is calculated on a consolidated basis for all consumers and not for a particular consumer. The Commission in its Tariff Order dated July 31, 2013 has stated the following:

> "2.24 The Commission is of the view that DMRC has already been considered under a special tariff category in view of the essential services being provided to common consumers of Delhi. The Commission has levied a surcharge for the recovery of revenue gap so that the burden of carrying cost may be mitigated.

Further efforts are being made to analyze tariffs and bring them to cost to serve basis."

2.264 It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission itself has recognised Regulatory Assets of Rs. 5206 Crore upto FY 2011-12 in Tariff Order dated July 31, 2013. The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost reflective Tariff; huge Regulatory Assets has been created.

2.265 Further in order to recover the Regulatory Assets, the Commission has determined surcharge of 8% along with the reasons for the levy of the same which is reproduced below:

"2.191 For meeting the carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission had decided to introduce a surcharge of 8% over the revised tariff in tariff order dated July 13, 2012 and appropriate surcharges shall be considered by the Commission in FY 2013-14 also to reduce the burden of carrying cost on the consumers of Delhi.

5.28 For meeting carrying cost of the revenue gap till FY 2013-14, the Commission has decided to continue the existing surcharge at 8% over the revised tariff. The Commission in consultation with GoNCTD shall evolve a reasonable schedule for liquidation of revenue gap which will be fair to all stakeholders."

2.266 It is noteworthy to mention here that the surcharge of 8% is not even enough to recovery the carrying cost borne by the Petitioner for funding the Regulatory Asset. The Commission has also recognized this fact in its statutory advice dated Feb 1, 2013 that not only have tariffs increased significantly in the last 2 years, but the residual revenue gap has also built up to alarming levels. A fuel surcharge was levied in addition to the said tariff increase. Further, in a time span of less than a year, w.e.f. 1st July 2012, a tariff hike of 23% was announced with an additional surcharge of 8% in order to start recovery of accumulated shortfall. However, this surcharge has not made any significant dent in reduction of accumulated shortfall as it has mainly contributed towards meeting the carrying cost of the accumulated shortfall.

2.267 Hence the Petitioner has prayed before the Commission for a cost-reflective tariff with appropriate recovery of principal amount of Regulatory Asset along with the carrying cost which will ensure uninterrupted and quality supply of power and financial viability of the Utilities.

2.268 The Petitioner limits its comments to the issue of accumulation of huge regulatory assets (arrears). It may kindly be noted that creation of Regulatory Assets is against the provisions of the Electricity Act, 2003, National Tariff Policy, MYT Regulations and various directions of the Appellate Tribunal for Electricity all of which envisage cost-reflective tariff be allowed to distribution licensees so that the licensees have sufficient working capital to pay off their power purchase bills and fulfil other statutory obligations.

2.269 The National Tariff Policy dated January 28, 2016 however, specifies that regulatory assets may be created under exceptional circumstances. The relevant provisions read as under:

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be one only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;

b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time-bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."

2.270 However, now that huge accumulated RA has been created for the Petitioner, it is imperative that the same is liquidated as early as possible as envisaged in the National Tariff Policy. Such time bound liquidation of regulatory assets is not only in the interest of the Petitioner DISCOMs, but also in the interest of consumers who are presently bearing huge interest burden as carrying cost.

It may also be noteworthy to mention that DERC in its Statutory Advice to GoNCTD dated 01.02.2013 had held as under:

"9. … Further, in a time span of less than a year, w.e.f 1 July, 2012, a tariff hike

of 23% was announced with an additional surcharge of 8% in order to start recovery of accumulated shortfall. However, this surcharge has not made any significant dent in reduction of accumulated shortfall as it has mainly contributed towards meeting the carrying cost of the accumulated shortfall."

2.271 Furthermore, the Petitioner would like to submit that the matter of Regulatory Assets is sub-judice before the Hon'ble Supreme Court of India in W.P. No. 104 & 105 of 2014.

2.272 As regards the issue of tariff and financial help, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.273 As regards the issue of tariff and past recoveries are concerned, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.274 We appreciate comments relating to good work and performance by the DISCOM. We further appreciate concern pertaining to Uday Schemes, etc.; however it is upto the Commission to issue Statutory Advice to the Government under the provisions of the Electricity Act.

COMMISSION'S VIEW

2.275 Recovery of accumulated revenue gap, Regulatory Asset as envisaged in clause 8.2.2 of Tariff policy is as under:

a) Carrying cost of Regulatory Assets should be allowed to the utilities.
b) Recovery of Regulatory Assets to be time bound and within a period not exceeding three years at the most, preferably within the control period.
c) The use of the facility of Regulatory Assets should not be retrospective.
d) In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of licensee to borrow is not adversely affected.

2.276 The Hon'ble Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11.11.2011 (OP 1 of 2011).

2.277 The Commission is guided by the National Tariff Policy and in accordance with the Hon'ble APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the revised Tariff, in tariff order dated July 13, 2012, and has been revising tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

2.278 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.

2.279 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over a time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.280 The Commission has submitted before the Hon'ble Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.

2.281 UDAY scheme is not applicable to private distribution licensees.

2.282 The cost of financing has been set by the Commission as per the performance of the Utilities from time to time. Regulations being performance based, the Utilities are expected to achieve the targets that have been set seeing their past performance and the industry standards.

2.283 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulation. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2017-18, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up of FY 2014-15 & FY 2015-16 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 14: PENSION TRUST

STAKEHOLDERS' VIEW

2.284 Burden of DVB employee's pensions should not be a part of ARR, as it increases the tariff.

2.285 Commission should approve the amount of Rs. 1,195 crore to the pension trust in FY 2017-18 Tariff Order.

PETITIONER'S SUBMISSION

TPDDL

2.286 Pension liability of FRSR employees is of pension Trust only. No such liability can be cast upon TPDDL in ARR.

BYPL

2.287 The Petitioner appreciates the concern of the esteemed stakeholder regarding considering Pension payments in the ARR of the DISCOMs. In this regard we would like to submit that it is a legacy issue linked to the underfunding of pension trust by GoNCTD and the matter is subjudice before the Hon'ble High Court.

The Commission in past Tariff Orders has made a provision of Rs. 150 crores for FY 2011-12, Rs. 160 crores for FY 2012-13, Rs. 400 crores for FY 2013-14, Rs. 470 crores for FY 2014-15 and Rs. 573.23 crores for FY 2015-16 as a part of transmission charges for pension payment. The Commission in its past Tariff Orders has noted that the arrangement is an ad-hoc arrangement and the same cannot be permitted to be institutionalized. However, the Commission has over and over again allowed pension payment in the ARR of the DISCOMs.

The Petitioner in its tariff petition has proposed that such amount should be recovered through a separate surcharge from all consumers including open access consumers.

2.288 It is to be noted that the Hon'ble ATE has in its Order dated May 15, 2015 in RP No.7 of

2015 in Appeal No.61 of 2012, RP No.13 of 2015 in Appeal No.62 of 2012 directed the Commission to consider the expenses of the non-FRSR employees as per the judgment of the Hon'ble ATE in 2009 ELR (APTEL) 880.

2.289 The Hon'ble ATE in Judgment dated May 15, 2015 (RP No. 13) has ruled as under:

> *"The Review Petitioner/Appellant had also furnished the comparison between average salary of FRSR employees and non-FRSR employees showing that the average salary of non-FRSR employees is lower than FRSR employees. It is also stated that the average cost to company (CTC) of non-FRSR employees even after accounting for additional emoluments given in view of implementation of Pay Commission Report for FRSR employees, the average CTC of non-FRSR employees is less than average CTC of FRSR employees.*
>
> *In view of above we allow the Review Petition. Delhi Commission will consider the issue as per the judgment of this Tribunal in 2009 ELR (APTEL) 880."*

BRPL

2.290 No Response

COMMISSION'S VIEW

2.291 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreements executed by the GoNCTD with unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreements, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by the GoNCTD. The issue of under funding of corpus fund of the pension trust is sub-judice in W.P. (C) 1698/2010 in the Hon'ble High Court of Delhi. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in the DTL Tariff orders from FY 2011-12 onwards up to FY 2014-15.

2.292 Section 86 of the Electricity Act, 2003, which defines functions of State Commission, does not provide for issuing Regulations of Pension Trust. The fact has also been appreciated by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that " the learned state Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". The Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame Regulations in this regard.

2.293 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11.09.2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the proceedings before the court and explore other avenues for settlement of dispute.

2.294 The Commission has already made provision on ad-hoc basis of Rs.150 Crore, Rs.160 Crore and Rs.400 Crore and Rs. 470 Crore and Rs. 573 Crore in the Tariff order of FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 respectively for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.

2.295 A correspondence was made by DTL seeking clarification from GoNCTD in regard to the competent authority (new entity) to deal with vigilance/disciplinary/court cases in respect of employees of the erstwhile DVB, who could not become part of any company on 01.07.2002 in terms of Delhi Reform (Transfer Scheme) Rules, 2001 due to pending cases of retirement/dismissal/remove compulsory retirement while in the DVB. The GoNCTD clarified in its letter dated 21.01.2004 that the DVB employees who could not become part of any company i.e. DPCL, DTL, IPGCL, BYPL, BRPL and NDPL (now TPDDL) on the date of restructuring due to cases of retirement/dismissal/removal /compulsory retirement etc being pending as on 01.07.2002 shall be processed and decided by such company who could have been the controlling authority of the employee. And retirement/removal/ dismissal/compulsory retirement etc will be dealt as per schedule 'B', 'C', 'D', 'E' and 'F' of the Delhi Electricity Reform (Transfer Scheme) Rules, 2001.

2.296 In LPA No 98/2005, the Hon'ble High Court of Delhi in its judgment dated 30.03.2006 has held that: “There is no escape from concluding that even in all these suits which are pending are filed by the retired employees in the Court claiming for their service benefits, thereby creating liability of DVB on the respective transfer company. The transferor company shall be substituted instead of DVB." In civil Appeal No 4269 of 2006 read with civil appeal No 4270 of 2006, the Hon’ble Supreme Court of India has observed that the GoNCTD has taken a clearest decision possible by its letter dated 21.01.2004, which is binding on all parties. The Hon’ble Supreme Court has further observed that the view taken by the High Court of Delhi is correct.

2.297 In view of the clarification given by the GoNCTD in its letter dated 21.01.2004 and the above mentioned judgments of the Hon’ble High Court of Delhi and the Hon’ble Supreme Court, it is the responsibility of the respective DISCOMs to look after the interests of the DVB retirees as well as those who retired/retire in the DISCOMs after unbundling of the DVB. It would therefore be appropriate that the DISCOMs provide for funding for the liabilities of the retired/ to be retired employees under their control in their respective ARRs.

2.298 The Commission vide letter dated 08.12.2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 693 Crore sought for FY 2017-18 by the Pension Trust on an ad-hoc basis recommended by GoNCTD vide it’s letter dated 26.07.2017.

ISSUE 15: OPEN ACCESS

STAKEHOLDERS’ VIEW:

2.299 End monopoly and bring competition in Power Sector in favour of consumer’s benefit.

2.300 Power Guzzlers should buy from open market and should not be allowed to burden domestic consumers.

2.301 Commission should discontinue the concept of Open Access, as revenue loss due to migration of industrial consumers from DISCOMs will put extra burden on domestic consumers.

2.302 DIAL is buying cheap energy from open access and selling it to the hotels at higher rates. So, request is to kindly review the agreement of DISCOMs.

2.303 Commission should prepare a road map to reduce cross subsidy and make all tariffs cost effective in terms of voltage wise cost of supply, and all tariffs should be with in the limit of +/- 20% of average cost of supply.

PETITIONER'S SUBMISSION

TPDDL

2.304 Competition has already been introduced in the sector, with all consumers above 1MW free to choose their supplier.

2.305 Electricity Act mandates promoting of Open Access. However, to address the issue of surplus power and burden on consumers thereof, Commission may take up with Ministry of Power, Govt. of India for surrender of expensive power of Delhi and re-allocation of the same to needy states.

BYPL

2.306 As mandated in Section 42 (2) of the Electricity Act, 2003 and as provided in the DERC (Terms and Conditions for Open Access) Regulation 2005, the Open Access, for the present, is applicable to consumers with a load of 1 MW and above. However, the Commission may allow open access to consumers with capacity requirement less than one MW subject to review of the Operational Constraints and other factors and the experience of open access for loads above 1MW. The Commission in its tariff orders has stated that it will consider the license application, if any, for the second Licensee in the same area in accordance with the applicable provisions of the law to create competition.

2.307 We appreciate the concern of the esteemed stakeholder regarding high level of cross subsidies in the tariff structure for Delhi. In this regard the Petitioner submits that determination of Tariff for different category of consumers is the sole prerogative of the Commission.

Further, we would also like to apprise the esteemed stakeholder that the Commission vide its order dated 01.06.2017 in the matter of Determination of Open Access Charges and related matters has determined Transmission and Wheeling charges, Cross subsidy surcharge, Regulatory Surcharge, Additional surcharge and other applicable surcharge applicable to consumers availing open access, hence it is submitted that petitioner follows Commission directions with respect to above mentioned matter.

BRPL

2.308 We request the consumer to provide his CA number and further details so that we can look into the issue. It has to be noted that the licensee is committed towards its standards of performances and providing excellent services to its consumers. However, many a times, the performance of the licensee is dependent upon the other civic bodies, i.e. MCD, PWD etc. which is uncontrollable at the end of the licensee.

2.309 We would like to inform the stakeholder that as mandated in Section 42 (2) of the Electricity Act, 2003 and as provided in the DERC (Terms and Conditions for Open Access) Regulations issued on 03.01.2006, the Open Access, for the present, is applicable to consumers with a load of 1 MW and above. However, the Commission may allow open access to consumers with capacity requirement less than one MW subject to review of the Operational Constraints and other factors and the experience of open access for loads above 1MW. The Commission in its tariff orders has stated that it will consider the license application, if any, for the second Licensee in the same area in accordance with the applicable provisions of the law to create competition.

2.310 As regards the comments on the Open Access are concerned, we restrict our comments to ARR petition only. Matters' relating to Open Access has been dealt separately by The Commission.

2.311 Tariffs are not cost reflective which make big consumer susceptible to Open Access, adversely impacting remaining consumers:

We agree with the statement that in spite of several provisions in Electricity Act and Tariff Policy to reduce cross subsidies, the issue still persists. However we understand that this issue of cross subsidy stems from the historical tariff trends and with its prerogative to determine tariffs, the Commission has been working towards removing this shortcoming. Electricity being a basic resource for social development, the governments in the pre-2003 reforms era kept tariffs high for certain consumers in accordance with their ability to pay and the benefit was passed on to other consumers. With the introduction of independent regulators and transparent tariff determination process, efforts have been made to gradually reduce this method of providing subsidy and move on to more efficient ways of direct subsidy and reducing overall cost of supply. The regulators are however bound by the pressures to avoid tariff shocks for domestic and agricultural consumers and therefore the work of eliminating cross subsidies is still work in progress.

2.312 It is also true that cross subsidy in tariff has detrimental impact on economy in the long run and it makes large consumers susceptible to open access. Railways have already explored this route and other big consumers like DIAL and DMRC are soon to shift on open access. With long term tied up costs for power purchase, limits on cross subsidy surcharge and pending recovery of regulatory assets this puts us in a peculiar situation of having to recover these costs from remaining consumers in the system, effectively negating the intended effect of cross subsidy. Therefore it is in the best interest of all stakeholders to eliminate cross subsidy in tariffs as soon as possible and make tariffs cost reflective.

2.313 We would further like to add to the point here by highlighting the fact that high losses of upto 70% in sub-urban areas and villages on outskirts of Delhi are affecting the overall loss figures of utility. This loss is generalized over all consumers and therefore keeps tariff on higher side for even industrial areas where losses have been reduced to even 8%. While the utility is constantly engaging in special drives to reduce theft and improve metering in such high loss making areas, stiff resistance is being faced by political and social groups.

It is our view that if tariffs were to be made cost reflective and areas wise losses were to be allowed, we as utility can offer competitive tariffs to large industrial and commercial consumers without them having to explore open access route. We therefore request commission to take cognizance of this issue and work constructively towards making tariffs cost reflective with respect to voltage wise cost of supply.

COMMISSION'S VIEW

2.314 Section 42 of the Electricity Act, 2003 provides for non-discriminatory open access to consumers as per the provisions specified by the Commission. Accordingly, the Commission has already notified Regulations for allowing open access to consumers whose contract demand is 1 MW and above. The Commission has decided to allow Transmission and Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge and other applicable charges under Open Access keeping in view the provisions of the Electricity Act, 2003, National Electricity Policy, National Tariff Policy and the Open Access Regulations of the Commission.

2.315 The Commission is of the view that it will consider the license application, if any, for additional Licensees in the same area in accordance with the applicable provisions of the Rules & Regulations to create competition.

ISSUE 16: ELECTRICITY BILL & BILLING CYCLE PERIOD

STAKEHOLDERS' VIEW:

2.316 The date of billing must be fixed instead of random billing date which results in financial loss to consumer. DISCOMs must provide detailed information of expense recovery in bills to aware consumers.

2.317 Limit of cash payment should be increased Rs. 4,000 to Rs. 20,000 as many consumers are not aware about digital payment. Electricity bills should be collected at PSU Banks to bring more transparency and accountability of DISCOMs.

2.318 DISCOMs should promote digital payment and maximum limit through cash payment must be reduced to Rs. 1000.

2.319 Electronic meter should be audited by Independent Party; consumer should be refunded in case of any faulty meter/reading.

2.320 Allotment of new connections should be linked to customer Aadhar card.

2.321 Details for additional charges (hidden Charges) in the bill should be provided.

2.322 If we pay our electricity bills in advance, do we get any benefit/subsidy from DERC or any distribution licensees?

2.323 Accuracy of meter should be 0% instead of $\pm$3%.

PETITIONER'S SUBMISSION

TPDDL

2.324 Collection of bills is obligation of the Distribution licensee and major steps for convenience of consumers have already been taken in this area to improve collection.

The data of collection efficiency is at all-time high which is evident from the figures shared with Commission. It would be inconvenient for consumers to search and visit PSU banks branches which would be available only during banking hours and not available on banking holidays etc. resulting in inconvenience for consumers.

2.325 Also, TPDDL Collections including Bank reconciliations etc. are verified by Commission during Prudence Check exercise of Tariff petitions. In addition, statutory auditors (CAG empanelled) also audit the collection on quarterly basis and check all bank reconciliations as well as takes balance confirmation from all the banks.

2.326 TPDDL is already promoting Digital Payment through Various Pay & Win Scheme and various cash back schemes with various wallets like Phone Pe, Paytm etc.

2.327 The credit / debit card processing fee for bill amount up to Rs. 5000 is already borne by DISCOMs and only processing fee for Bill Amount with greater than Rs. 5000 is to be paid by Consumers.

Commission may like to take up with Banks for waiving off processing fees from Consumers or allow additional expenditure in ARR.

2.328 We fully agree that Aadhar should be captured from Consumers as it will help in linking with Digital Initiatives being taken by Govt. of India and request Commission to consider it appropriately.

2.329 We agree with the observation that some mechanism may be introduced for incentivizing consumers paying before due date.

2.330 It is technically / commercially not feasible / viable to make a meter which has 0% error. The margin of error is allowed at +/- 2.5% in accordance with statutory provisions under IS 15707:2006 for Testing, Evaluation, Installation and Maintenance of AC Electricity Meters – Code of Practice, issued by Bureau of Indian Standards.

BYPL

2.331 The Electricity bill is charged on monthly basis as per the billing cycle of the consumer.

2.332 The Commission has, in its tariff orders repeatedly held that it had taken the conscious decision to maintain the limit of payment of Rs. 4,000 through cash “in order to ensure transparency in payment collection and to ensure proper accounting of collection”.

2.333 The Petitioner in compliance to above direction of the Commission accepts cash payment of electricity bills only up to Rs. 4000. However, the Petitioner on various occasions had apprised the Commission of the difficulties in enforcing the abovementioned direction as this causes inconvenience to the consumers besides adversely affecting our recovery.

2.334 The Commission was also apprised that the background in which the Rs. 4000/- limit was introduced by the Commission was in the context of one of the criteria for filing a income tax return included in the Finance Bill, 2005 of the Govt. of India. It is noteworthy that this particular criterion was subsequently withdrawn and was applicable only up to 1st April 2005. Also as per the Section 40 A of the Income Tax Act, 1961 and provisions under Income Tax Rules, the maximum limit for payments/receipt in cash is Rs. 20000.

2.335 We would also like to mention that, we have again requested the Commission for the relaxation of limit for accepting cash payments on account of several representations made by our consumers.

2.336 There are various modes of payment both online as well offline available for the convenience of the consumers. A consumer can make offline payment on any day of the week at our cash collection offices located at various locations.

2.337 We appreciate the concern of the Stakeholder and agree that the Electricity bill of the utility should reflect the clear picture of the ARR being allowed to be recovered from the consumers. BYPL in its ARR Petition has also requested the Commission to allow any recovery on account of Pension Trust payments as a separate surcharge.

2.338 In connection to comments relating to the genuineness of the new electronic meters are concerned, we have to say that in compliance with the Electricity Act 2003, the Central Electricity Authority (CEA) Regulations and Delhi Electricity Supply Code and Performance Standards Regulation 2007 thereof, we have replaced almost all consumer meters with static meters (Electronic Meter). The Electronic Meters are ISI marked and are tested for quality and accuracy as per IS 13779:99. Meter test drives conducted by the Commission, GoNCTD, and the Public Grievance Cell of GoNCTD and by us through independent reputed third party test laboratories have established the accuracy of the meters as per applicable standards. Action for advising the consumer's about electronic meters, internal wiring, earth leakage indications, etc. before installation of meters are also complied with in terms of the applicable Regulation. To bring transparency in the system and instil faith in the consumers, the consumers have also got an option to purchase their own meter. The meter has to be consistent with the CEA Regulations in terms of the Electricity Act (Section 55) and should have all additional features approved by the Commission. All meters shall conform to requirements as laid down in the Regulations issued by the CEA under Section 55 of the Act. The Delhi Electricity Supply Code and Performance Standards Regulation 2007 ("Supply Code"), in Section 38, lays down the detailed procedure to be adopted for testing of Meters. Further, the Commission has laid down the procedure for testing of meters by Independent third party.

BRPL

2.339 Number of days on a bill: It is respectfully submitted that BRPL follows a monthly billing system. However, readings of meters require physical visit of meter readers even though the reading process itself is automated. At the same time BRPL has around 23 lakh consumers. In order to minimize the human resources needed to read such a large number of meters, meter reading are done in phases throughout the month which is the reason it is not practically possible to ensure that all meters are read exactly on the last date of every calendar month.

2.340 Even though the number of bill days in a month may vary slightly, it is ensured that all charges, especially fixed charges are pro-rated based on the actual number of days in the month and number of units consumed under each slab is also pro-rated on the actual days of the month to ensure that the consumer is charged exactly what he has consumed for the exact number of bill days. We further invite the esteemed stakeholder to any of our offices so that we can personally explain the bill calculation methodology by using a simple financial model.

2.341 As regards, the enhancement of cash limits of Rs. 4000/- is concerned, it is the prerogative of the Commission to decide and fix the same. We expect that the comments of the stakeholder will be duly considered by DERC. It is also noteworthy that the licensee has raised this issue before Hon'ble Tribunal for Electricity in Appeal No. 265 of 2013 and 235 of 2014, and the matters are presently sub-judice.

2.342 In connection to your comments relating to the genuineness of the new electronic meters is concerned, we have to respectfully say that in compliance with the Electricity

Act 2003, the Central Electricity Authority (CEA) Regulations and Delhi Electricity Supply Code and Performance Standards Regulation 2007 thereof, we are replacing all consumer meters with static meters (Electronic Meter). The Electronic Meters are ISI marked and are tested for quality and accuracy as per IS 13779:99. Meter test drives conducted by the Commission, GoNCTD, and the Public Grievance Cell of GoNCTD and by us through independent reputed third party test laboratories have established the accuracy of the meters as per applicable standards. Action for advising the consumer's about electronic meters, internal wiring, earth leakage indications, etc. before installation of meters are also complied with in terms of the applicable regulations. To bring transparency in the system and instil faith in the consumers, the consumers have also got an option to purchase their own meter.

2.343 As far as the design of meter is concerned, a meter to be installed at consumer's premises has to be consistent with the CEA Regulations in terms of the Electricity Act 2003 (Section 55) and should have all additional features approved by the Commission. All meters shall conform to requirements as laid down in the Regulations issued by the CEA under Section 55 of the Act. Furthermore, the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation 2017 ("Supply Code"), in Section 32, lays down the detailed procedure to be adopted for testing of Meters.

2.344 With regard to the quality of meters, we would like to submit that the GoNCTD has time and again conducted Independent third party testing of meters through its Public Grievance Cell (PGC) but there were hardly any consumer turnouts that they are unhappy with the quality of meters. We would also like to state that the term "Fast running meters" is a subjective term. As the consumption of electricity at the consumer's end increases, the electronic meter captures and records the higher units consumed

2.345 It is submitted that the Petitioner has arrangements with Bank of Baroda and IDBI for bill payment at any branches of these banks in Delhi. Any branch of these two banks can accept payment through either cash (up to Rs. 4000/-) or cheque/ DD. It may be noted that Bank of Baroda also accepts payment through transfer by its account holders. The Petitioner has collection account with these two banks.

2.346 It is submitted that the comments pertain to the Commission and therefore the licensee trusts that same will be duly considered by DERC.

2.347 We appreciate notion of Linking Aadhar Card to electricity connection. As Govt. of India has been linking Aadhar to most services such as PAN Number, Mobile Number, and Bank Accounts etc. in order to ease the tracking and check any fraudulent activities. BRPL has been taking Aadhar number as an ID proof for new connection but it is not compulsory. We trust, the Commission would give due cognizance to this aspect as it will avoid consumers to take connections on false documents and arrears pending towards such consumers would be recovered resulting in reduction of AT&C Loss Levels.

2.348 We appreciate concern on digital payments. BRPL has made provisions for digital payments through E wallets, Banks, Net Banking, Debit Card, Credit Card etc. We trust, the Commission would give due cognizance to this aspect while promoting digital payments.

COMMISSION'S VIEW

2.349 As per the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation 2017, the billing cycle is defined in clause 2(15) as "Billing cycle" or "Billing period" means the period as approved by the Commission for which regular electricity bills are to be prepared by the Licensee for different categories of consumers. The Commission in these Regulations have also specified that the billing cycle shall be for a consecutive period of 30-35 days. Further the Licensee shall also upload the billing cycle dates on its website.

2.350 The Commission has taken a conscious decision that in case the bill for consumption of electricity is more than Rs. 4000/-, payment of the bill be accepted by the Petitioner by means of Account Payee Cheque/DD. However, payment of any amount can be made through net banking payment. The Commission has also directed the petitioner to accept the cash payment of more than Rs. 4000/- for payment of electricity bill in the case of visually impaired consumers only. The Commission vide letter dated 22.01.2016 has directed that in cases of settlement done on the order of a Court, the licensee can accept the settlement amount in cash from the litigant along with order of the Court. Further, based on the stakeholder's request the Commission has decided to allow cash deposit upto Rs.50000/- against electricity bills in scheduled commercial bank account of the Petitioner.

2.351 The Commission in its Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation, 2017 has specified that the meter shall be tested in an accredited laboratory notified by the Commission. Further, in the absence of notification of accredited laboratory by the Commission, the meter shall be tested in any NABL accredited laboratory other than that belonging to DISCOMs.

2.352 The Commission has allowed the distribution companies to accept Adhaar Card as one of the documents for proof of identity.

2.353 The Commission in its draft order under Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation, 2017, has made the provisions for issue of electricity bills in the format prescribed in the regulations, giving details of parameters to be captured in the bills.

2.354 The matter regarding rebate/interest on advance payment shall be dealt appropriately in the order to be issued under Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation, 2017.

ISSUE 17: TARIFF HIKE

STAKEHOLDERS' VIEW

2.355 Consumers requested to disallow any tariff hike and DISCOMs accounts should be audited by any independent authority.

2.356 Due to higher AT&C losses and DISCOMs incapability, honest consumers may not be penalized by tariff hike.

2.357 There is no need of tariff hike if Commission disallow rent to Delhi govt. against the land given to DISCOMs which is 20% of circle rate.

2.358 The main reason of tariff hike is purchasing of costly power from new power plants, it is requested not to burden domestic consumer with tariff hike and requested to hike tariff of commercial driven areas like North and South Delhi.

2.359 After privatization the condition of Power Sector in Delhi have improved a lot in terms of reliability and quality of power, customer satisfaction, loss reduction etc., DISCOMs are also regularly engaging with RWAs and other stakeholders for the betterment of society. Commission is requested to allow hike in tariff in such a manner that DISCOMs will provide quality and reliable power to consumers. It is also requested to Commission do not work under any Political influence.

2.360 Instead of rational tariff structure among all three DISCOMs, Commission should follow the differential tariff across DISCOMs depends on their financial health & revenue realization.

2.361 The slabs of electricity tariff need to be redesigned for better management of cross subsidies and Commission should ensure that only poor people get the benefit of lower tariff/subsidy.

2.362 Tariff of Bawana Industrial area should be compatible with other states as GST makes whole country as one market and difference in tariff will hamper MSME of Delhi.

2.363 Prudence check for expenses and revenue by DISCOMs should be given importance.

2.364 LPSC charges must not be increased beyond 18%.

2.365 Charges of Rs. 14000/kW is very high. Energy charge of Rs.2.75/unit upto 2014 is now increased to Rs.6/unit. It's very high for farmers. Tariff for energy charges for agriculture should be reduced.

PETITIONER'S SUBMISSION

TPDDL

2.366 Tariff for a year is determined based on the principle that there should be 100% recovery of ARR requirement for that respective year. If ARR requirement is going to be increased/ decreased, correspondingly tariff has to be changed for the financial viability of the sector. Thus, if there is no increase in tariff, there would be a situation of revenue deficit, which ultimately has to be recovered from consumers in ensuing years along with the carrying cost. Therefore in the interest of consumer and financial viability of the power sector, Tariff hike is proposed to recover the entire ARR for next year along with the recovery of past accumulated Revenue Gap and carrying cost, which may be considered by the Commission after prudence check.

2.367 The Financial Statements have been prepared in accordance with the AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Further such financial statements are subject to audit by statutory auditors (empanelled with CAG) and on which the statutory auditors gives their opinion about the true and fair view on state of affairs of the company.

2.368 The tariff in any year is determined by the Regulator in line with the applicable Rules/s and on the basis of the True up /ARR which is different from the financial books of accounts. Therefore, the tariff order is released by the Regulator only upon completion of the prudence check of the ARR submitted to the State Commission. Therefore, the decision of tariff hike is linked to the approved ARR only after prudence check.

2.369 We welcome this comment in overall consumer interest that such lease rent in turn is getting loaded in ARR and consumer tariff thereof and may be re-looked into as per past practice of charging notional Re. 1/- for the same. It will hence help in lowering the tariff burden on Consumers of Delhi.

2.370 Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the principle that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by Commission.

2.371 Even National Tariff Policy states that tariff design shall be linked to cost of service and tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.

2.372 Accordingly, in line with the objectives of the Electricity Act and National Tariff Policy, a road map for reduction in cross subsidy has to be made in the interest of consumers so that electricity tariff reflects voltage wise cost of supply.

2.373 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.374 Prudence check of data is carried out very strictly by Commission which cannot be doubted.

BYPL

2.375 We would like to apprise that BYPL is a company established under the Companies Act, 1956. Accordingly the accounts of the DISCOMs are audited both internally and externally by statutory auditors as per the requirements of the Companies Act, 2013.

The Commission also undertakes detailed scrutiny of the accounting statements before admitting the expenses in the ARR proceedings.

2.376 As regards the issue of increase in power Tariff, we would like to state that the determination of electricity Tariff to be charged from a category of consumer is the prerogative of the Commission, in terms of the provisions of the Electricity Act, 2003.

2.377 The Commission determines the Tariff after considering the operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network/ infrastructure to meet the load requirements of the consumer. The Commission will take into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees.

2.378 Further we would like to mention that Company's Balance sheet and accounts is duly audited by the Statutory Auditors. Also DERC conducts a comprehensive prudence check before allowing any costs in ARR.

2.379 Tariff revision process is governed by Regulations provided by the Commission. According to these Regulations, DISCOMs submit the ARR covering past expenses along with projections. After due prudence check of the data submitted by DISCOMs and considering all Stakeholders' views, Commission decides the Tariff. However for FY 2017-18, BYPL has not sought Tariff hike of 30% as mentioned by the Consumer.

2.380 First of all, petitioner likes to humbly submit that the figures for BYPL as shown in the table are incorrect. The Domestic consumption in MU for BYPL in FY 2015-16 is 3180 MU out of the total consumption billing of 5676 MU which comes to 56% instead of 54% as shown by the stakeholder in its letter.

Apart from this, there is cross subsidy present in the billing system, being the uniform tariff among the Delhi Discoms. As per the tariff approved by Commission, in case of domestic consumers, slab wise billing is applicable i.e. higher the consumption slab higher the recovery from consumer. The consumption by Domestic consumer falling in the slab of more than 400 units per month subsidizes the consumption of domestic consumers falling in the slab lower than 400 Units, which are at a rate of Rs 4 per unit. Further, other categories like Non Domestic, Industrial, DJB, DIAL, DMRC etc are billed at higher tariff and hence subsidize the consumption of all the consumers being billed at lower tariff.

2.381 BYPL does not have special category consumers like DIAL which are billed at higher tariff and infuse lowest loss in the distribution system of other DISCOM. BYPL does not have higher billing share of disciplined consumers like industrial, 30% industrial billing in case of Other DISCOM.

2.382 As per the table above, BYPL has the Lowest consumption in the cross subsidized category being billed at lower tariff i.e. 32% vis a vis 28% and 24% in case of other DISCOMs.

2.383 Besides above, per consumer consumption per annum in case of BYPL is lowest among all Discoms. Hence, the other Discoms are able to gain more margins as compared to BYPL. This is shown with the help of table below:-

Table 6: Sales and Consumer Mix submitted by BYPL

Particulars (FY 2015-16)	BRPL	BYPL	TPDDL
No. of consumers (No)	2228127	1519673	1515626
Total sales(MU)	10,505	5,676	7,854
Per consumer consumption per annum Units/Consumer/Annum)	4,715	3,735	5,182
Higher per capita Consumption (MU)	980	-	1447
Percentage margin (%)	26%	-	38%

2.384 It can be seen from the above table that BYPL is deprived of the margin by almost 38% vis a vis other Discoms in view of the uniform tariff regime in Delhi.

2.385 We appreciate the concern raised by the esteemed stakeholder for providing the cheaper power to the DISCOMs that have domestic consumer on the one hand but on other hand this logic lacks the holistic view of the consumer profile of the DISCOMs. But instead of domestic consumer, the cross subsidization across all categories and the margin earned by the DISCOMs due to higher consumption in its area shall also be kept in the mind while reallocating the cheaper power. BYPL has the lowest strata of consumer base across all DISCOMs being billed at lower tariff and also have the comparatively lowest consumption which is cross subsidizing these low end consumers.

2.386 We appreciate the concern of the esteemed stakeholder and we would like to submit that BYPL from time to time has been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective tariff and time bound recovery of accumulated Regulatory Asset.

2.387 In this regard we would like to inform that the Commission determines the tariff only after considering the prudency of operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network / infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees. The Commission determines the tariff to be charged from a category of consumers based on the approved ARR of the licensee.

BRPL

2.388 As regards the issue of increase in power tariff, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.389 The stakeholder has also raised the issue of audit. In this regard it is respectfully submitted the Petitioner Company's accounts are audited both internally and also externally by statutory auditors as per the requirements of the Companies Act, 1956 and the Commission also undertakes detailed scrutiny of the accounting statements before admitting the expenses in the ARR proceedings. Further, it is also pertinent to note that the Commission determines the tariff only after considering the prudence of operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network/ infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees. The Commission determines the tariff to be charged from a category of consumers based on the approved ARR of the licensee.

2.390 It is noteworthy that over 80% of DISCOMs expenses are towards power purchase, an uncontrollable expense. Of the remaining 20%-10% are Financial and other costs and 10% O&M costs. Delhi DISCOMs buy power mainly from Central/State Government Generating Stations/Transcos, which are subjected to CAG audits. Hence 80% of a Delhi DISCOMs expenses are indirectly subjected to CAG audits. Tariffs for generating stations are determined by CERC and the bills are vetted by the SLDC, an independent systems operator. Moreover, the invoices raised by these stations on the DISCOMs are further subjected to detail scrutiny by DERC. The remaining 20% expenditure incurred pertains to controllable costs controllable costs which are already capped by the Commission. Expenditure incurred towards these controllable costs is subjected to audit by BRPL's statutory auditors and are further scrutinized by the Commission during prudence check.

2.391 As regards the issue of differential tariff/ penalty in high loss areas is well appreciated, we would like to state that the determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.392 We agree with the view point that the size of slabs needs to be in line with the average electricity consumption of various sections of society. For instance if the average consumption of marginalized consumers in the society is say 50 units in a month (enough for a small family of 4 people with limited use for CFL bulbs, fan, TV and small kitchen appliances), the first slab could be restricted to say 100 units per month. Since tariff setting, consumer category/slab design are regulator’s prerogative, we request the Commission to study this issue in detail and carry out a detailed study to determine the appropriate slab sizes in line with consumer’s ability to pay.

2.393 Further to add to the point of cross subsidy between tariff slabs, we believe that in a cost reflective scenario, the benefit of lower tariffs should be restricted to only marginalized consumers of bottom slab of tariff. In line with provisions of Electricity Act 2003, the Delhi Government should provide direct subsidy in advance for the difference in tariff and cost of supply for remainder of consumers. We request the Commission to allow for cost reflective tariffs and direct Delhi Government to fund direct subsidies, if any.

2.394 The calculation provided by comparing jump between slabs in terms of ABR and tariff, provides a compelling case for non-telescopic tariffs. While we agree with the view point that due to telescopic tariff slabs the consumers with higher consumption also get the benefit of lower tariffs for bottom slabs, non-telescopic tariffs also have their fair bit of disadvantages. The advantage and disadvantage of telescopic vs. non telescopic slabs are as follows:

Table 7: Comparison of Telescopic and Non-telescopic Slabs by BRPL

Sr. No.	Particulars	Advantage	Disadvantage

Sr. No.	Particulars	Advantage	Disadvantage
1	Non Telescopic Slabs	• Benefit of subsidised tariff given to consumers with lower consumption is not passed onto other consumers.	• Borderline consumers falling with consumption like 201 units or 401 units would suddenly be charged higher tariffs for entire amount, increasing variation in consumer bills from month to month due to marginal consumption
		• Effectively allows the Commission to bring down the tariff rates of domestic consumers to their respective slab's ABR and still allow same revenue recovery for utility.	• Could further encourage consumers to split their consumption over several connections to remain within the limit of lower slabs
2	Telescopic Slabs	• Protects borderline consumers against sudden jumps in consumers bills due to change in slab	• Un-targeted subsidies, enjoyed by all consumers irrespective of their ability to pay

2.395 We believe that in an ideal case of cost reflective tariffs and along with direct subsidies to consumers from Delhi Government, the need for tariff slabs would cease to exist and therefore ending this debate on telescopic vs. non telescopic slabs. Further with the Government working on the concept of Direct Benefit Transfer in electricity subsidies (similar to LPG subsidy project), the need for creating tariff slabs wouldn't be there in the future. However these reforms would be implemented in phases and till that time, the Commission could conduct a detailed impact analysis study on telescopic vs. non telescopic tariffs.

2.396 We agree with the economic argument given that better services should warrant better tariffs, however this is not possible in the regulated market scenario of cost plus tariff determination. This could entail in future as and when competition is introduced in retail sale of electricity. This argument however rightly forces us to think towards analyzing other parameters for subsidy design instead of just cost coverage ratio. The parameter of measuring ability to pay has been rightly identified as one of such parameter. With such vast differences in per capita income of consumers from state to state, the common approach of +/- 20% cross subsidy cannot be adopted everywhere.

2.397 We therefore request the Commission to conduct a detailed Tariff Affordability Study for analyzing the % spend on electricity of different sections of society and analyze subsidies in tariff in detail.

2.398 It is noteworthy to mention that the quality and reliability of the power supply largely depends upon the cost reflective tariff. As regards the issue of determination of tariff, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.399 It is submitted that the Petitioner is mandated by Regulations to file the ARR Petition/True-Up Petition with the Commission within a specific timeline. Once the ARR is submitted, the Commission conducts comprehensive checks for correctness and adequacy of the data provided w.r.t energy sales, billing, power purchase costs, distribution costs etc. in the Petition. Accordingly, in case some deficiencies are identified, additional inputs are sought from the Petitioner for curing the identified defects. It is only after curing all such defects to the satisfaction of the Commission, that the ARR Petition/True-Up Petition is admitted and taken on record.

2.400 In the instant case, the True-Up Petitions for FY 2014-15 & FY 2015-16 were submitted with the Commission on 18.04.2016 & 24.01.2017 respectively. Subsequent to the submissions, Commission after due scrutiny and receipt of data gaps and additional submissions as sought by the Commission to its satisfaction finally admitted the Petitions vide its Order dated 26.05.2017.

2.401 The Petitioner also adheres to periodic compliance reports regarding billing, power purchase, CAPEX etc. which is subject to exhaustive prudence checks by DERC. The Petitioner also submits the above compliances in “Compliance to Directives” chapter in its ARR/ True-Up Petitions.

COMMISSION’S VIEW

2.402 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2017-18, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up to FY 2015-16 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer’s overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.403 The issue related to LPSC & levy of Rs. 14000/KW for release of connection for unelectrified areas is related to the draft order issued under Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation 2017 and shall be dealt accordingly.

ISSUE 18: CAG AUDIT

STAKEHOLDERS' VIEW

2.404 Commission is requested to intervene in the matter of CAG Audit in Supreme Court to save consumer money.

PETITIONER'S SUBMISSION

TPDDL

2.405 There is no provision in the scheme of Electricity Act 2003, CAG Act 1971 or the constitution of India for conducting any CAG audit of Private Distribution Companies. The DERC is a statutory body performing its functions, discharging its duties as enumerated under the Electricity Act, 2003. No fruitful purpose will be achieved by intervention of the DERC in the matter.

BYPL

2.406 CAG Audit was commenced pursuant to the GoNCTD's letter dated 07.01.2014 to which the Petitioner has provided its full co-operation. However, the Hon'ble High Court of Delhi vide judgment dated 30.10.2015 set aside the direction of GoNCTD for audit of the Delhi DISCOMs by CAG and all actions undertaken in pursuance to above directive are also rendered inoperative and to no effect. United RWAs Joint Action, GoNCTD and CAG have filed appeals before Supreme Court and the matter is sub-judice.

BRPL

2.407 As regards CAG Audit of the DISCOMs is concerned, it is submitted that the issue is sub-judice before the Hon'ble Supreme Court of India. It is noteworthy to mention that the issue was decided in favour of the DISCOMs by the Hon'ble High Court of Delhi vide Judgment dated 30.10.2015 in United RWAs Joint Action V/s. Union of India & Ors. The Hon'ble High Court of Delhi while quashing the direction for CAG audit of DISCOMs u/s 20(1) of the CAG Act observed that the determination of tariff is the sole domain of DERC, which is well empowered to itself conduct the same or have the same conducted and the report of CAG audit of DISCOMs has no place in the Regulatory regime brought about by the Electricity Act 2003 and the Reforms Act.

COMMISSION'S VIEW

2.408 The matter of CAG Audit is sub-judice before the Hon'ble Supreme Court of India.

ISSUE 19: TIME OF DAY TARIFF

STAKEHOLDERS' VIEW

2.409 Do all electronic meters consumers have "time of the day" metering facility? Cost of up-gradation of TOD Meters should be borne by DISCOMs. Rebate of Off-Peak Hours should be increased to 35%.

2.410 Off-peak hours should be from 9PM to 9AM and rebate should be increased to 35% for industrial consumers.

2.411 DERC had decided earlier that anything below 25 KW should not be subject to ToD but now the scenario is that even the meters for less than 25 KW have ToD compliance, because it requires bigger investment which means bigger returns to the DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.412 TOD tariff is mandatory applicable for consumers (other than Domestic) where sanctioned load/MDI (whichever is higher) is 25KW/27kVA and above as per Tariff Order Issued by Commission. The upgradation cost of such customer is borne by DISCOMs. However, Option of TOD tariff is also available for consumers (other than

Domestic) where sanctioned load/MDI (whichever is higher) is 11KW/12kVA to 25KW/27kVA and upgradation cost is only charged, if ToD is opted by such consumers.

2.413 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.414 By opting ToD metering the consumers will be directly benefited through reduced monthly bills. The concept of ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. Implementation of ToD tariff directly as well as indirectly benefits the consumers.

2.415 Imposition of ToD charges to any particular category is the sole prerogative of Commission. Currently ToD is applicable to all consumers except domestic category i.e. on the loads 25KW/27KVA and above (mandatory applicable) and 11KW/12KVA to 25KW/27KVA optional. As the DISCOMs has no other option but to shut down the plants below technical minimum therefore long term arrangement of power is on Round the Clock basis. DMRC operates in the peak and normal hour and shut down in off peak hours due to the RTC arrangement to meet the peak demand for all the consumers BYPL. BYPL incur losses in terms of surplus power sale in other time slot and hence ToD is being charged from the consumers as per the Commission's tariff Order.

BRPL

2.416 All the meters where the TOD billing is approved by Commission in Tariff Order dated 29.09.2015 are TOD Complied.

2.417 As regards the suggestion of DMRC regarding TOD metering, we would like to mention that the cost of producing electricity varies from hour to hour. The marginal cost of producing electricity varies widely, depending upon the total load and the particular generating units used to serve this load. The theory behind time-of-day rates is simply to vary the price of electricity in accordance with fluctuations in production costs. When the cost of production is high, the price would also be high. Conversely, when the cost of production is low, the price would be low. The equity advantages of time-of-day pricing are also apparent.

2.418 Under a time-of-day pricing system, this inequity can be corrected because the off-peak user is charged less than the peak-hour consumer. The concept of time-differentiated tariff aims at shifting time of peak demand, thereby flattening the load curve for which the Utility provides incentives to shift consumption to off-peak hours and offers disincentives for consumption during peak hours. The concern is as to how to encourage shifting of energy consumption from peak hour to non-peak hours to reduce the marginal cost of power required for meeting the peak demand. ToD Tariff as a concept is quite beneficial for the stakeholders.

2.419 The Commission in its Tariff Order dated July 13, 2012 had for the first time has introduced Time-of-Day Tariff for large industrial and commercial category with sanctioned load/ MDI (whichever is higher) of more than 300KVA which is applicable till date.

2.420 Further the Commission in the Public Notice on the ARR Petition has mentioned that as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours had decided to lower the applicability limit for ToD Tariff with a view to reduce peak hour consumption and increase consumption during off-peak hours.

COMMISSION'S VIEW

2.421 The Commission is of the view that ToD tariff is an important Demand Side Management (DSM) measure to flatten the load curve of the DISCOMs. The Commission in its tariff order dated 13.07.2012 had for the first time introduced ToD Tariff on a pilot basis for large industrial and commercial categories with a sanctioned load/MDI (whichever is higher) of more than 300 kVA. Surcharge had been introduced under ToD tariff during the peak hour consumption to offset the costly power purchase during the peak hours and rebate given to consumers for shifting the demand from peak to off peak hours.

2.422 The Commission has retained existing ToD Tariff for FY 2017-18.

ISSUE 20: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.423 Consider Gardens under agriculture land category instead of commercial category and apply tariff accordingly.

2.424 Consider private owned Dharamshalas under residential category tariff instead of commercial category.

2.425 Consider small shopkeepers up to 2kW load under residential category.

2.426 Factories running in industrial areas approved by Govt. of NCT under master plan should be categorized under small industrial power tariff category III irrespective of their type of factory licence.

2.427 TPDDL started raising the bills on non-domestic tariff from the chambers of the advocate at Tis Hazari courts, Delhi, without issuing any show cause notice or any reason to the Bar Association or advocate, please clarify.

2.428 Single point (11 kV) CGHS are paying higher tariff and maintenance cost of electrical sub station as compared to individual multipoint connection of CGHS users. So Commission should provide rebate on energy charges for CGHS with single point connections.

PETITIONER'S SUBMISSION

TPDDL

2.429 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.430 Industrial / Factory Licence has been mandated by Commission under Supply Code and Performance Standard Regulations issued from time to time.

BYPL

2.431 No Response.

BRPL

2.432 No Response.

COMMISSION'S VIEW

2.433 Regarding Tariff for lawyers chambers, the Commission has relied upon the judgment of the Hon'ble Supreme Court in Civil Appeal no. 1065/2000 for retaining the existing Tariff Category of Non-Domestic which has held that:

"....Thus the question whether an Advocate can be said to be

carrying on a commercial activity does not arise for consideration. As the user is admittedly not "domestic" it would fall in the category of "commercial and non-domestic". In such cases even for "non-domestic" use the commercial rates are to be charged. Exclusively running an office is clearly a "non-domestic" use."

2.434 In view of the above judgement, the Commission is of the view that even private owned Dharamshalas and Gardens has to be classified under Non-Domestic based on type of use (Non-Domestic) and the Commercial rates are to be charged.

2.435 Tariff for GHS has been fixed based on the average rate of individual domestic consumer's tariff based on the average consumption of residential consumers and by considering appropriate discounting for the maintenance cost.

2.436 The Commission has extended Domestic Category to the consumers running small commercial establishments from their households having sanctioned load upto 5kW shall be charged domestic tariff.

ISSUE 21: RETURN ON EQUITY

STAKEHOLDERS' VIEW

2.437 DISCOMs are getting 16% as RoE, which is raised from public institutions at lower rate of interest. No business provides such returns. Commission is requested to reduce RoE.

2.438 At per present economic scenario, ROE to DISCOMs should be limited to 8% only.

PETITIONER'S SUBMISSION

TPDDL

2.439 ROE is allowed as per Terms and condition for determination of Distribution Tariff Regulation 2011 for 2nd MYT Regulation control period.

2.440 It is worth to mention that even CERC has allowed return on equity @ 15.5% to generating companies which are operating in lower risk in comparison to risk involved in distribution segment. The said factor has also been recognized by Forum of Regulators. Therefore, generally a margin of 2% is considered for the distribution segment which is over and above the ROE of generating companies.

BYPL

2.441 The Petitioner would like to quote Clause 5.3(a) of the National Tariff Policy issued by

Ministry of Power dated 6th Jan, 2006 which mentions that the rate of return notified by CERC for Generation & Transmission may be adopted by the State Electricity Regulatory Commissions (SERCs) for Distribution with appropriate modification taking into view the higher risks involved. The Ministry of Power has thus recognized the very fact that Distribution business is a riskier business relative to Generation & transmission and thus has suggested of providing higher RoE to Distribution projects.

2.442 The CERC has in its tariff regulation for FY 2014-19 provided RoE at the base rate 16.50% for hydro stations (storage type and RoR). The RoE for the distribution business as a whole ought to be at least 2% more than the generation business keeping in view the fact that the overall risk and cost of capital for the distribution business is higher than the generation business. In view of the above facts, Petitioner would like to inform that the 16% RoE as assumed by the Petitioner from the Wheeling and Retail business is infact on a lower side. Thus, it would be highly unjustified to expect the Petitioner to sustain distribution business without a reasonable return or profit.

BRPL

2.443 No Response.

COMMISSION'S VIEW

2.444 Distribution business involves higher risk as compared to Generation & transmission. This aspect has been duly recognised by the sector, and even CERC in its Tariff Regulations 2014 has also approved the different base rates of return on equity at 15.5% & 16.5% for the Generation and Transmission system respectively. 16% RoE approved for the Distribution Business includes 14% for wheeling and 2% for Retail Supply. The rational for rate of return on equity has also been detailed in the explanatory memorandum issued by the Commission on draft Business Plan Regulations, 2017.

ISSUE 22: ELECTRICITY FIXED CHARGES

STAKEHOLDER'S VIEW

2.445 Fixed charges for consumers should be reduced as DISCOMs are unable to provide reliable power supply.

2.446 Fixed charges should be merged with Consumption charges for Industrial consumers.

PETITIONER'S SUBMISSION

TPDDL

2.447 Fixed charges as part of tariff is levied so as to be able to cover the fixed expenses / costs of DISCOMs. DISCOMs needs to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not but the DISCOMs is required to have such infrastructure in place.

2.448 Fixed Charges are charged on the Basis of Sanctioned Load for Domestic Customers and higher of Sanctioned Load or Maximum Demand for Other Category of Customers. No Meter Charges are levied on the consumers. Fixed charges are part of total tariff which is actually charged to create and maintain distribution network according to load demand in the area irrespective of the fact whether such load demand is actually used or not but the DISCOMs is required to have such infrastructure in place. Such infrastructure is required to be maintained to give services to the consumers prescribed under performance standards framed by the Commission.

2.449 It is also pertinent to mention that if fixed charges are reduced, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.

2.450 In any case, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.451 In accordance with the provisions of the Electricity Act 2003, determination of tariff is the sole prerogative of the Commission. We sincerely trust that the stakeholder's observations would be appropriately considered by the Commission while finalizing tariff for FY 2017-18.

2.452 As regard to fixed charges, we would like to submit that Section 45 (3) of Electricity Act, 2003 provides for the levy of fixed charges. This Section states that: "The charges for electricity supplied by a distribution licensee may include - (a) a fixed charge in addition to the charge far actual electricity supplied;"

2.453 The rationale for levying fixed charges is to recover a part of the fixed cost of the utility so that at least a part of the fixed cost is recovered even if there is no consumption by the consumer. The generating station also recovers Power Purchase Cost as two part tariff consisting of capacity charge and energy charges. Capacity charges is to recover fixed charges such as O&M, Return on Equity, interest, Depreciation cost which is payable by the petitioner even when generation has been suspended for reasons like maintenance, evacuation constraints etc. When a consumer is connected to the system, the utility has to provide/allocate certain capacity of its system to serve the consumer and also capacity charges payable to generating stations. When a consumer is connected to the system, the rationale for levying fixed charges is to recover a part of the fixed cost of the utility so that at least a part of the fixed cost is recovered even if there is no consumption by the consumer. The capital related costs are the costs incurred by the petitioner on building up the infrastructure and maintaining the same in proper working condition in order to service the consumers.

2.454 Section 45(3) of the Electricity Act 2003 provides for the levy of fixed charges. This section states that: “The charges for electricity supplied by a distribution licensee may include – (a) a fixed charge in addition to the charge for actual electricity supplied;” In this regard we would like to submit that when a consumer is connected to the system, the distribution utility has to provide/allocate certain capacity of the distribution system to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption. The Petitioner also pays fixed charges in addition to the variable charges to the generating companies for sourcing power. Ideally, the fixed charges levied on the consumer should defray the cost of such capacity requirements of the consumer after considering the fixed cost of such system and diversity of load in the system. Section 45 (3) of Electricity Act, 2003 also provides for the levy of fixed charges.

2.455 However, determination of Fixed Charges to be charged from a particular category and a particular slab of consumers is a sole prerogative of the Commission.

BRPL

2.456 No Response.

COMMISSION'S VIEW

2.457 Fixed charges are levied to cover the fixed expenses of the Utilities. The infrastructure and network involves continuous running and maintenance to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. The energy charges indicate the variable charges which are directly linked to the consumption of electricity. Both fixed and energy charges form part of the electricity billing; decrease in one shall lead to increase in the other.

ISSUE 23: TARIFF FOR DMRC

STAKEHOLDER'S VIEW:

2.458 NDMC proposed to increase the tariff for DMRC i.e. fixed charges from Rs. 125/KVA to Rs. 154/KVA (23.2% increase) and energy charges from Rs. 6.10/KVAh to Rs. 7.53/KVAh (23.4% increase).

2.459 There is an effective increase of almost 189% in last 5 years (i.e., from Rs. 2.50 to Rs.7.23 per unit). This has resulted in increase in working expenses of DMRC by 1095% (i.e. from Rs. 44 Crore in 2007-08 to Rs. 526 Crore in 2015-16), whereas increase in energy consumption is only 268% (20 Crore units in 2007-08 to 73.5 Crore units in 2015-16). DMRC will not be in a position to sustain any additional increase in tariff without passing it on to the consumer.

2.460 Distribution losses as provided in DISCOMs ARR Petitions for FY 2017-18 at 66 kV level are in range from 0-1% only. The purchase cost at 66 KV without considering distribution losses of lower voltage will be much lower than Rs. 5.31/unit for BRPL, Rs. 4.76/unit for BYPL, Rs. 4.49/unit for NDMC & Rs. 6.47/unit for TPDDL. Since DMRC takes power at 220kV/66KV and does not contribute to distribution losses, separate power purchase costs may be given by DISCOMs at various voltage levels (i.e. 220KV 66KV and L.T. level) after taking into consideration losses at corresponding voltage levels along with power purchase cost at each of the above voltage levels, clearly accounting for the losses for respective voltage levels.

2.461 As per agreed principle in November 2002, there is no provision of fixed charges. Hence, fixed charges are not applicable to DMRC and withdrawal of the same may be considered by DERC.

2.462 DMRC may be exempted from payment of Revenue Deficit surcharge (8% Surcharge).

2.463 DMRC has deposited security deposit of Rs 7,31,25,000 to BRPL, Rs 3,18,75,000 to BYPL, Rs 4,46,25,000 to TDPPL & Rs 1,20,00,000 to NDMC. Commission vide Tariff order for FY 2015-16 has allowed security deposit in the form of Bank Guarantee. But the DISCOMs have not agreed for refund of existing security deposit as they state that the order of the Commission w.r.t to the Bank Guarantee does not apply to the earlier existing contracts, clarification in this regard needs to be issued.

2.464 No Cross-subsidy surcharges are levied on DMRC for energy supplied by DISCOMs as well as for renewable energy procured through Open Access

2.465 DMRC requested to get exempted from ToD metering and should incentivize DMRC by way of reduce tariff in peak load conditions.

2.466 While availing power through open access, during feed extension, which is a force majeure condition, the scheduled demand of the failed sources should be added to the scheduled demand of the alternate sources so that the energy drawn upto sum of the scheduled demand from DISCOMs through open access is charged at the open access rate. No fixed charges should be levied.

PETITIONER'S SUBMISSION

TPDDL

2.467 No Response.

BYPL

2.468 In this regard, we would like to bring to your kind notice the Regulation 16 Para vi of the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007" which states as under:

"16 ………………… vi) The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection

energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year."

Therefore it is to mention that Security Deposit amount is being levied as per the Regulations prescribed by the Commission

BRPL

2.469 No Response.

COMMISSION'S VIEW

2.470 The DMRC has already been considered as a special tariff category in the tariff orders issued by the Commission year on year. The issue of drawing power at higher voltage and rebate thereon has been inbuilt in the Tariff design and addressed appropriately in the Tariff Order.

2.471 The Commission is of the view that any increase in tariff for DMRC is on account of increase in power purchase cost and other components forming part of the ARR of the distribution licensees.

2.472 The Commission has already directed to the petitioner for energy audit to determine the voltage wise loss in the network of the petitioner.

2.473 The Tariff determined by the Commission in respective tariff order was also fixed by considering all the factors discussed above.

2.474 The Commission in its Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulation 2017 has made the provisions for providing bank guarantee in lieu of security deposit already deposited for the existing connections. The existing security deposit shall be refunded in twelve instalments in the bills.

ISSUE 24: ENERGY AUDIT

STAKEHOLDER'S VIEW

2.475 There should be proper Energy Audit to get the accurate details of power consumption of each consumer category.

PETITIONER'S SUBMISSION

TPDDL

2.476 No Response

BYPL

2.477 In this regard we would like to inform that in BYPL area consumer indexing related to distribution transformer has been done. Besides the above, area wise losses in the high loss areas in each division are uploaded bimonthly on the website (www.bsesdelhi.com) of the Petitioner which can be perused. Further, Commission has recently initiated process for “Appointment of Consultant For Energy Audit of the Networks of Discoms in NCT of Delhi”.

BRPL

2.478 For the purpose of energy audit the first step is to install meter on all EHV/ HV feeders and distribution transformers. Another activity is Geographic Information System (GIS) mapping of all network assets. EHV level data for all the circles in its area of operations are uploaded on the GIS server network and integration with SAP is completed, also updated Single Line Diagram for all grids stations attached and accessed through GIS. On HT side, data for all 33 divisions uploaded on GIS server and its integration with SAP is also completed. First stage of consumer indexing related to critical transformer is already over. As a next step Consumer indexing with distribution transformer has also been taken up and is in progress. Besides the above, area wise losses in the high loss areas in each division are uploaded bimonthly on the website (www.bsesdelhi.com) of the Petitioner which can be perused.

2.479 It is trusted that your valued suggestions for extending energy audit to other agencies/ establishments consuming bulk power will be suitably considered by the Commission.

COMMISSION’S VIEW

2.480 The Commission has directed the DISCOMs to conduct the energy audit regularly and display the losses on its website. The DISCOMs of Delhi have reported that they have adopted the latest technology like GIS, SCADA, and Distribution Automation etc.

2.481 The Commission is also of the view that wastage of electricity should be avoided. The Commission has been issuing the public awareness bulletins from time to time for use of energy efficient equipment/lighting.

2.482 The Commission is also in the process of appointment of consultant for energy audit of the networks of DISCOMs, for third party assessment of the actual technical & distribution losses of the Distribution licensee.

TRUE UP FOR PAST PERIOD UPTO FY 2013-14

BACKGROUND

3.1 The claims pertaining to true-up pending with respect to earlier periods have been divided into three parts as under:

A) For Policy Direction Period
B) For 1st MYT Control Period
C) For 2nd MYT Control Period

3.2 The issues submitted by the Petitioner are discussed as follows:

CAPITALIZATION FOR FY 2005-06 TO FY 2006- 07 OF POLICY DIRECTION PERIOD

3.3 Based on revised value of EI based capitalisation comes to Rs. 147.35 Cr and Rs 163.75 Cr for FY 05-06 and FY 06-07 respectively. Against the same the Commission has provisionally approved amount of Rs. 157 Cr and Rs. 200 Cr for FY 05-06 & FY 06-07 respectively as follows:

Table 8: Revised Capitalization sought for Final True up (Rs Cr)

Sr. No.	Particulars	FY 05-06	FY 06-07
A	Capitalization considered by the Commission in its previous tariff orders	157.00	200.00
B	Capitalization now sought based on EI	147.35	163.75

3.4 The Petitioner has submitted year wise amount of repayment of APDRP Loan which has not been considered in previous tariff order:

Table 9: Repayment of APDRP Loan (Rs Cr)

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	APDRP loan repayment	-	-	-	0.45	17.46

3.5 The petitioner has submitted the impact of revision in capitalization and repayment of APDRP loan, the revised workings for Fixed Assets, Depreciation, Means of Finance, ROE and Interest on loans are given below:

Table 10: Revised Fixed Assets Schedule (Rs Cr)

Sr. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Opening Balance	1210.00	1214.41	1445.22	1686.22	1833.57
B	Addition during the year (EI certificate not required + Recd)	4.41	230.81	241.00	147.35*	163.75*
C	Deletion/Retirement	-	-	-	-	-
D	Closing Balance	1214.41	1445.22	1686.22	1833.57	1997.32
E	Average Fixed Assets	1212.21	1329.82	1565.72	1759.90	1915.45

3.6 Due to the revision in Fixed Assets depreciation will get revised as it is directly linked with the asset base. Computation of revised depreciation is given below:

Table 11: Revised Depreciation Schedule (Rs Cr)

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Opening Balance	290.00	350.71	431.96	528.64	641.45
B	Add: for the year	60.71	81.24	96.69	112.81	122.67
C	Deletion on account of Decapitalization	-	-	-	-	-
D	Closing Balance	350.71	431.96	528.64	641.45	764.11
E	Depreciation already allowed	60.71	80.79	93.28	106.39	114.26
F	Additional Depreciation now sought/(offered)	0.00	0.45	3.41	6.42	8.41

3.7 The Petitioner has submitted that for the Policy direction period (FY 2002-03 to FY 2006-07), the Commission had prescribed the priority of utilization of depreciation. Based on the same, the revised computation of utilization of deprecation for each respective year is submitted by the Petitioner given below:

Table 12: Utilization of Depreciation (Rs Cr)

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Depreciation	60.71	81.24	96.69	112.81	122.67
B	Utilized for Debt repayment	-	-	1.29	16.51	77.98
C	Utilized for Working Capital	15.37	18.21	19.57		
D	Unutilized Depreciation	8.39	(8.39)			
E	Utilized for Capital Investment	36.95	71.42	75.82	96.29	44.68

3.8 Due to change in depreciation and utilization of depreciation, revised means of finance are computed and given below:

Table 13: Revised Financing of Capital Expenditure (Rs Cr)

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Total Capital expenditure	48.51	299.40	338.20	431.00	271.00
B	Consumer Contribution	11.56	30.85	108.48	35.99	34.85
C	APDRP Grants		17.91			
D	APDRP Loans		17.91			
E	Depreciation	36.95	71.42	75.82	96.29	44.68
F	Creditors				25.32	(25.32)
G	Balance Capitalization	-	161.31	153.90	273.40	216.79
H	Debt	-	112.91	107.73	191.38	151.75
I	Equity	-	48.39	46.17	82.02	65.04

3.9 Due to change in means of finance, the revised equity/free reserves and revised return on equity are given below:

Table 14: Revised Equity/Free Reserve

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Opening Balance	368.00	368.00	416.39	462.56	544.58
B	Addition during the year	0.00	48.39	46.17	82.02	65.04
C	Closing Balance	368.00	416.39	462.56	544.58	609.61
D	Average Equity	368.00	392.20	439.48	503.57	577.10
E	Return on Equity (%)	16%	16%	16%	16%	16%
F	Return on Equity now computed	44.16	62.75	70.32	80.57	92.34
G	Return on Equity already allowed	44.16	62.76	70.42	80.91	92.62
H	Return on Equity now sought/(offered)	(0.00)	(0.01)	(0.10)	(0.34)	(0.28)

3.10 Due to change in means of finance, the revised loan schedule for each respective year is given below:

Table 15: Revised Computation of Loan (Rs Cr)

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
A	Opening Balance	552.00	552.00	682.82	789.26	964.12
B	Addition during the year	0.00	130.82*	107.73	191.38	151.75

Sl. No.	Particulars	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
C	Repayment during the year	0.00	0.00	1.29	16.51	77.98
D	Closing Balance	552.00	682.82	789.26	964.12	1037.89
E	Interest	-	3.15	17.60	28.45	76.56
F	Interest approved	-	3.16	17.67	28.61	76.49
G	Interest now sought/(offered)	-	(0.01)	(0.07)	(0.16)	0.07

*including APDRP loan amount

3.11 Based on the above submissions, the Petitioner has now computed below mentioned additional impact on ARR for policy direction period.

Table 16: Computation of Additional Revenue Gap/(Surplus) up to FY 07(Rs Cr)

Sl. No	Particulars	Now Sought/(offered)			Total Surplus/ (Deficit) for the year	Opening Balance for the year	Carrying Cost @ 9%	Closing Balance Gap
		Depreciation*	ROE**	Interest Cost***				
A	FY 2002-03	0.00	0.00	0.00	0.00		0.00	0.00
B	FY 2003-04	0.45	(0.01)	(0.01)	0.43	0.00	0.00	0.44
C	FY 2004-05	3.41	(0.10)	(0.07)	3.23	0.44	0.04	3.71
D	FY 2005-06	6.42	(0.34)	(0.16)	5.91	3.71	0.33	9.96
E	FY 2006-07	8.41	(0.28)	0.07	8.19	9.96	0.90	19.04
	Total	**18.68**	**(0.74)**	**(0.17)**	**17.77**			

3.12 Given below is the amount of actual capitalization as per the audited accounts from FY 07-08 to FY 11-12:

Table 17: Capitalization as per Audited Accounts (Rs Cr)

Sl. No.	Particular	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Actual Capitalization	264.45	337.16	375.80	579.27	488.58
B	Less- Capitalization related to Generation				189.25	142.42
C	Distribution Capitalization	264.45	337.16	375.80	390.02	346.17
D	Intra unit transfer					(0.52)
E	Capitalization considered for distribution	264.45	337.16	375.80	390.02	345.65

Sl. No.	Particular	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
	business of the each respective year					

3.13 The Petitioner has summarized value of year wise capitalization sought based on receipt of EI certificate as given below:

Table 18: Capitalization Summary (Rs Cr)

Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Capitalization out of opening CWIP/capitalization (prior to 01.04.2007)					
EI certificate Received in the year	41.48	200.24	82.99	64.00	5.50
EI certificate not required	108.13	41.65			
Sub – Total (A)	**149.61**	**241.89**	**82.99**	**64.00**	**5.50**
Capitalization out of CWIP incurred after 01.04.2007					
EI certificate Received in the year	0.00	44.20	46.55	353.94	256.90
EI certificate not required for the year/ direct capitalization	13.43	151.61	189.06	147.96	138.10
Sub – Total (B)	**13.43**	**195.81**	**235.61**	**501.90**	**395.00**
Total (A+B)	**163.04**	**437.70**	**318.60**	**565.90**	**400.50**

3.14 Revised Gross Fixed Assets from FY 2007-08 onwards works out as follows:

Table 19: Gross Fixed Assets (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	1,997.32*	2,160.36	2,598.06	2,916.66	3,482.56
B	Addition during the year	163.04	437.70	318.60	565.90	400.50
C	Deletion during the year*					
D	Closing Balance	2,160.36	2,598.06	2,916.66	3,482.56	3,883.06
E	Average Gross Fixed Assets	2,078.84	2,379.21	2,757.36	3,199.61	3,682.81

** No deletion/retirement has been considered as the matter is sub-judice before APTEL*

3.15 The Petitioner has submitted that till FY 2006-07, the Commission was allowing the financing of the capital expenditure incurred in the respective year; whereas from FY 2007-08 onwards the Commission is allowing the financing of the capitalization only.

3.16 The Petitioner has submitted that the MYT Regulations stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized has to be deducted.

3.17 The summary of Consumer contribution/Grant as per books of accounts is given below:

Table 20: Consumer Contribution/Grant (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	146.96	197.50	183.93	108.71	201.17
B	Addition	91.36	41.01	53.10	147.45	167.48
C	Capitalized	40.82	54.58	128.32	54.99	33.43
D	Closing Balance	197.50	183.93	108.71	201.17	335.22
E	Cumulative Balance of Capitalized consumer contribution/grants	133.50	188.08	316.40	371.39	404.82

3.18 Based on the year on year consumer contribution capitalized on the basis of EI certificate receipt, year on year cumulative balance of consumer contribution for the purpose of Regulated Rate Base works out as follows:

Table 21: Y-o-Y Consumer Contribution/Grants capitalized (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	92.68*	112.64	134.45	181.41	328.06
B	Addition during the year (including grant)	19.96	21.81	46.96	146.65	61.08
C	Closing Balance	112.64	134.45	181.41	328.06	389.14
D	Average Balance	102.66	123.55	157.93	254.74	358.60

3.19 The Commission is allowing the depreciation on net fixed assets i.e. Gross Addition – Consumer Contribution/capital subsidy/grant. For the purpose of computation of final depreciation to be claimed as a part of Annual Revenue Requirement, first depreciation rate prescribed in MYT Regulations 2011 is applied on average Gross Block of Assets in order to compute the total depreciation and thereafter based on such total depreciation and average Gross Block of Assets, average depreciation rate is worked out which is further applied on Fixed assets (net of consumer contribution) to compute the allowable depreciation for the year as follows:

Table 22: Depreciation on Average Assets (net of consumer contribution/grants)(Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Average GFA	2,078.84	2,379.21	2,757.36	3,199.61	3,682.81
B	Average Consumer Contribution	102.66	123.55	157.93	254.74	358.60
C	Average GFA (net of average consumer contribution)	1,976.18	2,255.67	2,599.43	2,944.88	3,324.21
D	Average Depreciation Rate	3.69%	3.75%	3.80%	3.82%	3.86%
E	Depreciation (Net of Consumer Contribution)	73.00	84.56	98.71	112.62	128.17

3.20 According to the Petitioner, the aforesaid issue has already been challenged in the Supreme Court, till the outcome of decision on the same; the Petitioner has proposed the above computation of advance against depreciation.

3.21 The accumulated depreciation based on revised depreciation values for the Control Period is shown below.

Table 23: Y-o-Y Cumulative Depreciation on Fixed assets (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	764.11*	837.11	921.67	1020.38	1133.00
B	Addition during the year	73.00	84.56	98.71	112.62	128.17
C	AAD	-	-	-	-	-
D	Closing Balance	837.11	921.67	1020.38	1133.00	1261.17

Table 24: Utilization of depreciation (without AAD) (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Depreciation for the year	73.00	84.56	98.71	112.62	128.17
B	Utilized for Debt repayment	73.00	84.56	98.71	112.62	128.17

3.22 The Petitioner has submitted that the Commission has provisionally approved capitalization hence the corresponding depreciation is also provisionally approved; therefore, the Petitioner is now seeking the difference between the provisionally approved depreciation vis-à-vis revised deprecation as computed above.

Table 25: Depreciation now sought vis-à-vis allowed (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Provisionally approved Depreciation	66.33	73.20	81.32	91.15	102.83
B	Revised Depreciation	73.00	84.56	98.71	112.62	128.17
C	Difference (Sought)/ offered	(6.67)	(11.36)	(17.39)	(21.47)	(25.34)

COMMISSION'S ANALYSIS

3.23 The Commission has already provided the detailed reasons in its Tariff Order dtd. 29/09/2015 regarding treatment of means of finance, Return on Equity, Interest on Loans, Depreciation & De-Capitalisation during Policy Direction, 1st MYT and 2nd MYT period.

3.24 Further, the Commission has appointed consultants for physical verification of the assets of the Petitioner. Therefore, the Commission is of the view that once the physical verification of the asset is finalised then the Commission will consider the impact of Return on Equity, Interest on Loans, Depreciation & De-Capitalisation at the time of final truing up of capitalisation.

3.25 It is also pertinent to mention that the matter is sub-judice as the Petitioner has already challenged the treatment of De-Capitalisation and means of Financing provided by the Commission in its Tariff Order dtd. 29/09/2015 in Appeal No. 301/2015.

COMPUTATION OF AVERAGE DEBT

PETITIONER'S SUBMISSION

3.26 The Petitioner in its previous year tariff petition for true up has also sought the revision in capex and working capital loan in line with the Judgment of the APTEL. The APTEL in its Judgment dated 28th November, 2014 BSES vs. DERC had directed to the Commission for truing up of interest on loans in next tariff order as the SBI PLR has deviated by more than 1% during the control period.

3.27 Relevant extract of the Judgment is reproduced below:

"On perusal of the data submitted by the Appellant related to SBI PLR, it is clear that SBI PLR has deviated by more than 1% during the control period and accordingly the Commission was required to revise the rate of interest on loan and carry out the required true up. Further, despite admitting that true of Return on Capital Employed (RoCE) would done at the end of control period, the Delhi Commission has failed on both the counts. The Delhi Commission is directed to revise the rate of interest on loan as well true up of the RoCE in its next tariff exercise."

3.28 According to the Petitioner, it is worth to mention that the Commission in its Tariff Order dated Sep, 2015 in para no 3.60 has once again denied for truing up of interest rates for capex and working capital only for the Petitioner by stating that

"3.60…………………….. As the SBI PLR has not deviated from FY 2007-08 to FY 2010-11 by more than 1% on either side, therefore the Commission has not revised the interest rate from FY 2007-08 to FY 2010-11."

3.29 Against the submissions of the Commission, the Petitioner is now once again showing to the Commission the year on year actual rate of SBIPLR during the 1st MYT control period:

Table 26: Average SBI PLR during 1st MYT Control Period

Particular	FY 06-07	FY 07-08*	FY 08-09*	FY 09-10*	FY 10-11*	FY 11-12*
Weighted average SBI PLR	11.08%	12.69%	12.79%	11.87%	12.26%	14.40%

Commission's Analysis

3.30 Hon'ble APTEL has already decided this matter in Appeal No. 271 of 2013 as follows:

"42.2) The main contention of the appellant is that the learned Delhi Commission has failed to revise the rate of return on debt considered by the Delhi Commission in MYT order dated 23.02.2008 despite the fact that the SBI PLR rates had deviated

by more than one percent during the control period and the actual weighted average rate of debt taken during control period was higher than rate considered by the Delhi Commission. Further contention is that the Delhi Commission has failed to segregate between loans availed during policy direction period and loan availed after the policy direction period and also failed to allow the actual rate of interest on loans availed during the policy direction period. Further contention of the appellant is that the Delhi Commission has not revised the interest rate on normative rate pertaining to the policy direction period based on the revised rate for actual loan of policy direction period in FY 2011-12. After deep consideration of the rival contentions of the parties and the findings recorded in the Impugned Order on this issue, we find that the rate of return on debt had been determined by the Delhi Commission on the basis of movement in SBI PLR between 2007-08 to FY 2010-11 and the same is in line with tariff order dated 26.08.2011 passed by the learned Delhi Commission. The Delhi Commission has analyzed the increase in interest rates during MYT control period and accordingly specified the same in the impugned tariff order. The learned Delhi Commission on analyzing the SBI prime lending rates for the control period found no variation in SBI PLR greater than + one percent during FY 2007-08 to FY 2010-11 from the SBI PLR as on the date of issue of MYT tariff order dated 23.02.2008 except short period, from 12.08.2008 to 10.11.2008 (almost three months) because of this reason the Delhi Commission has not revised the interest rate for calculation of WACC for the control period FY 2007-08 to FY 2010-11. Further, the learned Delhi Commission for FY 2011-12 has considered the actual weighted average interest submitted by the appellant on a provisional basis subject to approval of loans. It is apparent from the record and also from the Impugned Order that the learned Delhi Commission has also considered the actual interest rate on loans availed during policy direction period for projection of interest rate during MYT control period. Accordingly, we find that the learned Delhi Commission has considered the actual interest rate available for the loans availed during policy direction period. We do not find any merit or force in the contentions of the appellant on this issue No.34, relating to non-truing up of interest rate. Consequently, we *decide this issue No.34 against the appellant."*

3.31 In view of the above, it is observed that this matter does not merit consideration.

REVISED R&M EXPENSES FOR 1ST MYT CONTROL PERIOD

PETITIONER'S SUBMISSION

3.32 The Petitioner has submitted that the Commission in its Tariff Order September, 2015 has wrongly revised the R&M Expenses by considering the actual GFA net of retirement. Revised amount now trued up towards R&M expenses for each year of the respective control period is as follows:

Table 27: Trued up R&M Expenses (Rs Cr)

Particular	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Revised R&M Expenses	53.27	55.82	64.61	69.75	84.40

3.33 In this connection, the Petitioner wants to bring in the kind attention of the Commission that in MYT Tariff Order dated Feb, 2008 the Commission itself has mentioned that R&M Expenses will not be trued up as a consequence of change in capitalization. Relevant extract of the same are given below:

"4.162 Any variations on account of R&M expenses shall not be trued up and any surplus or deficit on account of over or under achievement shall be to the account of the Petitioner.

The Commission clarifies that though the value of GFA is subjected to truing up at the end of the Control Period, the Commission, however, shall not true-up R&M expenses as a consequence of the same."

3.34 The Petitioner has submitted that based on its above submissions the Commission has not to change the R&M expenses. Therefore, the Petitioner in this petition is seeking the differential amount of R&M expenses (i.e. R&M expenses as allowed in MYT Order for 1st MYT control period – Revised R&M expenses as trued up in Tariff Order dated September, 2015) as summarized in the below table.

Table 28: Differential Amount of R&M Expenses now sought (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Approved R&M expenses	57.48*	72.16*	83.45*	89.80*	95.26^

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
B	R&M expenses as approved	53.27	55.82	64.61	69.75	84.40
C	Additional R&M expenses now (Sought)/offered	(4.21)	(16.34)	(18.84)	(20.05)	(10.86)
D	Efficiency factory applied on "C"	0%	2%	3%	4%	0.00*
E	Net R&M expenses now (Sought)/offered	(4.21)	(16.01)	(18.27)	(19.25)	(10.86)

Commission's Analysis

3.35 The Hon'ble APTEL has already upheld the methodology adopted by the Commission in this matter in Appeal No. 271 of 2013 as follows :

"23.3

…………

In this view of the matter, we find no merit in the contentions of the appellant and this issue relating to revised R&M based on revised GFA is decided against the appellant."

3.36 In view of the above, it is observed that this matter does not merit consideration.

REVISION IN WORKING CAPITAL FOR 1ST MYT CONTROL PERIOD

PETITIONER'S SUBMISSION

3.37 The Petitioner in this petition has also sought the final true up of capitalization for the first MYT control period; therefore for the purpose of final RRB the Petitioner has to re-compute the entire working capital.

3.38 According to the Petitioner, it is worth to mention that the Commission has in its Tariff Order dated September 2015 has approved the working capital considering the actual receivable instead of considering the annual revenue requirement of the Petitioner for the respective year. The said adopted methodology at the time of truing up is against its own prescribed methodology as mentioned in MYT order dated February, 2008.

3.39 The Petitioner has submitted that the Working Capital is required to finance the expenses of the distribution licensee, which are incurred by the licensee on the basis of the ARR approved by the Commission and not on the basis of billed revenue.

3.40 The difference between such calculations leads to a deficit in the working capital requirements which will cause an adverse impact on the viability of the distribution licensee.

3.41 The Petitioner has stated it is pertinent to mention that the Petitioner has already challenged the methodology followed by the Commission (i.e. considering Actual Billed Revenue instead of considering Annual Revenue Requirement as prescribed in MYT Tariff order) in its Appeal No 271 of 2013 before the APTEL.

3.42 As the aforesaid matter is sub-judice, therefore the Petitioner in line with the methodology prescribed by the Commission in the MYT Tariff Order dated February 2008 is now seeking the revised working capital as follows:

Table 29: Revised Working Capital now sought (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Revised O&M expenses	229.72	247.97	351.30	296.96	326.34
B	One month O&M expenses	19.14	20.66	29.28	24.75	27.20
C	Revised Annual Revenue Requirement	2,383.46	2,368.63	3,209.49	3,804.27	4,690.20
D	Receivables equivalent to 2 months ARR	397.24	394.77	534.92	634.04	781.70
E	Power Purchase expenses	1,882.09	1,868.55	2,558.54	3,094.86	3,869.48
F	Power Purchase expenses for 1 Month	156.84	155.71	213.21	257.91	322.46
G	Revised Working capital sought	259.55	259.72	350.98	400.89	486.44
H	Less- Funded through Depreciation in Policy Direction Period	53.15				
I	Change in working capital for the year	206.40	0.18	91.26	49.91	85.55

Commission's Analysis

3.43 Hon'ble APTEL has already decided this matter in Appeal No. 271 of 2013 as follows :

"15.6) We have deeply considered this contention of the appellant that ARR is fixed to recover the approved expenses by the appellant during the year irrespective of the fact that the appellant may or may not be able to recover the approved expenses from revenue realized from sale of electricity but we are not inclined to accept this contention of the appellant. This contention appears to be lucrative

but not legally acceptable on consideration of the provision of Regulation 5.37 of MYT Regulations 2007. The MYT order dated 23.02.2008 was extended for subsequent period by order dated 10.05.2011. We have also considered the order dated 26.08.2011, passed by Delhi Commission, whereby projections and ARR for FY 2011-12 were approved by it. After going through the aforesaid material, we do not find any perversity or illegality in the approach of the Delhi Commission while dealing with true up for the relevant period. Thus this Issue No.16, relating to improper truing up of working capital is decided against the appellant."

3.44 In view of the above, it is observed that this matter does not merit consideration.

FUNDING OF WORKING CAPITAL IN DEBT EQUITY

PETITIONER'S SUBMISSION

3.45 The Petitioner has submitted that further in compliance of the directive given by the APTEL in its Judgment in Appeal no 52/2008 of NDPL vs. DERC, the funding of working capital as has been considered in debt equity ratio of 70:30. Computation of the same is given below:

Table 30: Summary of change in working capital requirements (Rs Cr)

Sl. No	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Working Capital	259.55	259.72	350.98	400.89	486.44
B	Less Funding through Depreciation in Policy Direction Period	53.15				
C	Change in Working Capital for the year	206.40	0.18	91.26	49.91	85.55
D	Debt 70% of C	144.48	0.12	63.88	34.94	59.89
E	Equity 30% of C	61.92	0.05	27.38	14.97	25.67

Commission's Analysis

3.46 Hon'ble APTEL has already decided this matter in Appeal No. 271 of 2013 as follows :

"27.5) It is true that the learned Delhi Commission at the time of passing of MYT order dated 23.02.2008 clarified that cumulative depreciation will mean that depreciation which has been utilized towards AAD since depreciation utilized between working capital and capex will no longer be available for repayment otherwise it will lead to utilization of same amount twice. We are unable to accept the contention of the

appellant on this issue since the learned Delhi Commission had dealt with the same in table 40 & 41 of the Impugned Order and has not allowed AAD."

3.47 In view of the above, it is observed that this matter needs no merit consideration by the Commission as per the submission of the Petitioner.

TRUING UP OF ROCE

PETITIONER'S SUBMISSION

3.48 The Petitioner has submitted that as specified in the MYT Regulations, 2007 that RoCE can be determined only after determination of the Regulated Rate Base (RRB) for any particular year, and the Weighted Average Cost of Capital (WACC) for the year. The summary of addition in Equity and Free reserve based on revised capitalization is given below:

Table 31: Equity as claimed by Petitioner (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	609.61*	675.56	730.72	823.15	953.09
B	Addition due to Capitalization	4.03	55.10	65.06	114.97	101.98
C	Addition due to change in working capital	61.92	0.05	27.38	14.97	25.67
D	Closing Balance	675.56	730.72	823.15	953.09	1,080.74
E	Average Equity	642.59	703.14	776.94	888.12	1,016.92

The summary of addition in Loan/Debt based on revised capitalization is given below:

Table 32: Loans (Net of Repayment)(Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance	1,037.89*	1,085.71	1,107.41	1,203.24	1,371.40
B	Addition due to Capitalization	9.40	128.57	151.81	268.25	237.96
C	Addition due to change in working capital	144.48	0.12	63.88	34.93	59.89
D	Repayment during the year	106.06	107.00	119.85	135.03	158.44
E	Closing Balance	1,085.71	1,107.41	1,203.24	1,371.40	1,510.80

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
F	Average Loan	1,061.80	1,096.56	1,155.32	1,287.32	1,441.10

DETERMINATION OF REGULATED RATE BASE (RRB)

3.49 The Petitioner has submitted that on the basis of revised GFA, Means of Finance, Consumer Contribution, Depreciation and change in working capital, the Petitioner has recomputed Regulated Rate Base (RRB). Computation of the same is given below:

Table 33: Computation of Regulated Rate Base (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Opening Balance of OCFA	1,997.32	2,160.36	2,598.06	2,916.66	3,482.56
B	Opening Balance of Working Capital	53.15	259.55	259.72	350.98	400.89
C	Opening Balance of Accumulated Depreciation	764.11	837.11	921.67	1,020.38	1,133.00
D	Opening balance of Accumulated Consumer Contribution capitalized	92.68	112.64	134.45	181.41	328.06
E	RRB Opening	1,193.68	1,470.15	1,801.66	2,065.85	2,422.38
	Investment during the year					
F	Capitalized during the year	163.04	437.70	318.60	565.90	400.50
G	Depreciation for the year	73.00	84.56	98.71	112.62	128.17
H	Consumer Contribution, Grants, etc. for the year	19.96	21.81	46.96	146.65	61.08
I	Change in Working Capital	206.40	0.18	91.26	49.91	85.55
J	Closing RRB	1,470.15	1,801.66	2,065.84	2,422.38	2,719.18
K	Δ AB (Change in Regulated Base)	241.44	165.84	177.72	203.22	191.18
L	RRB (i) considered for ROCE	1,435.11	1,635.99	1,979.38	2,269.07	2,613.56

DETERMINATION OF WEIGHTED AVERAGE COST OF CAPITAL (WACC)

3.50 The Petitioner has computed WACC by considering return on Equity (including supply margin) at 16%. It is further clarified that the Distribution Licensee (BRPL & BYPL) in its Appeal no 61 & 62 of 2012 has challenged the Commission methodology for not considering the repayment while calculating average loan balance for the year which has resulted in lower weighted average cost of capital. This lower weighted average cost of capital when applied to RRB (Regulated Rate Base) is resulting in lesser ROCE. The Hon'ble APTEL has decided the issue in favour of the distribution licensee and directed to the Commission to consider the repayment of loans while computing average debt.

3.51 The Hon'ble APTEL has also upheld the contention of the Distribution licensee that as depreciation is used for repayment of loans and after the repayment of loans; the ratio of debt equity changes and the changed position of debt equity has to be considered for calculating the WACC.

3.52 Therefore, the Petitioner has considered average debt (net of repayment) and average equity deployed in the business (i.e. Fixed Assets and Working Capital) in line with the APTEL Judgment as follows:

Table 34: Computation of weighted Average cost of Capital

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Average Loan– (Rs Cr)	1,061.80	1,096.56	1,155.32	1,287.32	1,441.10
B	Cost of Debt	11.11%	11.21%	9.50%	10.68%	12.82%
C	Average Equity – (Rs Cr)	642.59	703.14	776.94	888.12	1,016.92
D	Return on Equity (including supply margin)	16.00%	16.00%	16.00%	16.00%	16.00%
E	WACC	12.95%	13.08%	12.11%	12.85%	14.14%

Table 35: Computation of Regulated Rate Base (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	WACC	12.95%	13.08%	12.11%	12.85%	14.14%

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
B	RRB (i) considered for ROCE	1,435.11	1,635.99	1,979.38	2,269.07	2,613.56
C	ROCE	185.90	214.01	239.77	291.62	369.44

3.53 The Petitioner has submitted that as the Commission has provisionally approved ROCE in its Tariff Order dated Sep, 15, hence the Petitioner is now seeking the difference between the provisionally approved ROCE vis-à-vis revised ROCE.

Table 36: RoCE Sought vis-à-vis Allowed (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	RoCE Allowed in Orders	147.82	164.80	180.60	201.28	242.23
B	Revised RoCE	185.90	214.01	239.77	291.62	369.44
C	Difference (Sought)/ offered	(38.08)	(49.21)	(59.17)	(90.34)	(127.21)

COMMISSION'S ANALYSIS

3.54 The Commission has already provided the detailed reasons in its Tariff Order dtd. 29/09/2015 regarding treatment of means of finance, Return on Equity, Interest on Loans, Depreciation & De-Capitalisation during 1st MYT period.

3.55 Further, the Commission has appointed consultants for physical verification of the assets of the Petitioner. Therefore, the Commission is of the view that once the physical verification of the asset is finalised then the Commission will consider the impact of Return on Equity, Interest on Loans, Depreciation & De-Capitalisation at the time of final truing up of capitalisation.

3.56 It is also pertinent to mention that the matter is sub-judice as the Petitioner has already challenged the treatment of De-Capitalisation and means of Financing provided by the Commission in its Tariff Order dtd. 29/09/2015 in Appeal No. 301/2015.

TRUING UP OF INCOME TAX BASED ON REVISED REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.57 Regulation 5.22 specify that tax on income, if any, liable to be paid shall be limited to tax on return on the equity component of capital employed.

3.58 The Petitioner has submitted that the Commission has trued up the Income Tax by considering the RoE at 16% in its calculation for arriving at the Return on Equity for the purpose of allowable tax on RoE.

3.59 The Petitioner has also submitted that as the Commission has trued up of Income tax based on provisionally approved RRB and now the RRB has been changed hence the Petitioner is seeking the true up of Income Tax based on revised Equity as follows:

Table 37: Computation of Income Tax on ROE allowed as part of RoCE (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	RRB (i) considered for ROCE	1,435.11	1,635.99	1,979.38	2,269.07	2,613.56
B	Average Equity	642.59	703.14	776.94	888.12	1,016.92
C	Average Debt	1,061.80	1,096.56	1,155.32	1,287.32	1,441.10
D	Equity in Average RRB	541.07	639.18	795.88	926.35	1,081.27
E	Post Tax Return on Equity (%)	16%	16%	16%	16%	16%
F	Return on Equity	86.57	102.27	127.34	148.22	173.00
G	Income Tax Rate	11.33%	11.33%	17.00%	19.93%	20.01%
H	Tax on Equity	11.06	13.07	26.08	36.89	43.28

3.60 The Petitioner has further submitted that the Commission has held that in case of any tax paid due to arrears of past year's income; same may be claimed in the ARR. Relevant extract of the Tariff Order dated July, 2013 is reproduced below

"3.196 ……………… However, if the tax assessed / paid in any financial year is Higher than the tax allowed due to the reason that the Higher tax is on account of any arrears of income tax pertaining to the past years, the utility may claim this in the ARR for the relevant year subject to producing documentary evidence establishing the claim towards arrears."

3.61 The Petitioner has claimed in its previous petition the additional income tax paid on account of below mentioned reasons.

a) Tax paid on account of depreciation of policy direction period allowed in FY 08

b) Tax pursuant to change in section 115JB of Income Tax Act

3.62 The Petitioner has submitted that as the Commission has not considered the same at the time of true of FY 2013-14, therefore the Petitioner is again requesting to the Commission to consider the same and allow with carrying cost.

3.63 The Petitioner has submitted that the pursuant to the judgment of the Supreme Court, the Commission has allowed the additional depreciation pertaining to the policy direction period in its MYT order dated February 2008 resulting additional income of Rs 253.33 Cr. on this additional income the petitioner has to pay additional tax of Rs 28.70 Cr which has to be allowed based on the above extract of Tariff Order. Computation of Rs 28.70 Cr is given below:

Table 38: Computation of Additional Income (Rs Cr)

Particulars	Amount
Opening Tariff Adjustment a/c payable in books of accounts – A	114.39
Add- Revenue Gap approved in MYT Order dated, Feb 2008 -B	138.94
Total	253.33

Table 39: Computation of Tax Liability on Additional Income (Rs Cr)

Particulars	Amount
Total Income at which Tax has been paid	253.33
Tax Rate - %	11.33%
Income tax Liability	28.70

3.64 The Petitioner has submitted that Section 115JB of Income Tax Act which deals with Minimum Alternate Tax was amended in the Finance (N) 2) Act, 2009 w.e.f. financial year 2000-01 retrospectively, so as to include any provision for diminution in value of any assets. As the provision for doubtful debts which was not added at the time of computation of MAT in earlier years was added back pursuant to retrospective change in law resulting in additional liability of 15.26 Cr (including interest of 234 A/B/C).

3.65 The Petitioner has submitted that the Commission in its Tariff Order Sep, 15 has directed to provide the computation of revised income tax liability for every year under policy Direction Period, as if such change in the income of respective year was allowed in those years only, for consideration of the claims relating to incremental income tax liability.

3.66 The Petitioner vide its letter dated June 19, 2015 has already provided the desired information. However a table showing the impact is given below:

Table 40: Summary of Y-o-Y tax additionally paid u/s 115JB of Income Tax Act (Rs Cr)

Financial Year	Provision for Doubtful Debts (A)	Applicable MAT Rate (B)	Additional Income Tax (A*B)	Amount Claimed
FY 02-03	42.55	7.88%	3.35	3.35
FY 03-04	37.01	7.69%	2.85	2.85
FY 04-05	64.46	7.84%	5.05	5.05
FY 05-06	27.52	8.42%	2.32	2.32
FY 06-07	5.30	11.22%	0.60	0.60
Interest liability due to amendment				1.10
Total				**15.26**

3.67 Based on the above facts, the Petitioner once again requested to the Commission to allow the additional Income Tax as sought above.

3.68 The Petitioner has submitted that in pursuant of above all tables relating to Income tax, the Petitioner is now seeking the difference between the income tax as approved in Tariff Order for FY 2015-16 vis-à-vis now sought in this petition.

Table 41: Income Tax sought based on above computation (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Return on Equity as part of RoCE	11.06	13.07	26.08	36.89	43.28
B	Past arrears allowed in FY 08	28.70				
C	Retrospective change in law (115JB)			15.26		
D	Total to be allowed	39.76	13.07	41.34	36.89	43.28
E	Income tax approved by the Commission as per Tariff Order FY 2015-16	8.07	8.96	15.72	21.28	24.40
F	Additional Tax now (sought) / offered	(31.69)	(4.11)	(25.62)	(15.61)	(18.88)

3.69 The Petitioner has further submitted that the Petitioner has been paying Income Tax in its financial books of accounts based on return on equity earned on capitalization as per financial books of accounts, therefore, Income tax payable amount has been more in financial books of accounts as compared to allowed by the Commission as the Commission is allowing capitalization based on EI certificates. The capitalization in financial books of accounts is more but in ARR is less in beginning but will pick up year on year basis from 07-08 onwards and to that extent Income Tax allowance is less in ARR.

3.70 Hence, the Petitioner has given a suggestion that the Commission should allow Income Tax on cumulative basis which is a correct and a justified approach and not on standalone yearly basis as the Regulations provides that Income Tax shall be limited to tax on return on the equity. It is clarified that in later years, the Commission should not restrict the Income Tax lower of actual paid/payable and Income Tax on RoE as the TPDDL has already paid more income tax in initial years but shall claim in ARR in later years based on EI certificates.

3.71 The Petitioner has submitted that they are paying the income tax under MAT provisions; however as the actual assessment of all the years are pending at various levels in the Income tax department; hence the actual liability will be ascertained only after finalization of assessment and the tax holiday period is over. The additional demands raised by income tax department are statutory in nature. These demands though have been paid by the petitioner/adjusted by the department against the refunds of earlier year but not claimed in the ARR as the Petitioner is taking up the matter with Higher Income Tax Authorities. On finalization of assessments, any additional liability (if any) will be claimed in the ARR along with the carrying cost.

Table 42: Year Wise Demand raised by Income Tax Authorities

Financial Year	Additional demand by Income Tax Authorities *– (Rs Cr)
2002-03	5.52
2005-06	22.60
2008-09	13.34
2009-10	0.00
2010-11	0.05

Financial Year	Additional demand by Income Tax Authorities *– (Rs Cr)
Total additional demand raised by the Income tax department	41.51

3.72 The Petitioner has submitted that against the aforesaid additional demand, the Petitioner has made payment of Rs. 10.50 Cr. Year wise payment break up is given below:

Table 43: Year Wise payment made against above demand

Financial Year in which payment has been made	Amount Paid (Rs Cr)
2008-09	4.00
2009-10	3.50
2011-12	3.00
Total	**10.50**

3.73 In addition to above payment, the Income Tax authorities have adjusted refund against the aforesaid additional demand. Year wise break-up of the same is given below:

Table 44: Year Wise amount adjusted

Financial Year for which refund have been adjusted against additional demand	Amount Paid (Rs Cr)
2002-03	0.04
2003-04	3.99
2004-05	0.34
2005-06	5.20
2007-08	5.85
2009-10	5.20
Total	**20.62**

Commission's Analysis

3.74 The Hon'ble APTEL has already decided this matter in Appeal No. 271 of 2013 as follows:

"36.2) We have cautiously and deeply considered the said submissions of the appellant on this issue. Various contentions have been raised in support of this issue to which we do not agree because Regulation 5.21 and 5.22 of the MYT Regulations 2007, respectively specify that income tax actually payable or paid shall be included in the ARR and if any income tax is to be paid it shall be limited to tax on ROE component

of the capital employed. Further, Regulation 5.10 of the MYT Regulations 2007 provides that where equity employed is in excess of 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. If actual equity employed is less than 30% the actual equity shall only be considered. The learned Delhi Commission has considered the equity as per MYT Regulations 2007. Before passing the Impugned Order, the learned Delhi Commission having obtained the copies of income tax acknowledgement for all the years of the control period namely FY 2007-08 to FY 2011-12 from the appellant had noted actual tax assessed for the respective financial year. The learned Delhi Commission in the Impugned Order has approved the income tax actually assessed or computed based on the ROE component whichever is lower in accordance with MYT Regulations 2007. The learned Delhi Commission in the Impugned Order has given a clarification that if the tax assessed or paid in any financial year is higher than the tax allowed due to the reason that a higher tax is on account of any arrears of income tax pertaining to the past years, the utilities like Discom/appellant herein, may claim the same in the ARR for the relevant year, subject to producing documentary evidence establishing the claim towards arrears. In the written submissions filed on behalf of the Delhi Commission and more particularly Mr.Pradeep Misra, learned counsel for the Delhi Commission during arguments has candidly submitted that in case the appellant still submits the proof that higher amount of tax has been paid in the control period on equity part, the Delhi Commission will consider the same. In view of the above discussion, we do not find any perversity in the Impugned Order on this issue. All the contentions raised on behalf of the appellant are sans merit. This issue is decided against the appellant."

3.75 In view of the above, it is observed that the Commission had directed the Petitioner to submit the increase in effective Tax Rate to be applied on Return on Equity for the relevant Financial Year due to retrospective amendment as per Section 115 (JB) of the Income Tax Act and arrears allowed by the Commission. However, in the present petition, the petitioner has submitted only additional amount of Income tax on account of retrospective amendment as per Section 115 (JB) of the Income Tax Act and arrears allowed by the Commission and revised Income Tax due to revised RRB based on capitalisation but has not submitted increase in effective Tax Rate to be applied on Return on Equity for the relevant Financial Year.

3.76 The Commission will consider issue related to revised RRB based on capitalisation after finalisation of capitalisation for the relevant year. Further, the Petitioner is directed to submit the detailed computation of increase in Income Tax Rate to be applied on Return on Equity due to retrospective amendment as per Section 115 (JB) of the Income Tax Act and arrears allowed by the Commission including Depreciation within 1 (one) month from the issuance of this Tariff Order.

CARRYING COST

PETITIONER'S SUBMISSION

3.77 The Petitioner has submitted that the rate of carrying cost for FY 2014-15 has been considered based on the APTEL Judgment dated 28th November, 2014 in BSES vs. DERC, where the Hon'ble APTEL has remanded back the matter to the Commission and directed the Commission to implement this tribunal judgment reported as 2010 ELR (APTEL) 0891 in Appeal no. 153 of 2009 in letter and spirit.

3.78 Therefore, in line with the aforesaid judgments the Petitioner is entitled on the 70% debt portion, the carrying cost has to be allowed at the prevalent market rate considering SBI PLR and on 30% equity portion, the rate of return on equity as specified in the MYT Regulations.

3.79 Based on the above the Petitioner has accordingly sought the carrying cost in line with above judgments.

3.80 According to the Petitioner, it is pertinent to mention that the Commission has considered only 14% of Return on equity as allowed for the wheeling business, but failed to considered the fact that DISCOM are doing both wheeling and retail business and Revenue Gap is arisen from the business as a whole, therefore the petitioner has once again requested to the Commission to consider the return on equity @ 16% post tax (i.e. 14% for Wheeling business and 2% for Retail supply Business.)

3.81 Further, it is clarified that the judgment of the APTEL in Appeal no 153 of 2009 was passed in FY 10-11. Though the Commission has implemented the said judgment in FY 13-14 but TPDDL has accounted for impact of the same in its books of accounts in FY

11-12 and has accordingly paid the tax in that year; hence for the purpose of tax, MAT rate applicable in FY 11-12 is considered.

3.82 Based on the aforesaid submissions, while computing carrying cost, ROE is considered on pre-tax basis.

Table 45: Carrying cost rate based on pretax RoE

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Equity	16.00%	16.00%	16.00%	16.00%	16.00%
B	Tax Rate	20.01%	20.01%	20.01%	20.01%	20.01%
C	Equity (pretax)	20.00%	20.00%	20.00%	20.00%	20.00%
D	Debt rate - SBI PLR	12.69%	12.79%	11.87%	12.26%	14.40%
E	Revised Carrying Cost Rate	14.88%	14.95%	14.31%	14.58%	16.08%

Commission's Analysis

3.83 The matter has already been decided against the Petitioner by Hon'ble APTEL in Appeal No. 271/2013 as follows:

"16.3) That it is clear from Regulation 5.10 that rate of return on equity has been specified by the Delhi Commission as 14% which has been given to the appellant on equity part of the carrying cost. Hence, there is no merit in this issue.

....

*17.3) **Regulation 5.9** deals with computation of Return on Capital Employed, prescribing a formula for such kind of computation. **Regulation 5.10** provides for computation of Weighted Average Cost of Capital (WACC) for each year of the control period, clearly providing that "cost of equity for wheeling business shall be considered at 14% post tax." **Regulation 5.39** clearly states that the return from the wheeling business and retail supply business shall not exceed 16% of equity. Thus, there is a rider restricting that the return from the wheeling business and retail supply business shall not exceed 16% of the equity. Thus, the maximum limit is 16% which cannot be allowed to exceed under any circumstances. Appellant is claiming 16% of equity on the basis of 14% RoE + 2%*

supply margin. In view of the above discussion, we do not find any illegality or perversity in the finding recorded in the Impugned Order on this issue and we approve the approach adopted by the Delhi Commission in deciding this issue. We find and observe that the learned Delhi Commission has correctly, in the impugned tariff order, considered the rate of return on equity at 14% to which we also agree. Hence, this issue is decided against the appellant."

3.84 In view of the above, the issue does not merit further consideration

CONSUMERS SECURITY DEPOSITS

PETITIONER'S SUBMISSION

3.85 The Petitioner has submitted that as the Commission has used the consumer security deposit as a means of finance to fund the revenue gap and the Petitioner is seeking the revised carrying cost rate, hence in order to compute the net interest on consumer security deposit to be offered in ARR interest rate equivalent to carrying cost rate has been considered.

Computation of the differential amount of interest is:

Table 46: Revised computation of interest on Consumer Security Deposit (Rs Cr)

Sl. No	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Average consumer security deposit	146.45	179.27	218.53	260.13	326.42
B	Interest Rate	14.88%	14.95%	14.31%	14.58%	16.08%
C	Interest on CSD	21.80	26.81	31.27	37.93	52.49
D	Interest on CSD	15.53	20.29	22.23	27.08	39.83
E	Difference now (sought)/ offered	6.27	6.52	9.04	10.85	12.66

COMMISSION'S ANALYSIS

3.86 The Commission has already considered the Carrying Cost Rate for computation of net interest on consumer security deposit to be adjusted in ARR in table no. 3.11 of its

Tariff Order dtd. 29/09/2015. Therefore, this issue does not merit consideration.

LPSC FINANCING COST

PETITIONER'S SUBMISSION

3.87 The Petitioner has submitted that the on the basis of APTEL's Judgment dated 28th November, 2014 BSES vs. DERC, the Petitioner is once again seeking the true up of working capital interest rate. It is submitted that LPSC financing cost is directly linked with the working capital interest rate and the Petitioner is seeking the true up of working capital interest rate in 70:30 Debt Equity ratio where cost of debt is considered equal to the rate now sought for true up and for 30% equity portion rate of return on equity is considered which is further grossed up for tax.

3.88 The Petitioner has submitted that the Commission in its Tariff Order dated September, 2015 in para 3.57 & 3.58 has stated that *"The approach followed by the Commission is that financing cost of outstanding dues on principal amount on which LPSC is levied at the same rate as that approved for working capital requirement. This matter has been upheld in the judgment in Appeal No. 14 of 2012 in favor of the Commission. Relevant extracts of the judgment are as below:*

"135. Delhi Commission has submitted that allowing financing cost for LPSC means allowing of additional working capital for the time period between the due date and the actual date of payment. Hence, financing cost of LPSC has to be at the same rate as that approved for working capital funding. The view taken by the Delhi Commission is correct and need not be interfered with."

3.58 Thus, in accordance with the above judgment, the rate of interest for funding of working capital is allowed towards the financing cost of LPSC of the Petitioner."

3.89 However at the time of computing revised impact in Tariff Order dated Sep, 2015, the Commission has considered the WACC rate (i.e. combination of cost of capex loans and cost of working capital) instead of allowing LPSC financing cost at working capital rate.

3.90 As mentioned earlier, the Petitioner is seeking the revision in working capital rate therefore the corresponding impact of LPSC financing cost is computed as below:

Table 47: Revised computation of LPSC Financing Cost (Rs Cr)

Sl. No.	Particulars	UoM	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	LPSC collected	(Rs Cr)	15.28	14.12	16.09	17.44	21.14
B	Principal amount on which LPSC charged	(Rs Cr)	84.89	78.44	89.39	96.89	117.44
C	LPSC financing cost approved by the Commission	(Rs Cr)	9.54	8.84	10.10	10.95	14.00
D	Financing cost based on revised working capital interest rate	(Rs Cr)	11.70	10.86	11.31	13.06	17.59
E	Difference now (sought)	(Rs Cr)	**(2.16)**	**(2.02)**	**(1.21)**	**(2.11)**	**(3.59)**
	Computation of Interest Rate						
F	Cost of Working Capital-70% Debt ratio	%	11.11%	11.21%	9.50%	10.68%	12.82%
G	Return on Equity- 30% Equity - grossed up for tax	%	20.00%	20.00%	20.00%	20.00%	20.00%
H	**Weighted Average Rate**	%	13.78%	13.85%	12.65%	13.48%	14.97%

COMMISSION'S ANALYSIS

3.91 The Commission has already considered LPSC Financing Cost based on WACC rate which also includes Working Capital funding in the D:E::70:30. Further, the Petitioner has claimed that Income Tax should also be allowed on RoE utilized for funding of Working Capital which is against Regulation 5.22 of DERC MYT regulations, 2007 as follows:

"5.22 Tax on income, if any, liable to be paid shall be limited to tax on return on the equity component of capital employed. However any tax liability on incentives due to improved performance shall not be considered."

3.92 In view of above, this issue does not merit consideration.

INCREASED THE REVENUE AVAILABLE WITH THE AMOUNT OF LPSC FINANCING COST

PETITIONER'S SUBMISSION

3.93 The Petitioner has submitted that the Commission in its Tariff Order has erroneously considered the cost of financing of LPSC as revenue available towards ARR, ultimately resulted into increase in Revenue available towards Annual Revenue Requirement.

3.94 Given below is the reference of relevant Table 3.59 of the Tariff Order Sep, 2015 showing the adjustment of LPSC financing cost as Revenue available towards ARR.

Table 48: LPSC financing cost wrongly considered as collection (Rs Cr)

Sl. No.	Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Revenue available towards ARR	2,170.07	2,344.58	2,567.42	2,802.60	3,310.10
B	Increase in Revenue available due to change in financing cost of LPSC	1.47	1.39	1.61	1.75	0.57
C	Revised Revenue available towards ARR	2,171.54	2,345.97	2,569.03	2,804.35	3,310.67

3.95 The Petitioner wants to clarify that for the purpose of non-tariff income net LPSC (i.e. Gross LPSC – Cost of Financing of LPSC) has to be considered therefore the financing cost of LPSC should not to be treated as revenue available.

3.96 Based on the above, the Petitioner has requested to the Commission to reconsider the earlier years approved figures of revenue available and give the impact of the said rectification along with the carrying cost.

COMMISSION'S ANALYSIS

3.97 It is observed that LPSC is being collected by the petitioner as part of electricity dues for delayed payment by the consumers. Therefore, the Commission has considered the LPSC financing cost in revenue available as the difference in LPSC collected and LPSC financing cost is considered towards NTI.

INADVERTENTLY CONSIDERED LOWER POWER PURCHASE COST FOR FY 2007-08

PETITIONER'S SUBMISSION

3.98 The Petitioner want to bring in kind attention of the Commission that the power purchase cost for the year 2007-08 was trued up by the Commission in the Tariff Order of May, 2009 wherein the Commission had determined the power purchase cost for the year 2007-08 at Rs. 1882.10 crores and then reduced the same with rebate earned on power purchase cost and arrived at the figure of Rs. 1846.15 crores.

3.99 Simultaneously, the rebate of Rs. 35.94 Cr. was not considered as Non-Tariff income as it was already reduced from power purchase cost.

3.100 However, in the judgment against the appeal 153/2009, it was decided that *"if the payment is made within 30 days of the due date, the distribution company is entitled to 1% rebate and the said rebate can be treated as the non-tariff income"*

3.101 Therefore, in August 2011 Tariff Order, the Commission has rectified the earlier adopted approach of net basis and on one side it has increased the cost of power purchase for FY 2007-08 by Rs. 35.94 Cr and on the other side it has increased the Non-Tariff Income by the corresponding amount of Rebate of Rs. 35.94 Cr.

3.102 However, in the Tariff Order 2015, the Commission while considering the power purchase cost of the Petitioner for the year 2007-08 has erroneously failed to consider the revision made for FY 2007-08 in Tariff Order Aug 2011 and again considered power purchase cost at Rs. 1846.15 Cr.

3.103 Based on the above submission, the Petitioner request to the Commission to rectify the mistake and reconsider the power purchase cost of Rs. 1882.10 Cr for the year 2007-08 and allowing the impact along with carrying cost.

COMMISSION'S ANALYSIS

3.104 The Commission has observed this issue from the Tariff Order dtd. 26/08/2011 that net impact was nil as the amount of Rs. 35.94 Cr. was added in Power Purchase Cost and added in NTI as follows:

"3.99 The Commission has decided to go in appeal against the Hon'ble ATE Order on considering only 1% rebate on power purchase as the Non tariff Income of the Petitioner. The Commission therefore has not implemented the Judgement of the Hon'ble ATE in this regard. However, the Commission has not subtracted the rebate earned on power purchase from the power purchase cost and considered the same as Non Tariff Income. Due to this, the Commission has allowed additional Rs 35.94 Cr

towards purchase and increased the Non Tariff Income by Rs 35.94 Cr. "

3.105 Further, in Tariff Order dtd. 29/09/2015 again the net impact was nil as the amount of Rs. 35.94 Cr. was not added in Power Purchase Cost and not added in NTI also. However, there will be impact on Working Capital only due to change in Power purchase Cost for FY 2007-08 and the impact for the same has been considered in the Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

REDUCTION OF INTEREST CAPITALIZED FOR THE FY 2007-08

3.106 The Petitioner has submitted that when the Commission was revising the ARR of the Appellant for the year 2007-08 in its Tariff Order dated Sep, 2015, the Commission has erroneously deducted of an amount of Rs. 4.52 Cr. on the pretext of interest capitalized.

3.107 The Petitioner wants to bring in the kind attention of the Commission that it has rectified its own error of erroneous reduction of Rs 4.52 Cr as interest capitalized (error in May 2009 Order) in tariff order dated 26.08.2011.

3.108 As the Commission has already rectified the said error in its August, 2011 Tariff Order, therefore, the Petitioner is requesting to the Commission to increase the ARR for the relevant year by Rs 4.52 Cr and allow the impact of the same along with carrying cost.

3.109 The Petitioner has submitted that the Commission in September 2015 tariff order whilst revising the O&M expenses for the year 2007-08 has erroneously considered Rs. 121.67 Cr (net of capitalization) and lost sight of the fact that the Commission itself, whilst truing up for the year 2007-08 in the Tariff Order of August 2011 had revised employee expenses to from 121.67 to 122.27 Cr. (i.e. Rs 136.84 Cr – Rs. 14.57 Cr for expenses capitalized) due to revision in inflation factor.

3.110 The Petitioner has submitted that as the Commission has already rectified the said error in its August, 2011 Tariff Order, therefore the Petitioner has requested to the Commission to increase the ARR for the relevant year by Rs. 0.60 Cr and allow the impact of the same alongwith carrying cost.

COMMISSION'S ANALYSIS

3.111 The Commission has allowed these expenses in FY 2007-08 as it has already been allowed in Tariff Order dtd. 26/08/2011 and the impact has been considered in Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

WRONGLY REOPENING OF SETTLED ISSUE IN RELATION TO NON-TARIFF INCOME

PETITIONER'S SUBMISSION

3.112 The Petitioner has submitted that the Commission in its Tariff Order dated September, 2015 has reopened the settled issue with respective to

a) Treating Income from Interest/short Term capital gain of Rs. 22.49 Cr. as Non-Tariff Income (Table 3.9 of tariff Order)

b) Treating Income from write back of excess provisions for doubtful debts of Rs. 17.45 Cr as Non-Tariff Income (Table 3.10 of tariff Order)

c) Treating recovery towards Material cost of Rs. 7.48 Cr under Maintenance charges as Non-Tariff Income.

3.113 In this regard, the Petitioner would like to clarify that all these issues are settled issue which have already been accepted.

a) The approach towards these issues has already been settled by the Commission itself or based on the APTEL Judgment. On the basis of these the Commission was not treating the same as Non-Tariff Income

b) Reopening of previous year trued up figures would create uncertainty in the power sector.

c) Reopening of previous year tariff order is against the law.

d) It is worth to mention that all this was done without giving an opportunity to the Petitioner to hear.

COMMISSION'S ANALYSIS

3.114 The Petitioner has submitted that Short term gain is on account of surplus equity available with the Petitioner on which he is not allowed any interest /return on equity.

3.115 The Commission is of the view that interest/ Short term gain on this surplus equity should be allowed to be reduced from the Non-Tariff Income based on the Hon'ble APTEL judgment dated July 30, 2010 in Appeal No. 153 of 2009. The impact has been considered in Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

3.116 For rest of the issues, the Commission has provided detailed reasoning in the Tariff Order dtd. 29/09/2015.

FINANCING COST OF POWER BANKING

PETITIONER'S SUBMISSION

3.117 The Petitioner has submitted that the Commission in its submission to the APTEL in connection with financing cost of power banking mentioned that the Banking contracts have to be revenue neutral in nature and hence if power has been bought under "banking arrangement", then the same power will be sold back by the utility with 4% extra power. This extra power that is sold at the rate at which it had bought power at the first place serves like the financing cost of the power banked. Relevant extract of the same is given below:

"3.283 With respect to the financing cost of power banking, the Commission believes that banking contracts are revenue neutral. The electricity industry follows a practice wherein in case of forward/ advance banking, the utility demands additional power @ 4% to be returned and in case of backward banking, the utility has to return 4% extra power. The Commission considers the power banked in advance by the utility as energy sale at Rs 4 per unit because if it does not consider it then it would be burdening present consumers for future consumption, which the Commission deems inappropriate. The utility will be receiving the power banked along with 4% additional power in the next year. The Commission considers total power received as power purchase @ Rs 4 per unit. This allows the utility power purchase cost on additional 4% power received by them @ Rs 4 per unit, which is equivalent to the financing cost of this banking."

3.118 As the Petitioner has not kept the benefit of extra 4% power but offered in the ARR by reduction of power purchase cost on account of power banking hence based on the above submission, the Petitioner now seeks the financing cost of power banking as computed below subject to the Judgment of the Supreme Court as follows:

Table 49: Computation of impact of power banking (Rs Cr)

Particulars	Unit banked by TPDDL	Normative units @4%	Amount to be retained @ Rs 4/unit "A"	Unit banked with TPDDL	Normative units @4%	Amount to be retained @ Rs 4/unit – "B"	Difference sought / (offered)
FY 2007-08	352.48	14.10	5.64	0	0.00	0.00	5.64
FY 2008-09	435.46	17.42	6.97	0	0.00	0.00	6.97
FY 2009-10	233.18	9.33	3.73	6.65	0.27	0.11	3.62
FY 2010-11	12.76	0.51	0.20	171.44	6.86	2.74	-2.54
FY 2011-12	0.00	0.00	0.00	0	0.00	0.00	0.00
FY 2012-13	67.89	2.72	1.09	24.00	0.96	0.38	0.70
FY 2013-14	569.71	22.79	9.12	226.39	9.06	3.62	5.49
Total	**1671.48**	**66.87**	**26.75**	**428.48**	**17.15**	**6.85**	**19.88**

3.119 The Petitioner has submitted that the Commission in para 3.41 of its Tariff Order dated Sep, 15 has stated that "In view of the above direction of APTEL, the Commission has not considered any additional cost/ financing cost on account of power banking contracts/ transaction."

3.120 While concluding above "in view of the above directions of the APTEL", the Commission has failed to clarify whether it has factually given the treatment the way it has been submitted in the court of law and also whether the Commission has in reality passed on the benefit of surplus units or just concluding without actually having gone into the facts.

3.121 The Petitioner has submitted that as the Commission has not passed any benefit for such 4% extra units, therefore, in line with the APTEL Judgment and acceptance of the fact by the Commission that benefit of such extra units have been passed on to TPDDL, should actually be given effect to, else the same will be tantamount to submission of misleading facts before the Judicial forum.

3.122 Considering the above submission, the Petitioner once again requested to the Commission to give the impact of the same along with the carrying cost.

COMMISSION'S ANALYSIS

3.123 The Hon'ble APTEL in its judgment in Appeal No. 14/2012 and 271/2013 has already decided this issue against the Petitioner and upheld the methodology adopted by the Commission for treatment of Power Banking transactions. The relevant extract of the judgment of Appeal No. 14/2012 is as follows:

" 111. The 12th Issue is Disallowance of Net Financing Cost incurred in relation to Power Banking.

…

118. Thus the Licensee gets Rs 1.6 Cr extra as Notional cost of additional energy received to offset the carrying costs. Accordingly, the issue is decided against the Appellant."

3.124 Therefore, this issue does not merit consideration.

NON-ALLOWANCE OF EXPENSES SEPARATELY FOR PAST PERIOD

PETITIONER'S SUBMISSION

3.125 The Petitioner has submitted that the Commission in its Tariff Order has reduced the direct expenses (other than Income Tax) of Rs 0.78 Cr from the income from other business, but erroneously/ inadvertently not allowed the direct expenses of Rs 0.78 Cr from such other business income. Due to this the Petitioner has to bear additional loss of Rs. 1.16 Cr. As computed below:

Table 50: Computation of amount sought towards other Business Income (Rs Cr)

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>FY 07-08</th><th>FY 08-09</th><th>FY 09-10</th><th>FY 10-11</th><th>FY 11-12</th></tr>
<tr><td>A</td><td>Income Tax</td><td></td><td>0.33</td><td>0.49</td><td>0.50</td><td rowspan="2">1.16</td></tr>
<tr><td>B</td><td>Other than Income Tax</td><td></td><td></td><td></td><td></td></tr>
<tr><td>C</td><td>Total</td><td></td><td>0.33</td><td>0.49</td><td>0.50</td><td>1.16</td></tr>
</table>

COMMISSION'S ANALYSIS

3.126 The Petitioner has claimed Income Tax and Direct Expenses on account of other business income to be allowed separately in FY 2007-08 and FY 2011-12. The Commission has observed that the direct expenses has not been indicated in the

Audited Financial Statements of the Petitioner, however, the Petitioner has paid Income Tax more than the Income Tax allowed by the Commission based on Return on Equity.

3.127 In view of the above, additional Income Tax on account of other business income is being allowed separately for FY 2007-08 and FY 2011-12 as indicated in the Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

3.128 Further, the Petitioner is directed to maintain segment wise reporting for all other businesses, in order to substantiate its claim under the head of Direct Expenses.

NON ALLOWANCE OF FOOD AND CHILDREN EDUCATION ALLOWANCE FOR FRSR EMPLOYEES

PETITIONER'S SUBMISSION

3.129 The Petitioner has submitted that the APTEL on issue no 1 & 2 in its Judgment dated February, 2015 has directed to the Commission to allow the food and children education allowance for FRSR structure employees. On the basis of which the Petitioner has requested to the Commission vide its letter dated April 6, 2015 to give the impact of the said Judgment.

3.130 Instead of allowing/ complying the APTEL Judgment, the Commission has taken a new stand for disallowing the Petitioner genuine claim by mentioning that "a view on this matter will be taken, as deemed fit and appropriate, after receipt of the directions of the APTEL in Clarificatory application filed by it."

3.131 It is worth to mention that the Commission has not filed any clarificatory application against the judgment dated February, 2015 hence disallowing the Petitioner genuine claim.

3.132 It is settled principle of law that if any judicial authority has awarded any matter and the same is not challenged before any higher judicial authority and stay has not been granted, it is deemed that both the parties are agreed and the said judgment will be implemented in true spirit of law.

3.133 The Petitioner has further submitted that as there is no clarificatory application is pending against the said Judgment and no stay order is there, hence the Petitioner has again requested to the Commission to implement the APTEL judgment in true spirit of law and allow the following amount.

Table 51: Additional amount for Children Education allowance & Food allowance (Rs Cr)

Particular	FY 2010-11	FY 2011-12
Children Education Allowance	2.25	2.80
Food Allowance	0.91	0.95
Total	3.16	3.75

COMMISSION'S ANALYSIS

3.134 The Commission observes that the issue is sub-judice before Hon'ble Supreme Court and a Clarificatory Appeal is also pending before Hon'ble APTEL for further direction with regard to implementation of the contradictory directions on different Appeals on the same issue.

3.135 Further Commission has also filed a Civil Appeal no. 4879 of 2015 in Supreme Court against order dated 10.02.2015 i.e., Appeal 171 of 2012 on the same issue which is also pending before Hon'ble Supreme Court.

3.136 Therefore, the matter being sub-judice, does not merit consideration at this point of time.

NON ALLOWANCE OF PREMIUM PAID AT THE TIME OF PURCHASE OF GOI SECURITIES

PETITIONER'S SUBMISSION

3.137 The Petitioner has submitted that the Commission in its Tariff Order dated Sep, 2015 has stated that as

"The Petitioner is already amortizing the premium paid on such investments in its profit and loss statements. The benefit o such amortization is availed to an extent by the Petitioner in its financial statements. The Commission is further examining the matter relating to such liquidation of investment and shall give effect of the same upon final review."

3.138 In this regard, the Petition that would like to clarify the followings:

a) The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. As the Company is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever they are inconsistent with the provisions of the Companies Act, 1956 (or the Companies Act, 2013). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year where as Tariff is determined based on the Applicable Regulations/ Judicial pronouncements etc's.

b) The APTEL in its Judgment on Appeal 171 of 2012 already decided the matter in favour of Petitioner.

Relevant extract of the same are given below

"6.6 Thus, the Appellant had brought to the notice of the State Commission the issue of premium paid on the securities as the amount realized from Government securities under the contingency reserve has been directed to be adjusted against the Revenue Gap as per the orders of the State Commission. The premium paid by the Appellant for the said securities has to be allowed as an expense to the Appellant as a pass through in the ARR as the difference between the purchase cost and the amount refunded on the securities.

Accordingly, this issue is decided in favour of the Appellant."

3.139 The Petitioner once again requested to the Commission to implement the Judgment in true spirit and adjust Rs. 1.42 Cr (working already submitted in various petitions) in the balance of Contingency Reserve.

COMMISSION'S ANALYSIS

3.140 Based on the directions of the Hon'ble APTEL in Appeal No. 171/2012, the Commission allows premium paid at the time of purchase of GOI securities as the interest for previous years has already been considered in their ARR and impact for the same has been indicated in Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

NON ALLOWANCE OF ADDITIONAL UI CHARGES

PETITIONER'S SUBMISSION

3.141 The Petitioner has submitted that the Commission by ignoring the order APTEL on the above issue has once again disallowed the additional UI charges paid by the Petitioner by stating that

"SLDC has not differentiated between penal and additional charges on account of UI. All the additional UI charges are imposed on the Distribution Licensee to maintain the Grid discipline. The Forum of Regulators in its Press Release dated 23.07.2009 had stated that additional UI charges imposed on various distribution utilities across the country for excessive over drawl from the Grid will not be allowed to be recovered from the consumer's w.e.f 01.08.2009 as follows:

….

all the Chairpersons of State Electricity Regulatory Commissions as its members, has agreed that the additional Unscheduled Interchange (UI) charges imposed on distribution utilities for excessive over drawl from the grid would not be allowed to be recovered from consumers w.e.f. 1st August, 2009."

In view of the above, the Commission disallows additional UI Charges. "

3.142 In the regard, the Petitioner would like to bring in the notice of the Commission that the APTEL after hearing of the submission of the Commission has pronounced its judgment in Appeal no 177 & 178 of 2012 and directed the Commission to reconsider the amount disallowed on account of UI charges and to restrict the amount for overdrawl below the frequency at which penal UI charges are liable.

`Extracts of the same are reproduced below:

"28.4 In view of above submissions of the Appellant, we direct the State Commission to reconsider the amount disallowed on account of UI charges to restrict it to the amount for overdrawals below the frequency at which penal charges for UI are leviable. Accordingly, decided."

3.143 Therefore, the Petitioner once again requested to the Commission to implement the APTEL direction in true spirit of law.

3.144 Given below is the break-up of UI charges below the frequency of 49.2 Hz and above 49.2 Hz as directed in the Judgment in Appeal no 177 & 178 of 2012

Table 52: Additional UI Charges submitted by Petitioner

Financial year	Below 49.2	Above 49.2 Hz	Total UI penalty
FY 2010-11	3.27	0.55	3.81
FY 2011-12	2.05	1.60	3.65
FY 2012-13	0.77	1.15	1.92
Total	**6.09**	**3.30**	**9.38**

COMMISSION'S ANALYSIS

3.145 The Commission has given the detailed reasoning and certification received from SLDC regarding penal nature of payment towards additional UI Charges due to non-adherence of the scheduled drawl by the Petitioner in its various Tariff Orders which has also been upheld by the APTEL in its judgement in Appeal No. 271/2013 as follows:

" 7.6)Penal interests are applicable at the specified rates for over-drawal of electricity for each time block when grid frequency is below 49.5 Hz. The time block under UI Regulations is 15 minutes. We are totally unable to accept the contention of the appellant that the appellant has taken all the necessary steps to ensure compliance with the requirements of UI Regulations, over-drawal from grid below 49.5 Hz frequency is inevitable despite efficient management of the appellant. These are the problems which are to be sorted out by a Discom by making efficient management, proper scheduling of power and procurement etc. What is provided under the Regulation is that the State Commission is bound to follow those Regulations, without giving any dilution or relaxation in the provisions of Act or Rules. We are unable to accept the appellant's contention that over-drawal or under-drawal depends on the scheduled generation available, since, the generation available changes constantly and further due to loss of generation the schedules are affected resulting in over-drawal by Discoms. In view of the above discussions, we do not find any merit in the contentions of the appellant and hence, this Issue No.8 is decided against the appellant."

3.146 In view of above, the issue submitted by the Petitioner does not merit consideration.

EFFICIENCY FACTOR NOT CONSIDERED PROPERLY ON 6TH PAY ARREARS

PETITIONER'S SUBMISSION

3.147 The Petitioner has submitted that the Commission in its Tariff Order July, 2014 has applied efficiency factor on the amount of 6th pay arrears commission to be payable for that respective year and adjusted an amount of Rs 1.64 Cr in the year of payment (i.e. in FY 09-10).

3.148 The Petitioner wants to bring in the kind attention of the Commission that in view of the APTEL Judgment while determining the O&M expenses the efficiency factor has not to be applied on the part of 6th pay arrears. However, the same has wrongly been applied on the amount of 6th pay commission arrears.

3.149 The Petitioner has further submitted that the Commission has not applied the efficiency factor on 6th pay arrears for other DISCOMs. Relevant extract of one of the other DISCOM is given below:

3.150 With this example, the Petitioner has submitted that it can be seen that no efficiency factor has been applied on the part of 6th pay arrears commission, therefore, the petitioner request to the Commission to give the impact of the same.

COMMISSION'S ANALYSIS

3.151 The Commission observes from the Tariff Order dtd. 23/07/2014 that it has already provided 6th Pay Commission impact. The relevant extract of the said Tariff Order is as follows:

"3.100 The Commission has reviewed the submissions of the Petitioner and accordingly revises the efficiency factor applied on the arrears allowed in compliance of Hon'ble APTEL's direction. Accordingly, Rs.1.47 Crore (0.36+1.11) is considered towards adjustment of efficiency factor on arrear in FY 2008-09 and FY 2009-10."

3.152 In view of the above this issue does not merit consideration.

CAPITALIZATION FOR 2ND MYT CONTROL PERIOD

PETITIONER'S SUBMISSION

3.153 In respect of truing up of capitalization for each year of MYT Regulations, 2011 provides that

4.17 *The Commission shall review actual capital expenditure incurred and capitalization at the end of each year of the Control Period vis-à-vis the approved capital expenditure and capitalization schedule. Based on trued up capital expenditure and capitalization, the Commission shall true up Return on Capital Employed (RoCE) and depreciation while truing up for any year of the Control Period. The Commission may also revise the capital expenditure and capitalization for remaining years of the Control Period based on trued up capital expenditure and capitalization for any year.*

3.154 The Petitioner wants to submit that the physical verification is a prolong process and may require significant time to complete and during such period the distribution licensee cannot be put to such difficult position where it will not be able to service the debt taken for capitalization or recover its guaranteed RoCE under the existing regulatory framework. The delay caused in timely true up of the capitalization of assets due to pending physical verification has a severe effect on the cash flow of the company, thereby making it difficult for the Appellant to operate on a commercially viable manner.

3.155 In accordance with the MYT Regulations, 2011 the Petitioner has now sought the true up of capitalization based on EI certificate received during the year.

3.156 The actual Capitalization of fixed assets (Distribution business) as per books of accounts for FY 2012-13 is as follows:

Table 53: Detail of Actual Capitalization (Rs Cr)

Sl. No.	Particulars	FY 12-13	FY 13-14
A	Capitalization as per Audited Accounts	349.80	342.97
B	Less- Generation Capitalization	1.25	
C	Distribution Capitalization	348.55	342.97
D	Intra unit Transfer	8.72	0.30
E	Total	357.28	343.27

3.157 The Petitioner has submitted that as the Commission has considered the capitalization based on EI certificate hence given below is the summary showing the year wise amount of EI certificate received against the capitalization done for FY 2012-13 & FY 2013-14 respectively by the Petitioner.

Table 54: Detail of EI Certificate FY 2012-13 (Rs Cr)

Year of capitalization	Opening Pending EI certificates	Total Capitalization/ Opening O/S EI certificates	EI certificate not required-D	FY 12-13	Pending
FY 05-06	8.35			0.22	8.13
FY 06-07	16.29			0.00	16.29
FY 07-08	12.89			0.06	12.83
Capitalization Prior to 01.04.2007 – "A"	37.53			0.28	37.25
FY 08-09	15.07			0.07	15.00
FY 09-10	12.74			1.26	11.48
FY 10-11	5.96			2.09	3.87
FY 11-12	44.88			15.59	29.29
Capitalization 1st MYT Period – "B"	78.65			19.02	59.63
FY 12-13 – "C"		357.28	235.45	61.46	60.37
Total Capitalization (A+B+C+D)				316.21	

Table 55: Detail of EI Certificate (FY 2013-14) (Rs Cr)

Year of capitalization	Opening Pending EI certificates	Total Capitalization/ Opening O/S EI certificates	EI certificate not required-D	FY 13-14	Pending
FY 05-06	8.13			0.03	8.1
FY 06-07	16.29			0	16.29
FY 07-08	12.83			0.09	12.74
Capitalization Prior to 01.04.2007 – "A"	37.25			0.12	37.13
FY 08-09	15			0.14	14.86
FY 09-10	11.48			0.08	11.4
FY 10-11	3.87			0.01	3.86
FY 11-12	29.29			13.51	15.78
Capitalization 1st MYT Period – "B"	59.64			13.74	45.9
FY 12-13 – "C"	60.37			38.06	22.31

Year of capitalization	Opening Pending EI certificates	Total Capitalization/ Opening O/S EI certificates	EI certificate not required-D	FY 13-14	Pending
FY 13-14 – "E"		343.27	122.48	213.12	7.67
Total Capitalization (A+B+C+D+E)				387.52	

The summary of Gross Fixed Assets for FY 2012-13 & 2013-14 is as follows:

Table 56: Gross Fixed Assets for FY 2012-13 & FY 2013-14 (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 12-13		FY 13-14	
A	Opening Balance	3306.92	3,883.06*	3,464.88	4,199.27
B1	Capitalization out of CWIP prior to 01.04.2007		0.28		0.12
B2	Capitalization out of CWIP after to 01.04.2007		315.93		387.40
B	Total Capitalization during the year	200.88	316.21	220.00	387.52
C	Deletion during the year*	42.92	-	47.38	-
D	Closing Balance	3,464.88	4,199.27	3,637.50	4,586.79
E	Average Fixed Assets	3,385.90	4,041.17	3,551.19	4,393.03

3.158 The Petitioner has submitted that the Commission in its MYT Regulations, 2011 has allowed the net financing of capitalization based on normative Debt: Equity ratio of 70:30.

3.159 Based on the Regulations, financing of net capitalization for FY 12-13 & FY 13-14 works out as follows:

Table 57: Financing of Capitalization (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 12-13		FY 13-14	
A	**Total Capitalization***	157.96	315.93*^	172.62	387.40^
B	Consumer	46.62	48.12	90.00	89.87

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 12-13		FY 13-14	
	Contribution				
C	Balance Capitalization	111.34	267.81	82.62	297.52
D	Loan – 70 %	77.94	187.47	57.83	208.27
E	Equity – 30%	33.40	80.34	24.79	89.26

3.160 The Petitioner has submitted that the MYT Regulations stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized has to be deducted.

3.161 As the capitalization has been considered based on EI certificate received, therefore, the corresponding consumer contribution based on EI certificate received has been computed. Further capitalization of consumer contribution has been broken into two parts for the purpose of computation of financing, as the Commission has already used consumer contribution as a means of finance on receipt basis in policy direction period towards financing of capital expenditure incurred till FY 2006-07.

3.162 The Petitioner has submitted the breakup of the same for the purpose of financing of capitalization is given below:

1. Received up to 31.03.2007
2. Received from 01.04.2007 onwards

3.163 Based on the above, the consumer contribution works out as follows:

Table 58: Consumer Contribution for FY 2012-13 & FY 2013-14 (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
A	Opening Balance	325.25	389.14*	371.87	437.51
B	Capitalized out of Opening till 31.03.07		0.25		0.16
C	Capitalized out of Consumer Contribution received after 01.04.07		48.12		89.87
D	Addition during the year	46.62	48.37	90.00	90.03
E	Closing Balance	371.87	437.51	461.87	527.54
F	Average Consumer Contribution	348.56	413.33	416.87	482.53

3.164 The Petitioner has submitted that against the EI based capitalized consumer contribution, the Commission has considered consumer contribution based on the Audited Balance Sheet of each respective year of the control period.

3.165 The Petitioner would like to highlight that the Commission has considered capitalization on provisional basis based on figures approved in the MYT Order where as Consumer Contribution towards capitalization has been considered on actual as per Audited Balance Sheets.

3.166 The Petitioner has submitted that since the Commission is considering capitalization etc. based on EI certificates, therefore, the Commission should have also considered Consumer Contribution corresponding to capitalization as per EI Certificates by following a uniform approach.

COMMISSION'S ANALYSIS

3.167 The Commission has already submitted before Hon'ble APTEL in Appeal No. 301 of 2015 that once the physical verification report is submitted by the consultant then the Commission will finalize the true up of Capitalisation as per the directions of the Hon'ble APTEL.

3.168 Further, the Commission is in the process of identification & verification of Electrical Inspector certificates applicable for various schemes which has not been considered during provisional True up of capitalisation for past years. Therefore, the impact due if any, will be considered in the subsequent Tariff Orders whose Electrical Inspector certificates have been obtained.

DEPRECIATION (NET OF CONSUMER CONTRIBUTION)

PETITIONER'S SUBMISSIONS

As per MYT Regulations,
"Depreciation shall not be allowed on assets funded by any capital subsidy / grant."

3.169 On the basis of above, the petitioner has been seeking the depreciation on net fixed assets i.e. Gross Addition – Consumer Contribution/capital subsidy/grant. For the purpose of computation of final depreciation to be claimed as a part of Annual Revenue Requirement, first depreciation rate prescribed in MYT Regulations 2011 is applied on average Gross Block of Assets in order to compute the total depreciation and thereafter based on such total depreciation and average Gross Block of Assets, average depreciation rate is worked out which is further applied on Fixed assets (net of consumer contribution) to compute the allowable depreciation for the year.

3.170 Based on above methodology, average depreciation rate is worked out as follow:

Table 59: Depreciation on Gross Fixed Assets (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 12-13		FY 13-14	
A	Average of Gross Fixed Assets		4,041.17		4,393.03
B	Depreciation		156.83		171.05
C	Average Depreciation Rate	3.65%	3.88%	3.62%	3.89%

3.171 The Petitioner has submitted that against the average depreciation rate of 3.88% - 3.89% which has worked out as per MYT Regulations, 2011, the Commission has considered average depreciation rate based on the Audited Balance Sheet of each respective year of the control period. Since the Commission is considering capitalization etc. based on EI certificates, therefore, the Commission should have also considered rate of depreciation based on depreciation corresponding to amount of capitalization as per EI Certificates by following a uniform approach.

3.172 Considering the above depreciation rate, computation of Depreciation on Average Assets (net of consumer contribution/grants) is given below:

Table 60: Depreciation on Net Fixed Assets (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
		(1)	(2)	(1)	(2)
A	Average Assets	3,037.34	3,627.84	3,134.32	3,910.51
B	Average Depreciation Rate	3.65%	3.88%	3.62%	3.89%
C	Depreciation (Net of Consumer Contribution)	110.71	140.79	113.53	152.26

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
		(1)	(2)	(1)	(2)
D	Difference to be sought in this Petition		30.08		38.73

Table 61: Cumulative Depreciation on Fixed assets (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
A	Opening Balance	1160.25	1,261.17*	1,270.96	1,401.96
B	Addition during the year	110.71	140.79	113.53	152.26
C	Closing Balance	1,270.96	1,401.96	1,384.49	1,554.22

Table 62: Utilization of Depreciation (Rs Cr)

Sl. No.	Particulars	FY 2012-13	FY 2013-14
A	Depreciation	140.79	152.26
B	Utilized for Debt repayment	140.79	152.26

COMMISSION'S ANALYSIS

3.173 The Commission clarifies that once the true up of capitalisation is finalised, the depreciation shall be revised based on the depreciation schedule applicable for relevant class of gross fixed assets. Therefore, the issue does not merit consideration at this point of time as the matter is also sub-judice in Appeal No. 301/2015 before Hon'ble APTEL.

REVISION IN AT&C TRAJECTORY BASED ON REVISION IN AT&C TARGET FOR FY 2011-12

PETITIONER'S ANALYSIS

3.174 The Petitioner has submitted that the APTEL in its Appeal no 14 of 2012 has directed the Commission to adopt a methodology either on normative basis or on actual basis for fixation of various controllable parameters. The relevant extract of the same is as below

"This approach taken by the Delhi Commission is not correct. ***It should have adopted either the normative AT&C losses trajectory or O&M expenditure as per 2007***

***MYT Regulations** or **actual**. The Delhi Commission cannot adopt a method under which the Appellant is at loss under all the circumstances.* *Accordingly, this issue is decided in favour of the Appellant."*

3.175 In compliance to the Judgment of the APTEL in Appeal no. 14 of 2012, the Commission in its Tariff Order dated July 2014 has taken of the view that ***the AT&C Loss target is now revised on normative basis at 15.325%, instead of revising the O&M expenditure on actual basis as claimed by the Petitioner***.

3.176 It is further clarified that while setting the AT&C loss trajectory for second control period (i.e. for FY 2012-13 to FY 2014-15) in its second MYT order dated July 2012, the Commission has taken the base year AT&C loss target of 13% which has to be further reduced by 1.50% over the next 5 years (i.e. 0.50% reduction for each year of the second control period).

Table 63: Given below is the approved AT&C loss trajectory as per Tariff order 2012

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15
A	Base year AT&C Target		13.00%	12.50%	12.00%
B	Approved reduction in y-o-y AT&C loss over the previous year AT&C loss		0.50%	0.50%	0.50%
C	Approved AT&C Target	13.00%	12.50%	12.00%	11.50%

3.177 The Petitioner has submitted that while computing the AT&C overachievement incentive for FY 2012-13 in its Tariff order dated July, 2014, the Commission has not given the subsequent impact of such revision in AT&C loss trajectory for next control period and computed the AT&C overachievement incentive (i.e. additional return on equity) as given below:

Table 64: Approved additional return on equity as per previous years Tariff Order

Sl. No.	Particulars	Approved for FY 12-13(%)	Approved for FY 13-14(%)
A	Target AT&C loss level for ith year (Xi)	12.50	12.00
B	Actual AT&C Loss level for ith year (Yi)	10.73	10.56
C	Target AT&C loss level for (i-1)th year (Xi-1)	15.325	12.50
D	Additional Return on Equity (%)	0.63	2.88

3.178 Now due to revision in Base year AT&C target for FY 2011-12 i.e. from 13% to 15.325% by the Commission, the AT&C loss trajectory for second control period should also be revised, as the y-o-y AT&C loss targets has to be reduced from the previous year AT&C

loss target. The revised AT&C trajectory as now sought is given below:

Table 65: Revised AT&C loss reduction trajectory due to revision in base year AT&C loss

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15
A	Revised Base year AT&C Target		15.325%	14.825%	14.325%
B	Approved reduction in y-o-y AT&C loss over the previous year AT&C loss		**0.50%**	**0.50%**	**0.50%**
C	Revised AT&C Target should be	15.325%	14.825%	14.325%	13.825%

3.179 Based on the above submission, revised AT&C overachievement incentive is now sought in the form of additional return on equity as follows:

Table 66: Revised additional Return on Equity now sought

Sl. No.	Particulars	Sought for FY 12-13 (%)	Sought for FY 13-14 (%)
A	Revised Target AT&C loss level for ith year (Xi) -	14.825	14.325
B	Actual AT&C Loss level for ith year (Yi)	10.73	10.56
C	Target AT&C loss level for (i-1)th year (Xi-1)	15.325	14.825
D	Additional Return on Equity (%)- now sought	8.19	7.53

COMMISSION'S ANALYSIS

3.180 The Commission has already implemented Hon'ble APTEL's direction in Appeal No. 14/2012 that either the revision in normative AT&C losses trajectory or O&M expenditure as per 2007 MYT Regulations should be done by the Commission. Accordingly, the Commission has implemented the Hon'ble APTEL's direction in Appeal No. 14/2012 in its Tariff Order dtd. 23/07/2014 and revised AT&C Loss as indicated in table 3.14 of the said Order.

3.181 The Commission has already provided detailed reasoning in its Tariff Order dtd. 29/09/2015 has follows:

" 3.106 The Petitioner has not made any appeal on the issue relating to fixation of AT&C Targets for the 2nd MYT Control period in Appeal no. 171 of 2012 against Tariff order dated 13.07.2012. The Commission has fixed the AT&C loss targets considering the actual achievement of the Petitioner in the last true-up for FY 2010-11 in tariff order dated 13.07.2012 and business plan filed by the

Petitioner. The Commission has followed due process of law including conduct of public hearing. Thus the matter has attained finality in respect of the AT&C loss targets fixed for 2nd MYT Control period in Tariff order dated 13.07.2012."

3.182 Therefore, this issue does not merit consideration.

O&M EXPENSES

PETITIONER'S SUBMISSION

3.183 The Petitioner has submitted that the Commission in its Tariff Order Dated July 2012 has approved normative O&M expenses for 2nd MYT control Period (i.e. FY 2012-13 to FY 2015-16) based on assumptions against the Tariff Regulations. Aggrieved by the said methodology, the Petitioner has raised its contention before the APTEL in appeal no 171 of 2012. Based on the Petitioner contentions/ submission the APTEL in its Judgment dated February, 2015 has remanded back the matter in relation to determination of O&M expenses for 2nd MYT control period. Relevant extract of the Judgment is given below:

"10.12 We find that the employees cost and A&G expenses have been determined in violation of the Tariff Regulations and, therefore, these are set aside along with the methodology used in determination of these expenses with direction to re-determine the same as per the Regulations."

3.184 The Petitioner has submitted that in order to comply with the above directions, the Commission in its Tariff Order dated has re-determined the O&M expenses for 2nd MYT Control Period without comparing with other Distribution Licensees operating in the area of GoNCTD.

3.185 The Petitioner has submitted that the base year (FY 2011-12) O&M Expenses have been determined considering the actual O&M expenses incurred by the Petitioner during 1st MYT Control Period (FY 2007-08 to FY 2011-12). The actual growth in individual parameters (Employee Expenses, A&G Expenses and R&M Expenses) has been analyzed with the:

1) Actual Sales growth,

2) Increase in CPI and WPI,

3) Increase in Consumer Base and

4) Performance on account of reduction in AT&C Loss levels.

3.186 TPDDL is the only utility which has actually achieved the lower AT&C loss level by 3.84% over the targeted AT&C loss Level resulting into higher saving to the consumers.

3.187 Considering the above facts and data, the Petitioner has requested to the Commission to consider the actual expenses of base year for determinations of O&M expenses for 2nd MYT control Period.

3.188 The Petitioner has submitted that the Commission in its para no 3.160 has mentioned that the actual expenses of FY 2011-12 is less than the escalated employee expenses by considering sales growth, increase in CPI & WPI indices and performance on account of reduction in AT&C loss level.

3.189 However while computing the base year expenses, the Commission has inadvertently mentioned the amount of employee expenses of FY 2010-11 of Rs. 264.66 Cr as normative escalated expenses vis-a-vis the actual expenses of FY 2011-12 of Rs 318.31 Cr and thus wrongly considered lower of actual vis-à-vis normative escalated expenses.

3.190 Based on the actual employee expense of Rs 275.84 Cr as submitted by the Petitioner for FY 2010-11, the Commission in its Tariff Order dated July 2012 has recomputed the employee expenses of Rs 264.70 Cr. for FY 2010-11 in table 82.

3.191 The Petitioner vide its letter dated May 24, 2012 has provided the breakup of audited employee expenses for entire 1st MYT control period. It is pertinent to mention that the Petitioner has included meter reading expenses and outsource expenses as a part of employee expenses; however the aforesaid expenses are shown as part of R&M expenses in audited accounts.

3.192 The Petitioner has submitted that the Commission has considered R&M expenses of Rs 87.21 Cr. as submitted by the Petitioner against the actual R&M expenses of Rs. 129.65 Cr. as mentioned in balance sheet, but for employee expenses the Commission has considered the figures of balance sheet instead of Petitioner submission.

Table 67: Comparison of O&M Expenses as submitted by Petitioner

Particulars	Employee Expenses		R&M Expenses	
	As per Balance Sheet	As considered by Commission	As per Balance Sheet	As considered by Commission
Gross Employee Expenses	307.91		129.65	
Adjusted towards				
Meter Reading Exp.	7.59		(7.59)	
Outsource	5.87		(5.87)	
Loss on sale of Retirement			(0.04)	
Total	321.37		116.15	
Less- Adjustment for Rithala	(3.06)		(28.94)	
Net Expenses to be considered for distribution purpose	318.31		87.21	

3.193 Based on aforesaid submission/facts, the Petitioner in this petition requested to the Commission to rectify the said errors and give the impact of the same from 1st year of 2nd MYT Control Period.

3.194 The Petitioner has also submitted that while applying the indexation factor the Commission has not considered indexation factor upto two decimal digits. Thus, the Petitioner requests to the Commission to consider the indexation factor upto two decimal digits in line with the methodology used in MYT Order dated July 2012.

3.195 Based on above submission, revised computation of the Employee Expenses for second control period is given below:

Table 68: Revised Employee Expenses now sought (Rs Cr)

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
A	Employees Expenses (including outsource and meter reading expenses shown as R&M expenses in BS) (As per Sep'15 TO Table 3.45)	318.31				
B	Add: Inflation factor as per table 78 of July 2012 tariff order upto two digit		8.01%	8.02%	8.03%	8.04%
C	Revised Employee expense		343.81	371.38	401.20	433.46
D	Less- capitalization @ 10%		34.38	37.14	40.12	43.35
E	Employee Expenses net of capitalization		309.43	334.24	361.08	390.11
F	Efficiency factor*		-	-	-	-
G	Less- Efficiency improvement		-	-	-	-
H	Employee Expenses net of efficiency		309.43	334.24	361.08	390.11
I	Add- SVRS Pension Trust (subject to true up on actual basis)		5.2	3.53	2.4662	3.14

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
J	Total		314.63	337.77	363.55	393.25
K	Trued up employee expenses in TO Sep, 15		257.30	273.02		
L	Balance now sought (J-K)		(57.33)	(64.76)		

COMMISSION'S ANALYSIS

3.196 The Commission has already re-determined Employee Expenses with detailed reasoning in compliance to Hon'ble APTEL's direction in its Tariff Order dtd. 29/09/2015 for the period FY 2012-13 to FY 2015-16. Therefore, this issue does not merit consideration at this point of time, as the matter is sub-judice in Appeal No. 301/2015 before Hon'ble APTEL.

REVISED R&M EXPENSES BASED ON CAPITALIZATION

PETITIONER'S SUBMISSION

3.197 The Petitioner has submitted that the Commission in its Tariff Order Dated Sep, 2015 has recomputed R&M expenses considering k factor @ 2.58% for 2^{nd} MYT Control Period.

3.198 It is worth to mention that while determine the k factor the Commission has not followed the directions given by the APTEL. Hence the Petitioner has re-computing the k factor based on average of 5 years k factor as directed by the Commission.

Relevant extract of Aptel Judgment 171 of 2012 is reproduced below:

11.2…….The State Commission has determined the 'K' factor for the control period 2012-13 to 2014-15 as average of 'K' factor for the period 2008-09 to 2011-12 ignoring the FY 2007-08 ….

Therefore the 'K' factor for the control period has to be recalculated on the basis of 'K' factor for the FY 2007-08 to 2011-12."

Table 69: Computation of revised K factor (Rs Cr)

Particular	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Opening Gross Fixed Assets	1,997.32	2,160.36	2,598.06	2,916.66	3,482.56
R&M expenses	57.20	66.36	77.27	85.26	87.21
k factor	2.86%	3.07%	2.97%	2.92%	2.50%
Average	2.87%				

3.199 Based on the revised opening GFA & revised K factor, the revised R&M expenses for FY 12-13 & FY 13-14 works out as follows:

Table 70: R&M expenses sought due to capitalization & change in k factor (Rs Cr)

Sl. No.	Particulars	Approved by the Commission*	Now sought	Approved by the Commission*	Now sought
		FY 2012-13		FY 2013-14	
		(1)	(2)	(1)	(2)
A	Gross Fixed Assets	3306.92	3,883.06		4,199.27
B	k factor	2.58%	2.87%	2.58%	2.87%
C	R&M expenses- now sought	83.71	111.34	86.82	120.41
D	Difference		27.63		33.60
E	Efficiency factor		Nil		Nil
F	R&M expenses additional sought		27.63		33.60

COMMISSION'S ANALYSIS

3.200 The Commission has already re-determined *k factor* for 2nd MYT Control Period with detailed reasoning in compliance to Hon'ble APTEL's direction in its Tariff Order dtd. 29/09/2015 considering the revised GFA and revised R&M Expenses for the period FY 2007-08 to FY 2011-12. Therefore, this issue does not merit consideration at this point of time, as the matter is sub-judice in Appeal No. 301/2015 before Hon'ble APTEL.

EFFICIENCY FACTOR FOR 2ND MYT CONTROL PERIOD AND FY 2011-12

PETITIONER'S SUBMISSION

3.201 The Petitioner has submitted that the Commission in its Judgment dated 28th November 2013 and in its judgment dated 28th November, 2014 has decided the matter in favour of DISCOMs in relation to arbitrate fixation of efficiency factor by the Commission.

Relevant extract of the APTEL judgment's in Appeal 28 of 2008 on the strength of which the APTEL decided the matter in favour of DISCOMs is reproduce below:

"However, the efficiency factor has to be determined by the Commission based on licensee's filing, benchmarking, approved cost by the Commission in the past and any other factor that Commission feels appropriate. In the impugned order the Commission has determined the efficiency improvement factor as 2%, 3% and 4% for FY 2009, FY 2010 and FY-2011 respectively arbitrary without any benchmarking or any analysis and identification of area of inefficiency where the improvement is desired to be carried out. ***Such efficiency factor has naturally to be determined only on the basis of material placed before the State Commission and analysis of various factors and not on ad-hoc basis as done by the State Commission."***

3.202 According to the Petitioner it is worth to mention that the Petitioner has always shown its efficiency by achieving AT&C loss better than the target as specified over its entire journey and passing the AT&C benefit to the consumers and based on the principle laid down by the APTEL, no efficiency factor has been proposed for FY 2011-12 by the Petitioner.

3.203 Therefore the Petitioner is now sought the additional O&M expenses due to reversal of efficiency factor.

3.204 Given below is the additional amount of Rs. 9.07 Cr now sought on account of reversal of efficiency factor for FY 2011-12.

Table 71: Additional amount now sought on account of reversal of Efficiency factor

Particulars	Amount (Rs Cr)
Employee Expense	7.58
A&G expenses	1.49
Total	**9.07**

3.205 The Petitioner has already requested to the Commission to give the impact of the Judgment during the prudence check activities and before the issuance of Tariff Order dated September, 2015. It is worth to mention that instead of complying the APTEL Judgment, the Commission has taken a new stand for non-implementation of the APTEL judgment on the ground that it has filed a clarificatory application before the APTEL hence the same will be considered as deemed fit and appropriate action will be taken after receipt of the direction of the APTEL in the said Clarificatory application.

3.206 The Petitioner would like to clarify that the clarificatory application filed by the Commission is not against the APTEL judgment of dated 28th November, 2013 in Appeal no 14 of 2012; hence the Petitioner again requested to the Commission to allow Rs 9.07 Cr.

3.207 It is further clarified that through the Commission has not filed any Clarificatory application on the above issue and also till the time order of higher judicial authorities is not granted by other supreme judicial authorities, the order of sub-ordinate court prevails.

3.208 The Petitioner has submitted that the Hon'ble APTEL hasdirected the Commission to reconsider the efficiency factor on O&M Expenses for the control period (FY 2012-13 to FY 2014-15) in judgment in Appeal No. 177 & 178 of 2012, the relevant extract of which is as follows:

"37.3 This issue has been considered by this Tribunal in Appeal no. 171 of 2012. The relevant paragraph of the judgment are reproduced below:

"12.5 We find that as per the Regulations, the efficiency factor can be determined by benchmarking and, therefore, there is no fault in the Commission's basic approach for benchmarking the O&M cost of the Appellant with other distribution companies.

However, the benchmarking of O&M has to be with respect to like distribution licensees and for a larger span with analysis. In the present case, the State Commission has given figures of O&M cost per unit of sales and per consumer for a single year i.e. FY 2010-11. It is not clear whether the O&M expenses considered are the actual audited expenses or trued up expenses or the estimate of expenses approved in the tariff order. The State owned distribution licensee considered in the benchmarking should be much who maintains reliable power supply and distribution loss level comparable to the Appellant.

The Commission should have benchmarked the O&M costs of some more distribution licensees having metropolitan area of supply such as other licensees of Delhi, Mumbai, Kolkata for last three years before coming to a conclusion. The approach adopted by the State Commission is over simplified and lacks analysis.

12.6 While we agree with the basic approach of benchmarking, the data and the analysis *is required to be augmented as discussed above. Therefore, we remand the matter to the State Commission for redetermination of the Efficiency Factors."*

3.209 Further, the Petitioner has submitted that the Commission against the said directive has retained the same efficiency factor as applied earlier on the grounds that O&M expenses of Delhi DISCOMs are higher than the other states DISCOMs (like R-Infra-D and TPC-D).

3.210 From the above, it can be seen that expenses of R-infra-D & TPC-D showing increase in per unit expenses, whereas per unit expenses of TPDDL remains the same, hence imposing further efficiency will put pressure on the operational/commercial side of the distribution business.

3.211 It is further submitted that the Petitioner in this petition has sought revised employee expenses and R&M expenses, hence no efficiency factor has been applied while computing the differential amount now sought.

3.212 However, A&G expenses are not changed, therefore, the portion of efficiency factor applied on A&G expenses in Tariff Order Sep, 2015 for FY 2012-13 & FY 2013-14 has sought back along with consideration of inflation upto two decimal digit.

3.213 Given below is the amount of A&G expenses now sought due to non-application of efficiency factor, further the same has been escalated at the inflation factor upto two decimal digit as follows:

Table 72: Differential A&G expenses due to zero efficiency (Rs Cr)

Particulars	For FY 2012-13	For FY 2013-14
A&G recomputed	52.71	56.95
Amount deducted towards efficiency along with impact of inflation of two decimal digit	1.06	1.73
Now Sought	1.06	1.73

COMMISSION'S ANALYSIS

3.214 The Commission has filed a Clarificatory Application before Hon'ble APTEL and requested to reconsider the issue in line with judgment in Appeal No. 52 of 2008 as FY 2011-12 is part of extended 1st MYT Control Period and the same principle for efficiency factor may be considered throughout the Control Period (FY 2007-08 to FY

2011-12). The view on impact of efficiency factor for FY 2011-12 will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble APTEL in the said Clarificatory Application.

3.215 The Commission has already detailed this issue regarding levy of Efficiency Factor on O&M Expenses in True up of FY 2014-15 and FY 2015-16. Such efficiency factor is not considered for SVRS Pension and Arrears on account of statutory pay revision to employees.

ADJUSTMENT IN NON-TARIFF INCOME

SERVICE LINE CHARGES

PETITIONER'S SUBMISSION

3.216 The Petitioner has submitted that the Commission while truing up the Non-Tariff Income for FY 2012-13, has considered the entire amount of service charges as available for non-tariff income. The Relevant extract of the same is given below:

"3.223 The Commission is of the view that service line charges were actually received by the utility and deferring certain portion of these charges for future years is not justifiable in terms of Accounting Standards/principles. Hence, the Commission has considered the service lines charges of Rs.32.67 Crore as per the audited accounts for FY 2012-13. Further, the Commission has considered an amount of Rs.38.94 Crore deferred pertaining to FY 2010-11 (Rs.11.85 Crore) and FY 2011-12 (Rs.27.09 Crore) and added to non-tariff income in the truing up for FY 2012-13."

3.217 The Petitioner has respectfully submitted that the existing approach as adopted in previous tariff order is against the approach followed by the Commission since policy direction period. In the earlier approach, the Commission treats the service line charges as an income over a period of 3 years. Relevant extract of the Tariff Order on ARR and Tariff Petition of NDPL for FY 2004-05 is reproduced below for reference

"…………the Petitioner has highlighted that in the event of the Commission disallowing

the charging off the meters as a revenue expense, the Service Line Charges, which have been considered as part of the Non-Tariff Income shall need to be treated as a capital receipt. For FY 2003-04, the Commission has considered the Non-Tariff Income of Rs 20.30 Crore while estimating the ARR after treating the Service Line Charges as an income over a period of 3 years."

Revised computation of Service line charges required to be deferred from FY 2012-13 & FY 2013-14 are given below:

Table 73: Revised service line charges to be adjusted from NTI (FY 12-13) (Rs Cr)

Particulars	3rd installment of FY 2010-11	2nd installment of FY 2011-12	1st installment of FY 2012-13	Total
Amount to be considered (based on 1/3rd of Service line charge) – "A"	11.85	13.54	10.89	36.28
Amount considered by the Commission – "B"	11.85	27.09	32.67	71.61
Difference now sought (C= B-A)		13.55	21.78	35.33

Table 74: Revised service line charges to be adjusted from NTI (FY 13-14) (Rs Cr)

Particulars	3rd installment of FY 2011-12	2nd installment of FY 2012-13	1st installment of FY 2013-14	Total
Amount to be considered (based on 1/3rd of Service line charge) – "A"	13.54	10.89	9.72	34.15
Amount received in the year– "B"				29.17
Difference offered (C= B-A)				(4.98)

COMMISSION'S ANALYSIS

3.218 The Commission has provided the detailed reasoning for the methodology in its tariff order dated 23/07/2014 as follows:

"3.223 The Commission is of the view that service line charges were actually received by the utility and deferring certain portion of these charges for future years is not justifiable in terms of Accounting Standards/principles. Hence, the Commission has considered the service lines charges of Rs.32.67 Crore as per

the audited accounts for FY 2012-13. Further, the Commission has considered an amount of Rs.38.94 Crore deferred pertaining to FY 2010-11 (Rs.11.85 Crore) and FY 2011-12 (Rs.27.09 Crore) and added to non-tariff income in the truing up for FY 2012-13."

3.219 The Commission has adopted same methodology for service line charges in true up of FY 2013-14, FY 2014-15 and FY 2015-16. Therefore this issue needs no merit consideration.

WORKING CAPITAL

MYT Regulations, 2011 specify that

" 5.14 Working capital for wheeling business of electricity shall consist of

- Receivables for two months of Wheeling Charges.

  Working capital for retail supply of electricity shall consist of

  (a) Receivables for two months of revenue from sale of electricity;

  (b) Less: Power purchase costs for one month;

  (c) Less: Transmission charges for one month; and

  (d) Less: Wheeling charges for two month."

3.220 Further the new MYT Regulations provided that working capital will be allowed on normative basis, hence not to be trued up.

3.221 In this regard, the Petitioner wants to submit that working capital is determined and directly linked with actual receivables and power purchase of the Petitioner rather than projected, which is based on the concept that tariff determined for the year is sufficient to recover ARR for the year and there is no Revenue Gap; whereas both the components are uncontrollable in nature hence liable for trued up on actual basis. The above methodology is also in accordance with the MYT order.

3.222 According to the above cited table, it is clear that the ARR for respective year was considered by the Commission to compute the working capital requirement of the Petitioner.

3.223 Therefore, in line with the methodology prescribed in MYT order, the revised computation of working capital is as follows:

Table 75: Computation of Working Capital

Sl. No.	Particulars	Amount FY 12-13	Amount FY 13-14
A	Annual Revenue Requirement	4,630.92	4,976.41
B	Additional amount sought due to capitalization/overachievement incentive/revised O&M expenses	374.40	433.05
C	Receivables for Annual Revenue Requirement	5,005.32	5,409.46
D	Receivables equivalent to 2 months average billing – "A"	834.22	901.58
E	Power Purchase expenses (inclusive of Transmission charges and provision for Rs 27.40 Cr., but excluding provisions of Rs 26.32 Cr)	3,978.00	4,323.35
F	1/12th of power purchase expenses – "B"	331.50	360.28
G	**Total**	**502.72**	**541.30**
H	Less- Opening Working Capital	486.44*	502.72
I	Change in working capital for the year	16.28	38.58

3.224 Further the working capital has to be considered as 100% debt financed in accordance with the MYT Regulations, 2011 which is subject to outcome of writ petition as the matter is already challenged by the Petitioner.

3.225 The Petitioner has further clarified that the APTEL in Appeal No. 52 of 2008 has already decided that working capital to be allowed in 70:30 debt equity ratio. Based on the APTEL judgment funding of the working capital for each year is considered in 70:30 debt equity ratio but for the purpose of cost of working capital, the return on equity portion is considered equal to the cost of debt.

The same is reproduced below:

"(vi) The next issue is with reference to the equity component for margin on working capital requirement. The State Commission has considered the entire Working Capital requirement by way of loan contrary to the norms of debt and equity ratio of 70:30-. The State Commission relies on Regulation 5.10 but this Regulation would not support the contention of the State Commission. The MYT Regulations stipulate that Weighted Average cost of capital, as computed in the Regulation 5.10, needs to be applied on Regulated Rate Base which includes the

working capital. This apart, Regulation 5.8 and Regulation 5.9 provide for the formula for calculating the Regulated Rate Base for a particular year and for computing the return on capital employed by multiplying the Weighted Average Cost of capital with Regulated Rate Base. Under those circumstances, the Delhi Commission is directed to re-compute the Weighted Average Cost of capital for each year of the Control Period, along with the carrying cost."

3.226 The Petitioner has submitted that the Commission while determining the working capital requirement for FY 2012-13 has sought to erroneously consider the Receivables from sale of electricity as per True up. It is submitted that the Working Capital is required to finance the expenses of the distribution licensee, which are incurred by the licensee on the basis of the ARR approved by the Commission and not on the basis of billed revenue.

3.227 The difference between such calculations leads to a deficit in the working capital requirements which will cause an adverse impact on the viability of the distribution licensee.

COMMISSION'S ANALYSIS

3.228 The Commission has already computed Working Capital as per its Regulation 5.14 of MYT Regulations, 2011 which states 2 months Receivables in relevant Tariff Orders for 2nd MYT Control Period. Therefore, this issue does not merit consideration.

COST OF DEBT

PETITIONER'S SUBMISSION

3.229 The Petitioner has submitted that as per para no 4.21(b)(ii) of MYT Regulations 2011, the Commission shall not true up the interest rate, if variation in State Bank of India Base Rate as on April 1, 2012, is within +/- 1% during the Control Period. Any increase/ decrease in State Bank of India Base Rate beyond +/- 1% only shall be trued up as follows:

Table 76: Movement in Base Rate of State Bank of India

Sl. No.	Particulars	SBI		
		FY 2011-12	FY 2012-13	FY 2013-14
A	Weighted average Base Rate of SBI	9.65%	9.86%	9.83%

Sl. No.	Particulars	SBI		
		FY 2011-12	FY 2012-13	FY 2013-14
B	Opening Base Rate on 1st April	8.25%	10.00%	9.70%
C	Closing Base Rate on 31st March	10.00%	9.70%	10.00%
D	% change in weighted average Base rate		0.21%	0.18%

3.230 From the above table it can be seen that the change in SBI Base Rate is within the limit of 1% +/- hence the interest rate for capex loans/ working capital loans has been considered as 11.21% and 11.62% respectively for FY 2012-13 & FY 2013-14 as follows:

Table 77: Cost of Debt considered for FY 2012-13 & FY 2013-14

Particulars	Capex	Working Capital
Normative Interest Rate (as approved in Tariff Order dated July, 2012)	11.21%	11.62%

Commission's Analysis

3.231 The Commission has already approved the cost of debt by considering Weighted Average Rate of interest for CAPEX as well as Working Capital Loan in its MYT Order dtd. 13/07/2012 by considering the submissions made by all the DISCOMs through benchmarking. Further, as per DERC MYT Regulations, 2011, the rate of interest shall be trued only in case SBI base rate deviates by more than 1% on either side which has not happened in the present issue as submitted by the Petitioner, therefore, this issue does not merit consideration.

COMPUTATION OF AVERAGE EQUITY & AVERAGE DEBT

PETITIONER'S SUBMISSION

3.232 The Petitioner has submitted that the summary of addition in Equity on account of addition in capitalization and Free Reserve/Equity which has already deployed up to FY 2011-12 is given below. According to the Petitioner, it is further clarified that no adjustment on account of working capital has been made in opening balance of equity as the portion of equity has already been deployed in the business before the applicability of MYT Regulations, 2011 hence eligible for getting return equal to the return allowed on the equity deployed in the capitalization.

Table 78: Equity deployed in Fixed Assets (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
A	Opening Equity	888.22	1,080.74*	851.25	1,161.08
B	Less- Equity deployed in working capital	70.37			
C	Revised opening Equity towards capital assets	817.85	1,080.74	851.25	1,161.08
D	Additions- for Capex	33.40	80.34	24.79	89.26
E	Closing Equity	851.25	1,161.08	876.04	1,250.34
F	Average Equity	869.73	1,120.91	863.65	1,205.71

Table 79: Debt/ Loan – Approved for Capex (Rs Cr)

Sl. No.	Particulars	FY 2012-13	FY 2013-14
A	Opening Debt – Capex	1,207.50	1,210.39
B	Additions- Capex Loan	187.47	208.27
C	Less- Repayment	184.58	203.32
D	Closing Debt- Capex	1,210.39	1,215.33
E	Average Debt	1,208.94	1,212.86

3.233 The MYT Regulations, 2011 stipulated that for the purpose of computation of WACC, cost of debt will be considered 100% debt financed.

3.234 The Petitioner has further submitted that the APTEL in Appeal No. 52 of 2008 has already decided that working capital to be allowed in 70:30 debt equity ratio. Based on the APTEL judgment funding of the working capital for each year is considered in 70:30 debt equity ratio. According to the petitioner, it is worth to mention that for the purpose of cost of working capital, the return on equity portion is considered equal to the cost of debt.

Table 80: Working Capital funding through loan and equity (Rs Cr)

Sl. No.	Particulars	Now sought FY 2012-13		Now Sought FY 2013-14	
A	Approved working capital through Debt	303.30*		314.70	
B	Approved working capital through Equity	-		4.88	
C	Total Approved opening working capital		303.30		319.58
	Addition for the year				
D	through Debt -70% of F	11.40		27.00	

Sl. No.	Particulars	Now sought FY 2012-13		Now Sought FY 2013-14	
E	through Equity -30% of F	4.88		11.57	
F	Adjustment for the year		16.28		38.58
G	Closing working capital through Debt	314.70		341.70	
H	Closing working capital through Equity	4.88		16.46	
I	Closing Debt- Working Capital		319.58		358.16
K	Average working capital – Debt	309.00		328.20	
L	Average working capital - Equity	2.44		10.67	
J	Average Working Capital		311.44		338.87

"For the 2nd MYT control period, the return allowed to the Petitioner shall be as per the methodology specified in the MYT Regulations, 2011. As per Regulations, the return for the year shall be determined by multiplying the weighted average cost of capital employed to the average of —Net Fixed Asset for each year. Thus, the return allowed each year is determined based on the values of assets capitalized (net of depreciation and consumer contribution) in the respective year. The addition in equity/ free reserves and debt during each year of the Control Period is also to the extent of assets capitalized in that year.

3.235 Based on the above submission in relation to assets capitalization, depreciation, consumer contribution and working capital, the computation of Regulated Rate Base is given below:

Table 81: Computation of Regulated Rate Base for the period (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
A	Opening Balance of OCFA	3306.92	3,883.06*	3464.88	4,199.27
B	Opening Balance of Working Capital	284.71	486.44	409.76	502.72
C	Opening Balance of Accumulated Depreciation	1160.25	1,261.17*	1270.96	1,401.96
D	Opening balance of Accumulated	325.25	389.14*	371.87	437.51

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
	Consumer Contribution				
E	**RRB - for the year**	2,106.13	2,719.18	2,231.81	2,862.52
F	Investments in capital expenditure during the year	157.96	316.21	172.62	387.52
G	Depreciation for the year (Including AAD)	110.71	140.79	113.53	152.26
H	Consumer Contribution, Grants, etc. for the year	46.62	48.37	90.00	90.03
I	Change in Working Capital	125.05	16.28	65.66	38.58
J	RRB – Closing	2,231.81	2,862.52	2,266.56	3,046.33
K	∆ AB (Change in Regulated Base)	125.37	79.81	50.21	111.19
L	RRB(i)	2,231.50	2,798.99	2,282.02	2,973.71

3.236 The Petitioner has submitted that the Distribution Licensee (BRPL & BYPL) in its Appeal no 61 & 62 of 2012 has challenged the Commission methodology for not considering the repayment while calculating average loan balance for the year which has resulted in lower weighted average cost of capital. This lower weighted average cost of capital when applied to RRB (Regulated Rate Base) is resulting in lesser ROCE.

3.237 The Hon'ble APTEL has decided the issue in favour of the distribution licensee and directed to the Commission to consider the repayment of loans while computing average debt.

3.238 The Hon'ble APTEL has also upheld the contention of the Distribution licensee that as depreciation is used for repayment of loans and after the repayment of loans; the ratio of debt equity changes and the changed position of debt equity has to be considered for calculating the WACC.

3.239 Therefore, in line with the APTEL Judgment, the Petitioner has considered average debt (net of repayment) and average equity deployed in the business towards capex and working capital as follows:

Table 82: Computation of WACC (Rs Cr)

Sl. No.	Particulars	FY2012-13	FY 2013-14

Sl. No.	Particulars	FY2012-13	FY 2013-14
A	Equity (Average)- capex	1,120.91	1,205.71
B	Equity (Average)- working capital	2.44	10.67
C	Debt (Average)	1,517.94	1,541.06
D	Debt- Capex	1,208.94	1,212.86
E	Debt- working capital	309.00	328.20
F	Rate of Return on Equity	16.00%	16.00%
G	Cost of Debt	11.29%	11.30%
H	WACC	13.29%	13.35%

3.240 Considering the WACC of 13.29% and 13.35% for FY 2012-13 and FY 2013-14 respectively, Return on capital employed is worked out as follows. The Commission has provisionally approved the capitalization in its previous Tariff Orders; Hence the Petitioner now sought the difference between the amounts as provisionally approved vis-à-vis now sought based on revised capitalization as follows:

Table 83: Computation of Return on Capital Employed (Rs Cr)

Sl. No.	Particulars	Approved by the Commission	Now sought	Approved by the Commission	Now sought
		FY 2012-13		FY 2013-14	
		(1)	(2)	(1)	(2)
A	WACC		13.29%	12.75%	13.35%
B	RRB(i)		2,798.99	2282	2,973.71
C	RoCE	262.81	372.01	271.20	397.10
D	Difference now additionally sought		109.20		125.90

3.241 The Petitioner has submitted that the Commission in its previous tariff order has approved the additional return on equity on account of AT&C overachievement incentive. The Petitioner in this petition is seeking revision in AT&C target for second control period, hence the additional return on equity has recomputed. It is further clarified that additional return is directly linked with Regulated Rate Base, therefore any change in Regulated rate base will impact the amount of incentive, hence the petitioner is seeking revised true up of AT&C incentive based on revised RRB.

COMMISSION'S ANALYSIS

3.242 The Commission has already provided detailed reasoning on these issues in its Tariff

Order dtd. 29/09/2015 in para nos. 3.132 to 3.148 and does not merit consideration in this Tariff Order as the matter is sub-judice before Hon'ble APTEL in Appeal No. 301/2015.

ADDITIONAL RETURN ON EQUITY DUE TO AT&C OVERACHIEVEMENT

PETITIONER'S SUBMISSION

3.243 The Petitioner has submitted that the Commission has approved AT&C loss target of 10.73% for the Petitioner for FY 2012-13, therefore, the Petitioner has entitled for getting overachievement incentive in the form of additional return on equity. Computation of the revised over-achievement incentive for FY 2012-13 is as follows:

Table 84: Additional Return on Equity due to overachievement incentive (FY 13)

Sl. No	Particulars	Capital employed in Fixed Assets	Capital employed in Working capital	Now sought
A	RRB (Average)	-		2,798.99
B	Equity (Average)	1,120.91	2.44	1,123.35
C	Debt (Average)	1,208.94	309.00	1,517.94
D	% of Equity	48.11%	0.78%	42.53%
E	Additional Return due to AT&C overachievement			8.19%
F	Additional Return due to AT&C overachievement			97.50
G	Return allowed in Tariff Order dated Sep, 2015			4.22
H	Difference now sought			93.28

3.244 The Petitioner has further submitted that for FY 2013-14 the Commission has approved AT&C loss target of 10.56%, therefore, the Petitioner has entitled for getting overachievement incentive in the form of additional return on equity as follows:

Table 85: Additional Return on Equity due to overachievement incentive (FY 14)

Sl. No	Particulars	Capital employed in Fixed Assets	Capital employed in Working Capital	Now sought
A	RRB (Average)			2,973.71
B	Equity (Average)	1,205.71	10.67	1,216.38
C	Debt (Average)	1,212.86	328.20	1,541.06
D	% of Equity	49.85%	3.15%	44.11%
E	Additional Return due to AT&C overachievement			7.53%

Sl. No	Particulars	Capital employed in Fixed Assets	Capital employed in Working Capital	Now sought
F	Additional Return due to AT&C overachievement			98.78
G	Return allowed in Tariff Order dated Sep, 2015			19.78
H	Difference now sought			78.99

COMMISSION'S ANALYSIS

3.245 The Commission has already provided the detailed reasoning on the said issue in its Tariff Order dtd. 29/09/2015 as follows:

"3.413 As per Regulation 5.32 of MYT Regulation 2011 income tax, if any is liable to be paid on the licensed business of the distribution licensee which shall be limited to tax on return on equity component of capital employed. Any additional tax other than this shall not be a pass through and it shall be payable by the Distribution licensee itself."

3.246 Further, Hon'ble APTEL has already upheld the methodology of the Commission for Return on Equity in Appeal No. 271/2013 as discussed above. In view of the above, no additional Income Tax is allowed on additional RoE on account of incentive due to AT&C over-achievement.

INCOME TAX

PETITIONER'S SUBMISSION

3.247 The Petitioner has submitted that the Regulation 5.32 of MYT Regulations, 2011 specified that Tax on Income, if any liable to be paid on the licensed business of the distribution Licensee shall be limited to tax on return on the equity component of capital employed as follows:

"5.32 Tax on income, if any, liable to be paid on the licensed business of the Distribution Licensee shall be limited to tax on return on the equity component of capital employed. Any additional tax other than this shall not be a pass through, and it shall be payable by the Distribution Licensee itself.

5.33 The actual assessment of income tax should take into account benefits of tax holiday, and the credit for carry forward losses applicable as per the provisions of the Income Tax Act 1961 shall be passed on to the consumers.."

3.248 Based on the above regulation, the Petitioner has sought additional Income tax as a tax on return on the entire equity component of capital employed (i.e. equity deployed towards capitalization and working capital).

Table 86: Income tax sought for FY 2012-13

Sl. No.	Particulars	Approved in Sep TO	Amount		
A	RRB (average)		-		2,798.99
B	Average Equity				
	Deployed in Capex	669.44	1,120.91		1,123.35
	Deployed in working capital			2.44	
C	Average Debt				
	Deployed in Capex		1,208.94		1,517.94
	Deployed in working capital			309.00	
D	% of Equity		48.11%	0.78%	42.53%
E	Cost of Equity considered	16.00%	16.00%	11.62%	15.99%
F	RoE	107.11			190.35
G	Grossed up after Tax rate @ 20.01%				237.97
H	Income Tax	26.79			47.62
I	Income Tax additionally sought				20.83

Table 87: Income tax sought for FY 2013-14

Sl. No.	Particulars	Approved in Sep TO	Amount		
A	RRB (average)		-		2,973.71
B	Average Equity				
	Deployed in Capex		1,205.71		
	Deployed in working capital				1,216.38
C	Average Debt				
	Deployed in Capex		1,212.86		1,541.06
	Deployed in working capital			328.20	
D	% of Equity		49.85%	3.15%	44.11%
E	Cost of Equity considered		16.00%	11.62%	15.96%
F	RoE				209.38
G	Grossed up after Tax rate @ 20.96%				264.91
H	Income Tax	29.05			55.53
I	Income Tax additionally sought				26.48

COMMISSION'S ANALYSIS

3.249 The Petitioner has submitted additional Income Tax on Return on Equity deployed for

Working Capital funding whereas, it has also challenged the issue of funding of Working Capital through 100% debt before Hon'ble High Court of Delhi against the said provisions of the DERC MYT Regulations, 2011.

3.250 The Hon'ble High Court of Delhi in its judgment in Writ Petition No. 2203/2012 C.M. No.4756/2012 dtd. 29/07/2016 has upheld the methodology of the Commission as follows:

"31. We are unable to accept the aforesaid contention as even though revenue on account of sales or power purchase cost may be uncontrollable factors, the petitioner would, nonetheless, exercise sufficient control over its working capital. The manner in which working capital is to be funded is entirely at the discretion of the petitioner. Even though the Commission has adopted a normative approach for determining the tariff, the requirement of working capital is also determined by the working capital cycle. Reduction in the period of availing credit and also efficiency in recovery would reduce the working capital. It has been submitted on behalf of the Commission that working capital for retail supply of electricity consists of receivables for two months of revenue from sales of electricity less: (i) power purchase costs for one month; (ii) transmission charges for one month; and (iii) wheeling charges of two months. It was further submitted that the working capital has been determined by the Commission to be two months receivables less one month power purchase cost and the average receivable cycle has been assumed as two months even though majority of the consumers are billed on monthly basis. It has been further pointed out that the power purchase bills are raised by the generating companies only at the end of the month and this also results in the petitioner being granted one month's credit period for the electricity purchase cost.

32. In view of the explanation provided by the Commission, we find no merit in the contentions advanced by the petitioner. In any event, as stated earlier, the scope of judicial review is highly limited and we are unable to accept that the impugned Regulations insofar as they consider the working capital as a controllable parameter are contrary to the guiding principles specified in Section 61 of the Act."

3.251 Therefore, this issue does not merit consideration.

EXPENSES RELATING TO INCOME FROM OTHER BUSINESS

PETITIONER'S SUBMISSION

3.252 The Petitioner has submitted that the Regulation 5.37 of MYT Regulations, 2011 specify that income from other sources to be worked out by deducting expenditure from the revenue. Based on the above regulation the Hon'ble APTEL has directed to consider the net revenue (i.e. Revenue minus expenditure in relation to other Income) to be shared in 80:20 ratio. It is worth to mention that the APTEL in its Judgment dated 28.11.2013 against Appeal 14 of 2012 also relies on the aforesaid regulation. Relevant para in the said Judgment is reproduced below:

"47. Whereas the main Regulation 5.26 has used the words 'income from other businesses, 2nd Proviso to the section has used the word 'revenue from such other business. Thus, it clear from plain wording of the Regulation 5.26 that 'income' is different from 'revenue'. Income in main regulations is the profit earned by the Appellant from other business and is equal to revenue earned from other business minus the expenditure incurred on the other business.

48. It is clear from the plain reading of Regulation 5.26 itself that income from other sources to be worked out by deducting expenditure from the revenue.

49. Accordingly the same is decided in favor of the Appellant".

3.253 Therefore, the Petitioner has requested that expenses incurred to generate business be allowed by the Commission along with additional income tax paid/payable on net revenue on post- tax basis.

3.254 The Petitioner has submitted that in compliance of the APTEL's direction, the Commission has considered net income of Rs. 5.01 Cr in the profit sharing ratio of 80% to consumers and 20% to the Petitioner in terms of DERC Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 and considered Rs. 4.01 Cr to be passed on to the regulated business and balance Rs. 1.00 Cr is to the Petitioners account. Accordingly, the Commission has reduced Rs. 1.00 Cr from the total non-tariff income.

3.255 According to the above table, it is clear that the Commission has considered net income (gross income minus direct expenses / income tax) on the basis of auditor certificate, therefore the expenses of Rs. 2.66 Cr. that were subtracted should be allowed in addition to petitioner's share.

3.256 In addition to the above, the Petitioner has sought Rs 2.20 Cr. on account of Income

Tax for FY 2013-14, however the Commission has not considered the same by mentioning that it will not allow income tax on the other business income.

3.257 The Petitioner in earlier paras has already clarified about seeking of allowance of Income tax on other business income, hence it is requested to the Commission to allow the direct expenses along with income tax as follows:

Table 88: Amount of Expenses - other business income to be allowed separately (Rs Cr)

Particulars	FY 12-13	For FY 13-14
Direct Expenses – A	0.99*	0.00
Income Tax – B	1.67	2.20
Total Expenses to be allowed separately	2.66	2.20
Add- Additional impact of 20% of petitioner share due to allowance of direct expenses	0.53	0.44
Total amount now sought	3.19	2.64

COMMISSION'S ANALYSIS

3.258 The Petitioner has claimed Direct Expenses and Income Tax on account of other business income to be allowed separately in FY 2012-13 and FY 2013-14. The Petitioner has submitted the audited certificate of other business but there is no indication of Direct Expenses on account of other business in audited financial statements of the petitioner for FY 2012-13 and FY 2013-14. Therefore, the Commission has not considered the direct expenses as an additional expenditure. However, additional Income Tax on account of other business income is being allowed separately for FY 2012-13 and FY 2013-14 indicated in the Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

NON-ALLOWANCE OF FEE PAYABLE ON REGISTRATION CHARGES

PETITIONER'S SUBMISSION

3.259 The Petitioner has submitted that the Commission in its para 3.98 & 3.99 of the Tariff Order has stated that

3.260 "Accordingly, the Commission has not considered such the registration charges claimed by the Petitioner and shall be considered along with true up of interest rate for loans as availed by the Petitioner upon finalization of capitalization."

3.261 In this regard, the Petitioner has submitted that the approach adopted by the Commission is against the decision of the APTEL, where the APTEL in its Judgment in Appeal 171 of 2012 has decided to allow the registration charges as expenditure. Relevant extract of the judgment is reproduced below:

"16.3 In view of the submissions made by the State Commission, the Appellant shall take up the matter with the Government of NCT of Delhi for waiver of the registration charges. However, if the Government does not accede to the request of the Appellant, the actual charges as levied by the Government of NCT of Delhi shall be allowed as expenditure in the true up. Accordingly, decided."

3.262 Therefore, based on above submission, the Petitioner once again requested to the Commission to implement the Judgment of APTEL in true spirit of law and to allow Rs 1.65 Cr for FY 12-13 and Rs 0.58 Cr for FY 13-14.

COMMISSION'S ANALYSIS

3.263 Based on the Judgment of Hon'ble APTEL, the Commission has allowed Rs. 1.65 Cr. for FY 12-13 and Rs 0.58 Cr for FY 13-14 based on actual payment made to GoNCTD towards registration charges. The impact is indicated in the Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

ADJUSTMENT OF PROVISIONS MADE ON ACCOUNT OF POWER SALE AND PURCHASE

PETITIONER'S SUBMISSION

3.264 The Petitioner would like to submit that power purchase cost is booked based on bills received from generating and transmission companies during the year but due to some time lag in receipt of the bill, for the power consumed during the last month of FY i.e. March for which bills are not received up to finalization of audited accounts, at the end of the year, a provision is required to be made for the power purchase in the books of accounts based on accrual concept of accounting. Therefore, in line with that the Petitioner is making provision at the end of March which is set off against the bills received in coming months.

3.265 The Commission in its Tariff Order July 2012 itself had directed as under:-

"6.14 The Commission directs that provisions made on account of power sale and purchase at the end of year i.e. in March shall be adjusted within one month, i.e. in the month of April. Remaining provisions if any shall be considered by the Commission for next year True-up."

3.266 The Petitioner has aggrieved by the said directive which is against the accrual concept of accounting and challenged the same before the APTEL. The Hon'ble APTEL has decided the matter as under. Relevant extract of the Judgment is given below:

"17.3 We have dealt with in details under item 6 the issue relating to power purchase cost for the month of March. In view of our findings for the sixth issue under paragraph 8, we do not want to interfere with the directions of the State Commission under paragraph 6.14 of the impugned order. Accordingly, this issue is decided against the Appellant."

3.267 Based on the above judgment and in line with the directions of the Commission in July 2012 Tariff Order, the Petitioner has submitted the below mentioned information to the Commission for truing up of earlier year power purchase cost.

Table 89: Impact of year end provisions of power purchase (Rs. Lacs)

Summary	FY 2011-12	FY 2012-13	FY 2013-14
Provision made for the year	**(1,853.31)**	2,796.95	**(3,451.59)**
Bills received within 1 month (to be considered as a part of current year ARR)	(1,055.32)	1,070.75	1,140.43
Bills received after 1 month (to be considered as a part of next year ARR)	(797.99)	1,726.20	(4,592.02)

3.268 The Petitioner has submitted that the Commission in its Tariff Order dated September, 2015 has partially implemented the judgment. Therefore, the Petitioner once again requested to the Commission to implement the said directive in totality and in true spirit of law and revised the power purchase cost respectively for each year.

COMMISSION'S ANALYSIS

3.269 The Commission has reconciled the treatment of provisions against Power Purchase Cost for the period from FY 2010-11 to FY 2014-15 as follows:

Table 90: Reconciliation of provisions against Power Purchase Cost

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Adjustments in Tariff Order on account of Power Purchase provisioning	0.00	0.00	26.32	27.40	34.52	0.00
	-26.32	0.00	-27.40	-34.52	0.00	0.00

3.270 As indicated in the above table, the amount deducted on account of provision made in Power Purchase Cost for a particular year has been allowed in subsequent year and the Commission has not deducted Power Purchase provisioning from FY 2014-15 onwards.

CARRYING COST

PETITIONER'S SUBMISSION

3.271 The Petitioner has submitted that the Commission based on the judgment of the APTEL allowed the carrying cost in the debt: equity ratio of 70:30. However while allowing the return on equity, the Commission has allowed the simple 16% return on equity for 30% portion of equity.

3.272 According to the Petitioner, it is worth to mention that in Judgment dated 28th November 2014 in BSES vs. DERC appeal, the Hon'ble APTEL hasdirected the Commission to implement this tribunal judgment reported as 2010 ELR (APTEL) 0891 in Appeal No. 153 of 2009 in letter and true spirit while computing the carrying cost rate.

Relevant extract of the same is reproduced below:

"Reported as 2010 ELR (APTEL) 0891 in Appeal No. 153 of 2009 related to debt/ equity ratio of 70:30 for financing of the working capital during first control period comprising of FY 2007-08 to FY 2011-12. On the 70% debt portion, the carrying cost has to be allowed at the prevalent market rate considering SBI PLR and on 30% equity portion, the rate of return on equity as specified by the Delhi Commission in the MYT Regulations, 2007 has to be allowed."

3.273 Further in respect with grossed up of ROE with Income Tax, the Petitioner has already challenged the issue before the APTEL and as the matter is subjuidce with the APTEL, therefore the Petitioner has not considered here the grossed up ROE for computing carrying cost rate till the outcome of decision of the APTEL.

3.274 Based on the aforesaid submissions and principle laid down by the APTEL, rate of carrying cost is computed as below

Table 91: Carrying cost rate based on pretax RoE

Sl. No.	Particulars	FY 12-13	FY 13-14
A	ROE – Equity	16.00%	16.00%
B	Tax Rate		
C	ROE - Equity	16.00%	16.00%
D	Debt rate - SBI PLR	14.61%	14.58%
E	Revised Carrying Cost Rate	15.03%	15.01%

COMMISSION'S ANALYSIS

3.275 The matter has already been decided against the Petitioner by Hon'ble APTEL in Appeal No. 271/2013 as follows:

" 16.3) That it is clear from Regulation 5.10 that rate of return on equity has been specified by the Delhi Commission as 14% which has been given to the appellant on equity part of the carrying cost. Hence, there is no merit in this issue.

....

*17.3) **Regulation 5.9** deals with computation of Return on Capital Employed, prescribing a formula for such kind of computation. **Regulation 5.10** provides for computation of Weighted Average Cost of Capital (WACC) for each year of the control period, clearly providing that "cost of equity for wheeling business shall be considered at 14% post tax." **Regulation 5.39** clearly states that the return from the wheeling business and retail supply business shall not exceed 16% of equity. Thus, there is a rider restricting that the return from the wheeling business and retail supply business shall not exceed 16% of the equity. Thus, the maximum limit is 16% which cannot be allowed to exceed under any circumstances. Appellant is claiming 16% of equity on the basis of 14% RoE + 2% supply margin. In view of the above discussion, we do not find any illegality or perversity in the finding recorded in the Impugned Order on this issue and we approve the approach adopted by the Delhi Commission in deciding this issue. We find and observe that the learned Delhi Commission has correctly, in the impugned tariff order, considered the rate of return on equity at 14% to which* *we also agree. Hence, this issue is decided against the appellant."*

3.276 In view of the above, this issue does not merit any further consideration.

LPSC FINANCING COST

PETITIONER'S ANALYSIS

3.277 The Petitioner has submitted that the Commission in its previous tariff Order dated September, 2015 has inadvertently considered the weighted average cost of capex and working capital loans for the purpose of computation of LPSC financing cost instead of working capital rate of interest.

Relevant extract of the Previous Tariff Order is reproduced below where the Commission has clearly stated that financing cost should be allowed at the rate of working capital.

"135. Delhi Commission has submitted that allowing financing cost for LPSC means allowing of additional working capital for the time period between the due date and the actual date of payment. Hence, financing cost of LPSC has to be at the same rate as that approved for working capital funding. The view taken by the Delhi Commission is correct and need not be interfered with."

3.278 As mentioned above, LPSC financing cost is to be allowed based on the cost of debt for working capital only. The Petitioner is seeking the cost of working capital as 100% debt financed and further entitled to get tax on the equity portion as per MYT Regulations, 2011, therefore, for the purpose of computing financing cost the petitioner has grossed up the debt rate by applicable income tax rate for 30% portion of equity.

3.279 Based on the above submissions, the petitioner is now sought additional amount of Rs. 3.60 Cr & Rs. 2.36 Cr respectively as follows:

Table 92: Revised computation of LPSC Financing Cost

Sl. No.	Particulars	UoM	FY 12-13	FY 13-14
A	LPSC collected	(Rs Cr)	25.66	17.53
B	Principal amount on which LPSC charged	(Rs Cr)	142.56	97.39
C	LPSC financing cost approved by the Commission	(Rs Cr)	14.21	9.86
D	Financing cost based on revised working capital	(Rs Cr)	17.81	12.22

Sl. No.	Particulars	UoM	FY 12-13	FY 13-14
	interest rate			
E	Difference now sought	(Rs Cr)	3.60	2.36
F	Cost of Working Capital-70% Debt	%	11.62%	11.62%
G	Return on Equity- 30% Equity - grossed up for tax	%	14.53%	14.70%
H	Weighted Average Rate	%	12.49%	12.54%

COMMISSION'S ANALYSIS

3.280 The Petitioner has submitted that rate of interest for financing of LPSC should be grossed up Income Tax rate whereas Regulation 5.32 of DERC MYT Regulations, 2011 specify that Income Tax shall be allowed limited to return on Equity as follows:

"5.32 Tax on income, if any, liable to be paid on the Licensed business of the Distribution Licensee shall be limited to tax on return on the equity component of capital employed. Any additional tax other than this shall not be a pass through, and it shall be payable by the Distribution Licensee itself."

3.281 In view of above, this issue does not merit consideration.

DISALLOWANCE OF POWER PURCHASE COST FOR ANTA, AURAIYA AND DADRI

3.282 The Petitioner had submitted that while computing the disallowance for Anta, Auraiya and Dadri, the Commission has inadvertently considered the past period arrears as a current year power purchase cost ultimately resulting into higher disallowance to TPDDL. Further, TPDDL vide issue no. 66 of Appeal no. 301 of 2015 against the Tariff Order dtd . 29/09/2015 has raised the above issue before the Hon'ble APTEL. In response to the said Appeal, the Commission in its submission had stated that it may consider TPDDL submissions after detailed scrutiny once the arrears bills prior to FY 2012-13 will be submitted to them.

3.283 Accordingly, the past Arrear Bills raised by NTPC for Anta, Auraiya and Dadri Gas based Power Plants were submitted by the and verified by the Commission. Therefore, the impact for arrear bills and rebate is indicated in the Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

3.284 Based on the above the additional impact as claimed by the Petitioner and approved by the Commission is as follows:

Table 93: Summary of year wise Additional ARR sought by Petitioner till FY12 (Rs Cr)

Sl. No.	Summary of Expenses	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A	Power Banking	5.64	6.97	3.62	(2.54)	0.00
B	Power Purchase Rebate	35.94	-	-	-	-
C	Income from other sources	-	0.33	0.49	0.50	1.16
D	Efficiency factor	-	-	-	-	9.07
E	Food & Children Education Allowance	-	-	-	3.16	3.75
F	Income from short term capital gains	3.06	5.22	1.22	1.58	11.41
G	Income from write back of excess provisions	0.17	1.10	-	16.18	-
H	Efficiency factor on 6th pay commission	-	-	1.64	-	-
I	Interest on capitalized	4.52	-	-	-	-
J	Provision for power purchase	-	-	-	21.80	(13.82)
K	Impact of UI	-	-	-	3.27	2.05
L	Street Light Material	-	-	-	3.36	4.12
M	Employee Exp.	0.60	-	-	-	-
N	R&M Expenses	4.21	16.01	18.27	19.25	10.86
O	Depreciation	6.67	11.36	17.39	21.47	25.34
P	RoCE	38.08	49.21	59.17	90.34	127.21
Q	Income Tax	31.69	4.11	25.62	15.61	18.88
R	Consumer Security Deposit	(6.27)	(6.52)	(9.04)	(10.85)	(12.66)
S	LPSC Financing cost	2.16	2.02	1.21	2.11	3.59
T	Generation					0.50
U	**Total**	**126.47**	**89.82**	**119.60**	**185.24**	**191.45**

Table 94: Summary of additional amount sought by Petitioner as ARR till FY 14(Rs Cr)

Sr. No.	Particulars	Differential amount now sought for FY 2012-13	Differential amount now sought for FY 2013-14
A	Employee Expenses	57.33	64.76
B	A&G Expenses	1.06	1.73
C	R&M Expenses	27.63	33.60
D	Power Banking	0.70	5.49
E	Other Business Income	3.19	2.64
F	Generation income	0.40	0.13
G	Service line charges	35.33	(4.98)

Sr. No.	Particulars	Differential amount now sought for FY 2012-13	Differential amount now sought for FY 2013-14
H	LPSC Financing Cost	3.60	2.36
I	Interest on security deposit	(12.81)	(13.66)
J	Depreciation	30.08	38.73
K	Return on Capital Employed	109.20	125.90
L	Additional Return on AT&C overachievement	93.28	78.99
M	Registration charges for loans	1.65	0.58
N	Wrongly consideration of Power Purchase provisions	2.16	70.30
O	Impact of UI penalty	0.77	
P	Income tax	20.83	26.48
	Additional Aggregate Revenue Requirement now sought	**374.40**	**433.05**

Table 95: Impact as approved by the Commission on account of implementation Hon'ble APTEL Judgments (Rs. Cr.)

	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Opening Balance	**-**	**9.96**	**16.95**	**20.47**	**24.79**	**42.66**	**63.25**	**82.38**	**92.17**
Anta, Auraiya, Dadri, Rebate	0						1.77		
Anta Auraiya Dadri Arrear Bills raised before expiry of PPA but disallowed in relevant True up Year						11.38	2.61		
CISF Expenses	0.94								
Employee Expenses for FY 2007-08	0.60								
Premium paid at the time of purchase of GOI securities					1.42				
Additional interest on Working Capital due to Power Purchase Cost for FY 2007-08	0.34								
Short Term Gain	3.06	5.22	1.22	1.58	11.41		0.77		
Incentive of Street Light							1.58		
Interest Capitalisation for FY 2007-08	4.52								
Financing cost							1.46		
Income tax on other business		0.33	0.49	0.5	1.16	1.67	2.2		
Registration Charges						1.65	0.58		
Total	**9.46**	**5.55**	**1.71**	**2.08**	**13.99**	**14.7**	**10.97**	**0**	**0**
Rate of Carrying Cost	10.61%	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.88%	12.08%
Carrying Cost	0.50	1.44	1.81	2.24	3.88	5.89	8.17	9.79	11.13
Closing Balance	**9.96**	**16.95**	**20.47**	**24.79**	**42.66**	**63.25**	**82.38**	**92.17**	**103.31**

Note: The total impact at the end of FY 2015-16 has been added to the Closing Revenue Gap of FY 2015-16 indicated in Chapter 5 of this Order

TRUE UP FOR FY 2014-15 AND FY 2015-16

BACKGROUND

3.285 The Commission had approved the Aggregate Revenue Requirement (ARR) of the Petitioner for each year of the Multi Year Tariff Control Period (FY 2012-13 to FY 2014-15) in its Multi Year Tariff Order dated 13/07/2012 (hereinafter referred as 2nd MYT Order). Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 provides basis for truing up of controllable and uncontrollable parameters at the end of each year of the control period based on the audited figures & prudence check by the Commission.

3.286 The Commission vide its Order dated October 22, 2014 extended 2nd MYT Regulations for a further period of one year i.e., FY 2015-16.

3.287 The Petitioner in its Petition has sought truing up of the expenditure and revenue for FY 2014-15 and FY 2015-16 along with impact of prior period true up on account of implementation of various judgments.

3.288 In this Chapter, the Commission has analyzed the Petition of TPDDL in accordance with the principles laid down under the Policy Direction Period guidelines, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred as 1st MYT Regulations) and 2nd MYT Regulations.

ENERGY SALES

PETITIONER'S SUBMISSION

3.289 The Petitioner has submitted that the actual billed energy revenue (net of E.tax) is Rs. 6,174.85 Cr. (7615.91 MUs) for FY 2014-15 against Rs. 6,225.41 Cr. (including 8% DRS) (7,512 MUs) at approved Retail Supply Tariffs as approved by the Commission in its Tariff Order for FY 2014-15 and the actual billed energy revenue (net of E.tax) is Rs. 6567.42 Cr (7854.29 MUs) for FY 2015-16 against Rs. 6730.17 (including 8% DRS) (7,512 MUs) at approved Retail Supply Tariffs as approved by the Commission in its Tariff Order for FY 2014-15 & FY 2015-16 .

3.290 The Petitioner had submitted the Commission in Multi Year Tariff Order for second control period (i.e. FY 2012-13 to FY 2014-15) has introduced a surcharge of 8% which was applicable w.e.f. 01st July 2012 over the approved retail supply tariff for recovery of carrying cost & liquidation of Past Revenue Gap and they had billed Rs. 447.23 Cr as 8% Deficit Revenue Recovery Surcharge (DRS) against Rs. 453.08 Cr for FY 2014-15 and Rs. 473.85 Cr as 8% Deficit Revenue Recovery Surcharge (DRS) against Rs. 498.53 Cr for FY 2015-16.

Table 96: Projected billed energy revenue by the Commission (Rs. Cr)

Sl. No.	Particulars	FY 2014-15		FY 2015-16		Remark
		MU	Amount	MU	Amount	
A	Revenue Billed		5,663.53		6231.64	Tariff Order
B	PPAC of Q4 of FY 2013-14		108.80		-	Tariff Order
C	Deficit Revenue Recovery Surcharge		453.08		498.53	Tariff Order
D	**Total**	**7,512**	**6,225.41**	**7988**	**6730.17**	**(A+B+C)**

3.291 Summary of category wise actual billed energy & revenue submitted by the Petitioner is as follows:

Table 97 : Category wise Actual Revenue Billed for FY 2014-15

Sl No.	Category	Projected Billed MU as per TO July,2014	FY 2014-15				
			Billed (MU)	Billed revenue other than 8% DRS	8% Billed DRS	Total Billed Revenue (Rs Cr)	ABR (Rs/ KWh)
A	Domestic	3,255.80	3,370.22			2,032.01	6.03
B	Non-Domestic	1,352.21	1,382.69			1,526.01	11.04
C	Industrial	2,276.75	2,278.97			2,158.85	9.47
D	Irrigation & Agriculture	11.79	13.17			4.88	3.70
E	Public Lighting	130.30	143.80			115.77	8.05
F	Delhi Jal Board	245.55	218.82			192.72	8.81
G	Railway Traction	45.51	46.21			36.18	7.83
H	DMRC	154.00	140.07			98.75	7.05
I	Own consumption		17.25				

Sl No.	Category	Projected Billed MU as per TO July,2014	FY 2014-15				
			Billed (MU)	Billed revenue other than 8% DRS	8% Billed DRS	Total Billed Revenue (Rs Cr)	ABR (Rs/ KWh)
J	Advertisement & Hoarding	39.92	1.54			1.87	12.17
K	Others		3.18			7.98	25.14
L	Open Access charges offered as Non-Tariff Income					(0.18)	
M	**Total**	**7,511.83**	**7,615.91**	**5,727.63**	**447.23**	**6,174.85**	**8.11**
N	Add- E. Tax					274.77	
	Total Revenue Billed (M+N)	**7,511.83**	**7,615.91**			**6,449.62**	**8.47**

Table 98: Category wise Actual Revenue Billed for FY 2015-16

Sl No.	Category	Projected Billed MU as per TO Sep,2015	For FY 15-16				
			Billed (MU)	Billed revenue other than 8% DRS	8% Billed DRS	Total Billed Revenue (Rs Cr)	ABR (Rs/ KWh)
A	Domestic	3,470.61	3,404.48			2,072.20	6.09
B	Non-Domestic	1,404.28	1,403.58			1,596.25	11.37
C	Industrial	2,365.49	2,349.25			2,335.39	9.94
D	Irrigation & Agriculture	12.82	13.32			4.80	3.61
E	Public Lighting	162.10	148.28			120.29	8.11
F	Delhi Jal Board	245.55	228.83			203.04	8.87
G	Railway Traction	48.50	46.16			37.72	8.17
H	DMRC	160.00	149.45			106.46	7.12
I	Own consumption		17.59				
J	Advertisement & Hoarding	118.55	0.97			1.55	15.90
K	others		92.38			90.30	9.77
L	Open Access charges offered as Non-Tariff Income					(0.57)	

Sl No.	Category	Projected Billed MU as per TO Sep,2015	For FY 15-16				
			Billed (MU)	Billed revenue other than 8% DRS	8% Billed DRS	Total Billed Revenue (Rs Cr)	ABR (Rs/ KWh)
M	**Total**	**7,987.90**	**7,854.29**	**6,093.58**	**473.85**	**6,567.42**	**8.36**
N	Add- E. Tax					293.24	
	Total Revenue Billed (M+N)	**7,987.90**	**7,854.29**			**6,860.66**	**8.73**

SELF CONSUMPTION

3.292 The petitioner has submitted that the Commission has allowed own consumption on normative basis based on units sold during FY 2010-11 along with 2% annual escalation (of the previous year's "Self Consumption") in second Multi Year Tariff Order and the relevant extract is as follows:

"2.79 The distribution utilities have been showing — "self-consumption" at their Offices / installations at zero cost, in their respective ARRs. While analyzing the quantum of such —self consumption ‖ charged by the distribution utilities, the Commission was unable to find a uniform basis or justification for the same. The Commission has considered the matter related to —Self Consumption by DISCOMs and decided that 0.25% of total units sold during FY 2010-11 may be taken as bench mark on normative basis for determining —Self Consumption for FY 2010-11. An increment at the rate of 2% (of the previous year's —"Self Consumption") may be added each year till FY 2014 -15. The above norms will be reviewed after the end of the current MYT period."

3.293 The Petitioner, based on the norms issued by the Commission has sought 17.25 MUs for FY 2014-15 and 17.59 MUs for FY 2016-17 towards self-consumption on normative basis.

Table 99: Own consumption for FY 2014-15 (MU)

Sl. No.	Particulars	FY 2014-15	FY 2015-16	Remark
A	Normative Own consumption for previous year	16.91	17.25	

B	Average One month consumption	1.41	1.44	(A/12)
C	Additional 2% per month incremental units	0.03	0.33	(B*2%)
D	Average monthly consumption allowed after incremental units	1.44	1.47	(B+C)
E	Total Own Consumption for full year considered for FY 2014-15 and FY 2015-16	17.25	17.59	(D*12)

COMMISSION'S ANALYSIS

3.294 The Commission has analyzed category-wise monthly sales data submitted by the Petitioner for each month of FY 2014-15 and FY 2015-16.

3.295 The validation of billing database was done at the Commission's office, wherein the data was collected from the Petitioner. The Commission directed the Petitioner to verify the sales details submitted in their Petition for FY 2014-15 and FY 2015-16 from their billing database data vis-à-vis audited Forms 2.1a.

3.296 As per the Electricity Act, 2003 in all cases of enforcement/theft, energy has to be billed at twice the rate of the normal tariff. It is observed from the audited Forms 2.1a that the Petitioner has divided the category wise total payment received against enforcement cases by category wise twice average billing rate for the year to arrive at realistic estimate of sales due to enforcement and so the same is accepted.

3.297 In the 2nd MYT Order, the Commission vide its directive 6.12 has directed all DISCOMs to meter self consumption in their own premises and to raise the bills at appropriate tariff for actual consumption based on meter reading every month and the licensee may avail credit at zero tariff to the extent of the normative self consumption approved by the Commission at the end of the financial year.

3.298 The Petitioner has submitted the own consumption as 17.25 MU in FY 2014-15 and 17.59 MU in FY 2015-16. The own consumption figures submitted by the Petitioner are in line with the norms as the Commission, vide Para 2.79 of the 2nd MYT Order had decided the base self consumption as 0.25% of total sales for FY 2010-11, which shall be escalated at the rate of 2% per annum and the figures submitted by the petitioner are found to be in order and are thus accepted.

3.299 The Commission has trued up Energy Sales and Revenue Billed for FY 2014-15 and FY 2015-16 as follows:

Table 100: Trued up Energy Sales during FY 2014-15 (MU)

Sl. No.	Category	Approved in T.O. dated 23.07.14	Petitioner's submission	Trued-Up Sales for FY 2014-15	Reference
A	Domestic	3,255.80	3,370.22	3,370.22	Auditor Certificate and Audited Form 2.1a
B	Non-Domestic	1,352.21	1,382.69	1,382.69	
C	Industrial	2,276.75	2,278.97	2,278.97	
D	Irrigation & Agriculture	11.79	13.17	13.17	
E	Public Lighting	130.3	143.8	143.8	
F	Delhi Jal Board	245.55	218.82	218.82	
G	Railway Traction	45.51	46.21	46.21	
H	DMRC	154	140.07	140.07	
I	Own consumption		17.25	10.54	
J	Advertisement & Hoarding	39.92	1.54	1.54	
K	Others*		3.18	3.18	
L	**Total**	**7,511.83**	**7,615.91**	**7,609.20**	**Sum(A to K)**

* Temporary supply, Prepaid, Staff, Misuse, other adjustments and Enforcement

Table 101: Trued up Energy Sales during FY 2015-16 (MU)

Sl. No.	Category	Approved in T.O. dated 23.07.2014	Actual as per Petitioner's submission	Trued-Up Sales for FY 2015-16	Reference
A	Domestic	3,470.61	3,404.48	3,404.48	Auditor Certificate and Audited Form 2.1a
B	Non-Domestic	1,404.28	1,403.58	1,403.58	
C	Industrial	2,365.49	2,349.25	2,349.25	
D	Irrigation & Agriculture	12.82	13.32	13.32	
E	Public Lighting	162.10	148.28	148.28	
F	Delhi Jal Board	245.55	228.83	228.83	
G	Railway Traction	48.50	46.16	46.16	
H	DMRC	160.00	149.45	149.45	
I	Own consumption	118.55	17.59	10.73	
J	Advertisement & Hoarding		0.97	0.97	
K	Others*		92.38	92.38	
L	**Total**	**7,987.90**	**7,854.29**	**7,847.43**	**Sum(A to K)**

* Temporary supply, Prepaid, Staff, Misuse, other adjustments and Enforcement

Table 102: Category wise Revenue billed as per Audited Accounts excluding Subsidy (Rs. Cr)

Sl. No.	Category	FY 2014-15	FY 2015-16	Ref.
A	Domestic	2,085.54	2,169.02	Auditor Certificate
B	Non-Domestic	1,533.76	1,665.02	
C	Industrial	2,256.89	2,442.63	
D	Irrigation & Agriculture	4.83	5.01	
E	Public Lighting	117.19	121.64	
F	Delhi Jal Board	201.83	212.65	
G	Railway Traction	36.18	37.72	
H	DMRC	103.49	111.49	

Sl. No.	Category	FY 2014-15	FY 2015-16	Ref.
I	Own consumption	-	-	
J	Advertisement & Hoarding	1.96	1.61	
K	Others*	108.15	94.47	
L	Open Access as NTI	(0.19)	(0.60)	
M	**Total**	**6,449.63**	**6,860.66**	

* Temporary supply, Prepaid, Staff, Misuse, other adjustments and Enforcement

AT&C LOSSES

PETITIONER'S SUBMISSION

3.300 The Petitioner has submitted that the methodology for computation of AT&C loss level has been provided in Regulation 4.7 (a), (b) and (c) of MYT Regulations, 2011 and the relevant extract of the Regulations which were submitted by the petitioner is as follows;

(a) *AT&C Loss, which shall be measured as the difference between the units input into the distribution system for sale to all its consumer and the units realized wherein the units realized shall be equal to the product of units billed and collection efficiency:*

Provided that units billed shall include the units realized on account of theft measured on actual basis i.e. number of units against which payment of theft billing has been realized;

(b) *Distribution losses, which shall be measured as the difference between the net units input into the distribution system for sale to all its consumer and sum of the total energy billed in its License area in the same year;*

(c) *Collection efficiency, which shall be measured as ratio of total revenue realized to the total revenue billed in the same year:*

Provided that revenue realization from electricity duty and late payment surcharge shall not be included for computation of collection efficiency;

3.301 The Petitioner has submitted that the Commission had approved target AT&C loss level of 11.50% for FY 2014-15 in its MYT order July, 2012 with the reduction of 0.50% over the previous year AT&C loss target of 12.00% and 11.00% of FY 2015-16 i.e. with the reduction of 0.50% over the previous year AT&C loss target of 11.50%. It is worth to mention that the target AT&C loss level for each year of the second MYT control period are computed based on approved targeted AT&C loss level of 13% for FY 2011-12.

3.302 The Petitioner submitted the AT&C Loss trajectory for each year of the second MYT control period based on 13% approved target AT&C loss level for FY 2011-12 as follows:

Table 103: AT&C Loss trajectory (%)

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
A	Base year approved target AT&C loss level	13.00%				
B	Trajectory for reduction		0.50%	0.50%	0.50%	0.50%
C	AT&C Losses target for each year		12.50%	12.00%	11.50%	11.00%

3.303 The Petitioner further submitted that the Commission in its Tariff Order dated July, 2014 had re-fixed/re-determined the earlier Targeted AT&C loss level of FY 2011-12 (i.e. from 13% to 15.325%) but had not given the corresponding impact of the same for second MYT control period and aggrieved by the same, the petitioner filed an appeal before the APTEL to give direction to the Commission to re-determine the target AT&C loss level for each year of the second MYT control period as follows:

Table 104: AT&C Loss trajectory revision as filed in APTEL (%)

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
A	Base year approved target AT&C loss level	15.325%				
B	Trajectory for reduction		0.50%	0.50%	0.50%	0.50%
C	AT&C Losses target for each year		14.825%	14.325%	13.825%	13.325%

3.304 The Petitioner, based on the above has sought AT&C loss target of 13.825% for FY 14-15 and 13.325% for FY 15-16 as follows:

Table 105: AT&C losses submitted by the Petitioner for FY 2014-15 and 2015-16 (%)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		As Approved in MYT Order July 2012	Sought based on the submission made with Hon'ble APTEL	As Approved in MYT Order July 2012	Sought based on the submission made with Hon'ble APTEL
A	Previous year AT&C Losses target	12.00%	14.325%	11.50%	13.825%
B	Target reduction for CY	0.50%	0.50%	0.50%	0.50%
C	AT&C Losses target for CY	11.50%	13.825%	11.00%	13.325%

3.305 The Petitioner has submitted that the Commission in Tariff order dated July, 2014 decided that collection on account of 8% deficit surcharge will not be considered as collection for computation of AT&C losses/ collection efficiency and the relevant extract of the same is as follows:

"The Commission has decided that revenue billed and collected on account of 8% surcharge will not be considered for computation of achievement of AT&C loss targets and also communicated the same to the Petitioner vide letter dated May 09, 2013."

3.306 The Petitioner further submitted that Regulation 4.7 (c) clearly stipulated that only Electricity Tax/Late payment surcharge will not form part of collection and the relevant extract is as follows:

"Provided that revenue realisation from electricity duty and late payment surcharge shall not be included for computation of collection efficiency;"

3.307 The Petitioner further submitted that the Commission against the provisions of the MYT Regulations had reduced the corresponding amount of DRRS and E. tax from the revenue billed/collected while computing collection efficiency for the respective year during truing up the revenue available for FY 2012-13. Aggrieved by the exclusion of DRRS from collection, which is against the MYT Regulation 4.7(c) of 2011, the Petitioner filed its objections vide issue no 4 in the appeal no 246 of 2014 before the Hon'ble APTEL.

3.308 Therefore, the petitioner is computing the AT&C loss level/collection efficiency based on the methodology followed by the Commission in its Tariff order dated July, 2014 till the matter is pending before the Hon'ble APTEL.

3.309 In view of the above, the Petitioner, till the outcome of the decision of the Hon'ble APTEL has computed the AT&C loss level/ Collection efficiency based on the methodology followed by the Hon'ble Commission in its Tariff order dated July, 2014 as follows:

Table 106: Revenue Billed for AT&C purpose for FY 14-15 and FY 15-16

Sl. No.	Particular	UoM	Amount 2014-15	Amount 2015-16
A	Units Billed	MUs	7,615.91	7,854.29

B	Total Revenue Billed as per Form2.1a	Rs Cr	6,449.62	6,860.66
C	Less- E Tax	Rs Cr	274.77	293.24
D	Less- DRRS 8%	Rs Cr	447.23	473.85
E	Net Revenue Billed	Rs Cr	5,727.63	6,093.58

3.310 The Petitioner submitted that it has been able to realize an amount of Rs 6,429.86 Cr. during FY 2014-15 and Rs. 6,857.04 Cr. during FY 2015-16. However in line with the methodology adopted by the Hon'ble Commission for the purpose of computation of revenue collected for AT&C true up, amount realized on account of electricity tax and 8% DRRS has been excluded from the total collection as follows:

Table 107: Amount of revenue available for AT&C Computation for FY 15 and FY 16 (Rs Cr)

Sl. No.	Particular	FY 2014-15	FY 2015-16
A	Revenue Realized (Inclusive of E Tax)	6,429.86	6,857.04
B	Less: 8% Deficit Revenue Recovery Surcharge	445.90	472.89
C	Less: Electricity Tax	269.52	287.96
D	Revenue Collected for AT&C purpose	5,714.43	6,096.19

Table 108: Amount of revenue available for AT&C Computation for FY 15 and FY 16 (Rs Cr)

Particulars	FY2014-15	FY2015-16	Remark
Net amount of E. Tax Commission offered as Non-Tariff Income – "A"	9.27	8.64	Refer Note 26 of the Audited Balance Sheet
Less- adjustment for Service Tax liability – "B"	1.19	-	Due to Introduction of negative list w.e.f. 1st July, 2012
Gross amount of E. Tax Commission – "C"	8.09	8.64	(A-B)
% of Commission – "D"	3%	3%	
Gross E. Tax collected – "E"	269.52	287.96	(C/D%)

3.311 The Petitioner has submitted the collection derived for FY 2014-15 and 2015-16 based on debtor's moments as per Audited Balance Sheets as follows:

Table 109: Collection as per Audited Balance Sheet (Rs Cr)

Particular	FY 2014-15	FY 2015-16	Remark
Opening Debtors as on 01.04.14	389.86	387.90	Note 20 & 23 of Audited Balance Sheet (Annexure A-2 in Volume II of the Petition)
Less- other Debtors	1.13	2.29	
Opening Debtors as on 01.04.14 for AT&C purpose	388.73	385.61	for AT&C purpose
Add:			
Sale	6,435.12	6,873.77	Note 25 of Audited Balance

Particular	FY 2014-15	FY 2015-16	Remark
			Sheet *(Annexure A-2 in Volume II of the Petition)*
Difference in subsidy billed and collected	1.64	9.07	Table 3.4(iii)
Less:			
Doubtful Debts/ Bad Debts	10.02	-7.66	Table 3.4(iv)
Closing Debtors as on 31.03.15	387.90	420.90	Note 20 & 23 of Audited Balance Sheet *(Annexure A-2 in Volume II of the Petition)*
Less:- Other Debtors	2.29	1.83	
Net Closing Debtors as on 31.03.2015	385.61	419.07	
Total Collection at Gross Level	**6,429.86**	**6,857.04**	

3.312 The Petitioner has submitted that the Commission has treated actual amount of subsidy billed as collection for determination of AT&C Loss Level for the year. The said principle has been elaborated and dealt with in the Tariff Order for FY 10 issued by the Commission on 28th May 2009. The relevant extracts of the Tariff Order for FY 10 are as follows:

"As regards the treatment of subsidy in computation of AT&C loss, the Commission has observed that the Petitioner has not claimed any additional subsidy in the computation of the collection efficiency for FY 07-08 as considered by other two DISCOMs. The Petitioner, during its meeting with the officials of the Commission on April 13, 2009, clarified that the minimum of the amount of subsidy disbursed and the amount of subsidy received from the GoNCTD has been considered for the computation of collection efficiency for FY 07-08. The Commission holds that the subsidy amount disbursed through billing during FY 07-08 will only be considered for the computation of collection efficiency."

3.313 In view of the above, the Petitioner has considered the subsidy billed during FY 14-15 and FY 15-16 for the purpose of computing revenue realized during FY 14-15 and FY 15-16. The difference in subsidy billed and collected during FY 14-15 and FY 15-16 is as follows:

Table 110 : Subsidy Collections (Rs Cr)

Sl. No.	Particular	FY 2014-15	FY 2015-16	Remark
A	Subsidy Disbursed	100.74	408.71	
B	Recoverable on account of JJ amnesty Scheme	0	10.70	

Sl. No.	Particular	FY 2014-15	FY 2015-16	Remark
	Total Amount Recoverable	100.74	419.42	
C	Amount Collected	99.10*	410.35	
D	**Difference in Subsidy disbursed and collected**	1.64	**9.07**	**(A+B-C)**

** Rs. 76.35 Cr received in 2014-15 and Rs. 22.75 Cr advance received in 2013-14*

3.314 The Petitioner has clarified that pursuant to the methodology adopted by the Commission for Truing Up, Subsidy has been treated as 100% collection on disbursement basis irrespective of the fact whether actual collection from GoNCTD has been received or not. In other words, if the entire disbursed subsidy is not received from the GoNCTD then the remaining unpaid amount shall be treated as collection for the year for which subsidy has been billed and will not form part of collection in the year of receipt.

Table 111 : Computation of Bad Debts/Provision for Doubtful Debts (Rs Cr)

Sl. No.	Particulars	FY 2014-15			FY 2015-16			
		Gross Amount	E. Tax	Net of E. Tax*	Gross Amount	E. Tax	Net of E. Tax*	Remark *
A	Bad Debts written off (Net of Recovered)	1.28	0.05	1.23	2.13	(0.12)	2.01	Refer Note no 31 of Audited Balance Sheet *(Annexure A-2 in Volume II of the Petition)*
B	Provision for Doubtful debts	8.74	4.92	3.82	(9.79)	(4.27)	(14.06)	Refer Note no 31 of Audited Balance Sheet *(Annexure A-2 in Volume II of the Petition)*
C	**Total As per P&L**	**10.02**		**5.04**	(7.66)	(4.39)	(12.05)	**(A+B)**

3.315 The Petitioner in line the methodology adopted by the Commission, has computed AT&C loss level of 9.79% for FY 2014-15 and 8.74% for FY 2015-16 as follows:

Table 112 : Computation of AT&C Loss Level for FY 14-15 and FY 15-16

Sl. No.	Particular	UoM	2014-15	2015-16
A	Energy Input at TPDDL Periphery	MU	8,422.94	8,610.27
B	Units Billed	MU	7,615.91	7,854.29
C	Amount Billed	Rs Cr	5,727.63	6,093.58
D	Average Billing Rate	Rs/kWh	7.52	7.76
E	Distribution Loss	%	9.58%	8.78%

Sl. No.	Particular	UoM	2014-15	2015-16
F	Amount Collected	Rs Cr	5,714.43	6,096.18
G	Collection Efficiency	%	99.77%	100.04%
H	Units Realized	MU	7,598.37	7,857.43
I	AT&C Loss Level	%	9.79%	8.74%

COMPUTATION OF ADDITIONAL RETURN ON ACCOUNT OF AT&C OVERACHIEVEMENT

3.316 The Petitioner submitted that Regulation 4.8 provides that "the Distribution Licensee will be eligible for Higher incentive by way of Higher rate of return on Equity (to be considered for RoCE) for achieving lower AT&C loss level than specified in the loss reduction trajectory."

3.317 The Petitioner further submitted that it is entitled for claiming additional RoE on account of overachievement of AT&C as the Petitioner has achieved AT&C loss level of 9.79% and 8.74% against 13.825% and 13.325% for FY 2014-15 and FY 2015-16 respectively.

3.318 The Petitioner has submitted the computation of Overachievement Incentive by way of Higher Return on Equity (to be considered while calculating ROCE) based on Regulation 4.8 of MYT Regulations, 2011 as follows:

Table 113 : Computation of Additional RoE to be allowed due to overachievement of AT&C Loss Level

Sl. No.	***Particular***	***FY 2014-15***	**FY 2015-16**
A	AT&C Losses - **Revised** Target for – Current Year	13.825%	13.325%
B	AT&C Losses - **Revised** Target for – Previous year	14.325%	13.825%
C	AT&C Losses - Actual for FY 2014-15	9.79%	8.74%
D	Additional Return on Equity (%) =(Xi-Yi)/(Xi-1-Xi)*	8.07%	9.17%

*(*The above computation is subject to the outcome of decision of the Hon'ble APTEL in the matter wherein the Petitioner has challenged the methodology of computation of AT&C loss level)*

Where as

Xi = Target AT&C loss level for ith year, i.e. *Revised Target AT&C loss 13.825% for FY 2014-15 and 13.325% for 2015-16

Xi-1= Target AT&C loss level for (i-1)th year, i.e. *Revised Target AT&C loss 14.325% for FY 2013-14 and 13.825% for FY 2014-15

Yi = Actual AT&C Loss level for ith year:, i.e. for FY 2014-15 and FY 2015-16

** at Revised Target*

INPUT FOR AT&C COMPUTATION

3.319 The Petitioner has computed energy input for computing the AT&C loss level for the FY 2014-15 and FY 2015-16 as follows:

Table 114 : Input for AT&C loss level (MU)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Input as per Delhi SLDC (net of Open Access Customer)	8,420.74	8,608.11
B	Rithala Generation	-	-
C	Solar generation	2.20	2.16
D	**Total Energy Input**	**8,422.94**	**8,610.27**

COMMISSION'S ANALYSIS

3.320 The Commission directed the Petitioner to show the relevant back up data with respect to energy billed (in MU), revenue billed and revenue collected (in Rs. Crore) for FY 2014-15 and FY 2015-16 during the validation.

3.321 For the purpose of the validation, the Petitioner was directed to bring supporting data to substantiate sales details and also to bring evidence in support of the entries, which have gone into calculation of AT&C loss.

3.322 In order to conduct the prudence check to verify the reliability of sales data, the Petitioner was directed to produce month-wise billing and daily collection details for FY 2014-15 and FY 2015-16. During the course of validation exercise, Petitioner's officials brought the daily collection details and billing database for FY 2014-15 and FY 2015-16.

3.323 Regulation 4.7(c) of DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 specifies that Collection Efficiency shall be measured as ratio of total revenue realized to the total revenue billed in the same year and revenue billed and revenue realized from Electricity Duty and Late Payment Surcharge shall not be included for computation of Collection Efficiency.

3.324 The Commission had already decided earlier that revenue collection on account of 8% Surcharge will not be considered for computation of achievement of AT&C loss targets and also communicated the same to the Distribution Licensees vide its letter dated 09/05/2013.

3.325 The Commission has noted from audited Form 2.1a that the Revenue Billed during the period FY 2014-15 was Rs. 5,727.62 Crore which excludes Rs. 274.78 Crore on account of Electricity Duty and Rs. 447.23 Crore on account of 8% Surcharge. Similarly for FY 2015-16, the Revenue Billed was Rs. 6,093.57 Crore which excludes Rs. 293.24 Crore on account of Electricity Duty and Rs. 473.85 Crore on account of 8% Surcharge.

Table 115: Revenue billed for AT&C Loss Computation for FY 15 approved by Commission (Rs Cr)

Sr. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
A	Revenue Billed as per Audited Form 2.1 (a)	6,449.62	6,449.62	
B	Less: Electricity Duty	274.77	274.78	
C	Less: 8% Surcharge	447.23	447.23	
D	**Net Amount Billed**	**5,727.62**	**5,727.62**	**A-B-C**

Table 116: Revenue Billed for AT&C Loss Computation for FY 2015-16 approved by Commission (Rs Cr)

Sr. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
A	Revenue Billed as per Audited Form 2.1 (a)	6,860.66	6,860.66	
B	Less: Electricity Duty	293.24	293.24	
C	Less: 8% Surcharge	473.85	473.85	
D	**Net Amount Billed**	**6,093.57**	**6,093.58**	**A-B-C**

3.326 The Net Revenue collected during FY 2014-15 and FY 2015-16 as arrived at by the Commission for calculation of AT&C loss purpose is as follows:

Table 117: Revenue Collection during FY 2014-15 (Rs Cr)

Sl. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
A	Revenue collected as per Audited Accounts	6,429.86	6,429.86	
B	Less: Electricity Duty	269.52	269.52	
C	Less : 8% Surcharge	445.90	445.90	
D	Less: LPSC financing cost		19.62	

Sl. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
E	Less: Monthly Rebate		14.29	
F	**Net amount collected**	**5,714.44**	**5,680.52**	**A-B-C-D**

Table 118: Revenue Collection during FY 2015-16 (Rs. Crore)

Sl. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
A	Revenue collected as per Audited Accounts	6,857.03	6,857.03	Note 39 of Audited Accounts of FY 2015-16
B	Less: Electricity Duty	287.96	287.96	
C	Less : 8% Surcharge	472.89	472.89	
D	Less: LPSC financing cost		16.64	
E	Less: Monthly Rebate	-	15.84	
F	**Net amount collected**	**6,096.18**	**6,063.70**	**A-B-C-D**

3.327 For verification of the energy input for computation of AT&C Loss, the Commission directed State Load Dispatch Centre (SLDC) to submit the energy input for the Petitioner during FY 2014-15 and FY 2015-16 vide its letter dtd. 01/05/2017. SLDC vide its letter dtd. 25/05/2017 submitted to the Commission that energy input to Petitioner for FY 2014-15 was 8,424.27 MU and 8,616.07 MU for FY 2015-16 at the Petitioner's periphery.

3.328 Based on the above, the Commission considers the AT&C loss for FY 2014-15 and FY 2015-16 for truing up purpose as follows:

Table 119: AT&C Loss considered by the Commission for truing up for FY 15 and FY16

Sl.	Particulars	UoM	Petitioner Submission FY 2014-15	Approved for FY 2014-15	Petitioner Submission FY 2015-16	Approved for FY 2015-16	Remarks
A	Energy Input at Petitioner's Periphery	MU	8422.94	8424.27	8610.27	8616.07	SLDC Certified Data
B	Units Billed	MU	7615.91	7609.20	7854.29	7847.43	
C	Amount Billed	Rs. Crore	5727.63	5727.62	6093.58	6093.58	
D	Average Billing Rate	Rs/kWh	7.52	7.53	7.76	7.77	(C/B)*10
E	Distribution Loss	%	9.58%	9.68%	12.57%	8.92%	(1-B/A)
F	Amount Collected	Rs. Crore	5714.43	5680.52	6096.18	6063.70	
G	Collection Efficiency	%	99.77%	99.18%	100.04%	99.51%	(F/C)

Sl.	Particulars	UoM	Petitioner Submission FY 2014-15	Approved for FY 2014-15	Petitioner Submission FY 2015-16	Approved for FY 2015-16	Remarks
H	Units Realized	MU	7598.37	7546.63	7857.43	7808.95	(B*G)
I	**AT&C Loss Level**	**%**	**9.79%**	**10.42%**	**8.74%**	**9.37%**	**(1-H/A)**

3.329 Accordingly, the AT&C loss considered by the Commission in truing up for FY 2014-15 and FY 2015-16 is summarised as follows:

Table 120: AT&C loss for FY 2014-15 (%)

Particulars	Approved in the Tariff Order dated July 13, 2012	Petitioner's Submission	Now Approved
AT&C Loss	11.50%	9.79%	10.42%
Distribution Loss	11.06%	9.58%	9.68%
Collection Efficiency	99.50%	99.77%	99.18%

Table 121: AT&C loss for FY 2015-16 (%)

Particulars	Approved in the Tariff Order dated Sept. 29, 2015	Petitioner's Submission	Now Approved
AT&C Loss	11.00%	8.74%	9.37%
Distribution Loss	10.56%	8.78%	8.92%
Collection Efficiency	99.50%	100.04%	99.51%

3.330 Accordingly, the over-recovery in the revenue realized on account of over-achievement of the AT&C loss target of the Petitioner for FY 2014-15 and FY 2015-16 are summarized in the Table as follows:

3.331 The AT&C loss level of 10.42% and 9.37% achieved for FY 2014-15 and FY 2015-16 respectively is lower than the target AT&C loss level of 11.50 % and 11.00% for the Petitioner as specified in the 2nd MYT Order for FY 2014-15 and FY 2015-16. As per the Regulation 4.8 of the11 MYT Regulations, 2011:

"The Distribution Licensee will be eligible for incentive by the way of higher rate of Return on Equity (to be considered while calculating RoCE) as shown below for achieving lower AT&C loss level than specified in the loss reduction trajectory:

Additional Return on Equity (%) = (Xi-Yi)/Xi-1-Xi)

Where,

Xi = Target AT&C loss level for i^{th} year,

Xi-1 = Target AT&C loss level for $(i-1)^{th}$ year,

Yi = Actual AT&C Loss level for i^{th} year:

Provided that any financial loss on account of underperformance with respect to AT&C loss targets shall be to the Licensee's account"

3.332 Accordingly, the AT&C Loss Overachievement for FY 2014-15 and FY 2015-16 is indicated in the table as follows:

Table 122: Computation of Additional return on Equity due to Over Achievement in AT&C loss targets for FY-15 and FY 16 (%)

S.N.	Particulars	Approved for FY 2014-15	Approved for FY 2015-16	Remarks
A	Target AT&C loss level for ith year (Xi)	11.50%	11.00%	Tariff Order dated Sept. 29, 2015
B	Actual AT&C Loss level for ith year (Yi)	10.42%	9.37%	Table25 & 26
C	Target AT&C loss level for (i-1) year (Xi-1)	12.00%	11.50%	Tariff Order dated July 13, 2012
D	Additional Return on Equity (%)	2.16%	3.26%	(Xi-Yi)/Xi-1-Xi)

3.333 Accordingly, additional return on equity of 2.16% and 3.26% on account of achievement of lower AT&C Loss level than specified in AT&C loss reduction trajectory of the Petitioner for FY 2014-15 and FY 2015-16 is considered for computation of RoCE.

3.334 The Commission has issued directive in the Tariff Order dated 31.07.2013 regarding cash payment collection as follows:

"5.96 The Commission directs the Petitioner, that in case the bill for consumption of electricity is more than Rs. 4000, payment for the bill shall only be accepted by the Petitioner by means of an Account Payee cheque/DD. However, the Commission has considered that the blind consumers shall be allowed to make payment of electricity bills, for any amount, through cash."

3.335 During the prudence check exercise it has been observed that there were many instances where amount collected in cash was higher than Rs. 4,000.00.

3.336 In view of the above, the Petitioner was directed to provide the data for cash collection of more than Rs. 4000/-. The Petitioner provided the said information in soft copy.

3.337 Accordingly, the Commission has decided to impose penalty of 10% of the total amount collected through cash payment over and above Rs. 4000/-. Amount collected over and above Rs 4,000 was Rs. 37 Cr. And Rs.0.036 Cr. During FY 2014-15 and FY 2015-16 respectively. Therefore, the penalty payment works out to Rs. 3.70 Crore which is reduced from the ARR of FY 2014-15 and Rs. 0.0036 Cr. For FY 2015-16.

LONG TERM POWER PURCHASE POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.338 The Petitioner has submitted that it purchased 10,449.45 MUs during 2014-15, out of which 1,605.36 MUs of surplus energy was sold as short term sale of surplus power. During 2015-16, it purchased 10,949.29 MUs, out of which 1,964.57 MUs of surplus energy was sold as short term sale of surplus power.

3.339 The Petitioner has submitted net power purchase quantum delivered at its distribution periphery for FY 2014-15 & FY 2015-16 after deducting the respective Inter-State transmission loss and Intra-State transmission loss as follows:

Table 123 : Power Purchase Quantum for FY 2014-15 and FY 2015-16 (MU)

Sl. No	Particulars	Approved in Tariff Order dated July 23, 2014	Actual Power Purchase	Approved in Tariff Order dated Sept. 2015	Actual Power Purchase	Remarks /Ref
A	Power Purchase:					

Sl. No	Particulars	Approved in Tariff Order dated July 23, 2014	Actual Power Purchase	Approved in Tariff Order dated Sept. 2015	Actual Power Purchase	Remarks /Ref
i	Gross Power Purchase Quantum	12,692.20	10,449.45	10,731.41	10,949.29	
ii	Short term sale of Power	3,803.38	1,605.36	1,464.99	1,964.57	
iii	Net Power Purchase	8,888.82	8,844.08	9,266.42	8,984.72	(i-ii)
B	**Transmission Loss:**					
i	Inter-State Transmission Loss	361.89	321.27	272.44	297.80	
ii	Intra-State Transmission Loss	80.99	99.88	62.96	76.65	
iii	Total Transmission Loss	442.88	421.15	335.40	374.45	(i+ii)
C	**Net Power Available after Transmission Loss**	**8,445.94**	**8,422.94**	**8,931.02**	**8,610.27**	**(A-B)**

3.340 The Petitioner has submitted that it had estimated an average power purchase cost of Rs.5.60/unit for FY 2014-15 and Rs. 5.89/unit for FY 2015-16 in its ARR filing for FY 2014-15 and FY 2015-16 respectively. However, the Commission approved power purchase cost of Rs. 5.14 for FY 2014-15 in the tariff order in July 2014 and Rs. 5.28 for FY 2015-16 in Tariff Order issued in Sept., 2015. The Petitioner further submitted that the actual cost for FY 2014-15 comes to be Rs.5.82/unit including payment of Rs. 132.67 Cr towards DTL Pension Trust and for FY 2015-16, the same comes to Rs. 5.48/unit including an amount of Rs. 179.08 Cr towards DTL Pension Trust.

3.341 The Petitioner has submitted the summary of power purchase cost for FY 2014-15 and FY 2015-16 as approved by the Commission in the respective tariff orders and the actual power purchase cost for FY 2014-15 and FY 2015-16 incurred by the Petitioner as follows:

Table 124 : Power Purchase Cost for FY 2014-15 and FY 2015-16 (Approved vis-à-vis Actual)

Description	FY 2014-15		FY 2015-16	
	Estimated in Tariff Order dated Jul-14	Actual	Estimated in Tariff Order dated Sept.-15	Actual
Power Purchase - CSGS*	3,913.19	3,243.29	3,107.87	3,237.17
Inter-State Bilateral Purchase	-	267.90	-	404.26
Power Purchase - Delhi GENCOs#	1,083.80	1,349.09	1,296.47	909.16
Intra state purchase	-	2.37	-	22.18
Cost towards RPO	83.58	2.91	104.65	21.50
Gross Power Purchase	**5,080.57**	**4,865.56**	**4,509.99**	**4,594.27**
Transmission Charges				
PGCIL charges	378.93	325.33	340.20	344.09
DTL charges	340.05	224.13	302.80	278.49

Description	FY 2014-15		FY 2015-16	
	Estimated in Tariff Order dated Jul-14	Actual	Estimated in Tariff Order dated Sept.-15	Actual
Other transmission charges *(including Pension Trust)*	-	107.33	179.08	203.09
Less: Surplus Power sold / Banked / UI sales	(1,185.55)	(513.77)	(512.75)	(666.91)
Power Purchase Cost (Audited)	**-**	**5,008.59**	**-**	**4,753.03**
Add: Readjustment of UI Penalty for earlier year	-	0.10	0	0
Less- Sale of Surplus power on account of procurement of actual Renewable energy	164.65	-	0	0
Less- Net Normative Rebate on power purchase	99.94	86.41	88.46	79.54
Less- Rebate on Transmission charges	11.73	11.84	12.80	13.11
Less- Provision for current year	-	(40.43)	-	(18.77)
Add- Provision for last year	-	(45.92)	-	40.43
Net Power Purchase Cost	**4,337.68**	**4,904.95**	**4,717.06**	**4,719.58**
Energy Input (MU)	**8,445.94**	**8,422.94**	**8,931.02**	**8,610.27**
Average Power Purchase Rate – Rs/unit	**5.14**	**5.82**	**5.28**	**5.48**

* Excludes cost of BTPS
# includes cost of BTPS

3.342 The Petitioner has submitted that it has incurred gross power purchase cost of Rs. 4,865.56 Cr for the gross power purchase quantum of 10449.45 MU in FY 2014-15 from all sources including intra-state, bilateral, UI and exchange. The revenue of Rs. 513.77 Cr on account of sale of 1,605.36 MU surplus energy through bilateral, intra-state, UI and exchange has been deducted from the gross power purchase cost to arrive at net power purchase cost of Rs. 4,351.81 Cr.

3.343 The Petitioner further submitted that it has incurred total transmission charges of Rs. 656.78 Cr which includes SLDC charges, NRLDC charges, Reactive Energy charges etc., to arrive at total audited power purchase cost amounting to Rs. 5,008.59 Cr during FY 2014-15.

3.344 The petitioner has submitted the summary of station wise cost incurred in FY 2014-15 as follows:

Table 125 : Summary of Power Purchase Cost Station wise for FY 2014-15 (Rs Cr)

Sl. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charge	Avg. Rate	Remark
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs/kWh)	

1	2	3	4	5	6	7 = 4+5+6	8=7/3	9
Central Sector Generating Stations (CSGS)								
A	**NTPC**							
i	Anta Gas	32.07	6.35	9.97	0.54	16.86	5.26	
ii	Auraiya Gas	21.64	8.22	9.23	0.03	17.47	8.07	
iii	Dadri Gas	49.49	10.47	18.91	0.03	29.41	5.94	
iv	Dadri – I	552.50	52.04	210.76	1.09	263.89	4.78	
v	Dadri – II	977.09	216.64	362.59	3.25	582.48	5.96	
vi	Farakka	41.19	3.81	12.87	0.04	16.73	4.06	
vii	Kahalgaon–I	83.74	9.80	21.58	(0.04)	31.34	3.74	
viii	Kahalgaon–II	286.17	40.54	68.94	1.36	110.84	3.87	
ix	Rihand – I	184.34	16.35	34.08	0.12	50.54	2.74	
x	Rihand – II	245.84	23.98	46.41	0.04	70.44	2.87	
xi	Rihand – III	237.84	24.99	42.17	(1.31)	65.85	2.77	
xii	Singrauli	301.43	15.74	41.07	0.10	56.91	1.89	
xiii	Unchahar– I	32.93	4.42	9.65	0.11	14.18	4.31	
xiv	Unchahar–II	65.98	8.63	18.81	0.83	28.26	4.28	
xv	Unchahar–III	44.18	8.47	12.42	0.24	21.13	4.78	
xvi	**Total**	**3,156.44**	**450.45**	**919.46**	**6.43**	**1,376.34**	**4.36**	
B	**NHPC**							
i	Baira Siul	25.51	1.97	2.13	0.10	4.19	1.64	
ii	Chamera – I	61.00	4.29	5.91	0.46	10.66	1.75	
iii	Chamera – II	60.03	7.99	7.95	0.55	16.49	2.75	
iv	Chamera – III	38.87	10.19	9.31	0.01	19.51	5.02	
v	Dhauliganga	29.37	3.71	4.27	0.59	8.56	2.92	
vi	Dulhasti	83.04	23.97	23.68	4.27	51.93	6.25	
vii	Salal	121.15	5.85	5.80	13.56	25.22	2.08	
viii	Tanakpur	12.58	1.98	1.45	0.16	3.59	2.85	
ix	Uri	101.94	7.92	8.21	5.89	22.01	2.16	
x	Sewa – II	22.75	5.34	5.11	0.45	10.90	4.79	
xi	Parbati-III	25.41	4.50	8.08	0.05	12.63	4.97	
xii	Uri-III	47.98	8.67	8.52	4.13	21.32	4.44	
xiii	**Total**	**629.60**	**86.38**	**90.41**	**30.22**	**207.01**	**3.29**	
C	**THDC**							
i	Tehri HEP	93.76	51.28	21.13	13.95	86.35	9.21	
ii	Koteshwar	35.88	6.87	6.93	0.02	13.82	3.85	
iii	**Total**	**129.65**	**58.14**	**28.06**	**13.97**	**100.17**	**7.73**	
D	**DVC**							
i	Mejia Unit 6	217.10	27.46	53.54	3.05	84.05	3.87	
ii	CTPS 7 & 8	574.25	95.02	115.30	6.02	216.34	3.77	
iii	**Total**	**791.35**	**122.48**	**168.84**	**9.07**	**300.39**	**3.80**	
E	**NPCIL**							

Sl. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charge	Avg. Rate	Remark
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs/kWh)	
1	2	3	4	5	6	7 = 4+5+6	8=7/3	9
i	NAPS	82.87	-	20.62	0.30	20.91	2.52	
ii	RAPP B Units 3&4	94.47	-	32.46	0.75	33.21	3.52	
iii	**Total**	**177.34**	**-**	**53.07**	**1.05**	**54.12**	**3.05**	
F	SJVNL	194.51	48.61	26.74	27.73	103.08	5.30	
i	**Total**	**194.51**	**48.61**	**26.74**	**27.73**	**103.08**	**5.30**	
G	**Others**							
i	Tala HEP	29.58	-	5.97	-	5.97	2.02	
ii	Sasan Power limited	505.81	6.54	29.61	0.00	36.16	0.71	
iii	Maithon Power Limited	2,042.44	402.89	391.14	40.35	834.39	4.09	
iv	CLP, Jhajjar	374.67	90.92	108.47	4.27	203.65	5.44	
V	Indira Gandhi Super Thermal Power Station	19.93	15.32	6.35	0.36	22.02	11.05	
v	**Total**	**2,972.42**	**515.67**	**541.55**	**44.98**	**1,102.20**	**3.71**	
H	**Total CSGS**	**8,051.32**	**1,281.73**	**1,828.13**	**133.44**	**3,243.29**	**4.03**	(A+B+C+D+E+F+G)
I	**State Generating Stations (SGS)**							
i	BTPS	583.15	80.32	333.66	0.91	414.88	7.11	
ii	Raj ghat	104.92	36.05	36.44	-	72.50	6.91	
iii	Gas Turbine	264.44	50.28	119.76	-	170.03	6.43	
iv	Pragati-I	392.36	45.36	163.50	-	208.85	5.32	
v	Pragati-III	415.53	258.46	128.26	0.19	386.91	9.31	
vi	Rithala	-	95.95	(0.04)	-	95.92		
vii	Solar	2.20	-	2.91	-	2.91	13.23	
Viii	**Total**	**1,762.59**	**566.42**	**784.49**	**1.10**	**1,352.01**	**7.67**	
J	**Grand Total**	**9,813.91**	**1,848.14**	**2,612.62**	**134.54**	**4,595.30**	**4.68**	**H+I**

3.345 The Petitioner has submitted that it has incurred gross power purchase cost of Rs. 4,594.27 Cr for the gross power purchase quantum of 10,949.29 MU in FY 2015-16 from all sources including intra-state, bilateral, UI and exchange. The revenue of Rs. 666.91 Cr on account of sale of 1,964.57 MU surplus energy through bilateral, intra-state, UI and exchange has been deducted from the gross power purchase cost to arrive at net power purchase cost of Rs. 3,927.36 Cr.

3.346 The Petitioner further submitted that it has incurred total transmission charges of Rs. 825.67 Cr which includes SLDC charges, NRLDC charges, Reactive Energy charges etc., to arrive at total audited power purchase cost amounting to Rs. 4,753.03 Cr during FY 2015-16.

3.347 The petitioner has submitted the summary of station wise cost incurred in FY 2015-16 as follows:

Table 126: Summary of Power Purchase Cost Station wise for FY 2015-16 (Rs Cr)

S.N.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charge	Average Rate	Remark
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs/kWh)	
1	2	3	4	5	6	7 = 4+5+6	8=7/3	9
Central Sector Generating Stations (CSGS)								
A	**NTPC**							
i	Anta Gas	19.52	6.07	6.64	0.49	13.20	6.76	
ii	Auraiya Gas	31.34	7.56	12.57	(0.01)	20.13	6.42	
iii	Dadri Gas	60.28	9.82	21.36	0.01	31.20	5.18	
iv	Dadri – I	367.87	57.82	122.64	(1.05)	179.41	4.88	
v	Dadri – II	1,196.62	230.61	398.08	0.62	629.31	5.26	
vi	Farakka	27.03	3.49	6.95	0.08	10.52	3.89	
vii	Kahalgaon – I	63.58	9.36	14.00	0.33	23.69	3.73	
viii	Kahalgaon – II	255.55	35.90	54.81	0.33	91.04	3.56	
ix	Rihand – I	165.84	15.13	27.92	0.12	43.17	2.60	
x	Rihand – II	233.86	23.59	36.67	0.04	60.30	2.58	
xi	Rihand – III	232.86	54.15	35.70	3.08	92.92	3.99	
xii	Singrauli	321.72	16.63	41.55	1.29	59.47	1.85	
xiii	Unchahar – I	30.99	3.56	8.04	0.11	11.70	3.78	
xiv	Unchahar – II	68.94	7.56	17.86	0.00	25.43	3.69	
xv	Unchahar – III	39.46	7.48	10.08	0.14	17.70	4.49	
Xvi	Aravali Jhajjar	59.43	49.73	22.88	1.14	73.74	12.41	
xvii	**Total**	**3,174.89**	**538.47**	**837.74**	**6.74**	**1,382.95**	**4.36**	
B	**NHPC**							
i	Baira Siul	23.99	2.79	2.90	0.18	5.88	2.45	
ii	Chamera – I	61.97	4.79	6.37	0.85	12.01	1.94	
iii	Chamera – II	60.30	8.69	8.26	2.30	19.25	3.19	
iv	Chamera – III	39.40	11.62	10.13	0.78	22.53	5.72	

S.N.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charge	Average Rate	Remark
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs/kWh)	
1	2	3	4	5	6	7 = 4+5+6	8=7/3	9
v	Dhauliganga	41.98	6.16	6.10	2.58	14.84	3.54	
vi	Dulhasti	89.84	24.30	24.30	3.67	52.27	5.82	
vii	Salal	122.08	7.05	6.75	10.65	24.45	2.00	
viii	Tanakpur	12.81	2.45	1.92	0.88	5.25	4.10	
ix	Uri	108.08	8.58	8.70	4.23	21.52	1.99	
x	Sewa – II	22.53	5.39	4.80	0.32	10.50	4.66	
xi	Parbati-III	24.67	5.33	7.82	0.05	13.20	5.35	
xii	Uri-II	49.02	16.27	13.92	1.95	32.15	6.56	
Xiii	NHPC water charges				9.71	9.71		
xiv	Total	656.69	103.43	101.96	38.16	243.55	3.71	
C	**THDC**							
i	Tehri HEP	82.09	42.29	23.86	10.09	76.24	9.29	
ii	Koteshwar	37.24	7.07	6.83	0.24	14.14	3.80	
iii	Total	119.34	49.37	30.69	10.32	90.38	7.57	
D	**DVC**							
i	Mejia Unit 6	206.39	27.16	43.52	-	70.68	3.42	
ii	CTPS 7 & 8	479.98	56.60	107.12	-	163.72	3.41	
iii	Total	686.37	83.77	150.64		234.40	3.42	
E	**NPCIL**							
i	NAPS	100.86	-	25.25	0.30	25.55	2.53	
ii	RAPP B Units 3&4	129.74	-	44.75	0.50	45.25	3.49	
iii	Total	230.60	-	70.00	0.80	70.80	3.07	
F	**SJVNL**	211.78	31.82	29.43	0.01	61.26	2.89	
i	**Total**	211.78	31.82	29.43	0.01	61.26	2.89	
G	**Others**							
i	Tala HEP	29.53	-	5.97	-	5.97	2.02	
ii	Sasan Power limited	942.66	14.02	108.37	59.82	182.21	1.93	
iii	Maithon Power Limited	2,092.55	329.65	401.01	12.54	743.19	3.55	
iv	CLP, Jhajjar	266.07	92.85	92.16	3.70	188.71	7.09	
V	Koldam Hydro Power Station	62.45	16.38	17.34	0.02	33.74	5.40	
v	**Total**	**3,393.26**	**452.90**	**624.85**	**76.08**	**1,153.82**	**3.40**	
H	**Total CSGS**	**8,472.92**	**1,259.74**	**1,845.32**	**132.11**	**3,237.17**	**3.82**	**(A+B+C+D+E+F+G)**
I	**State Generating Stations (SGS)**							

S.N.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charge	Average Rate	Remark
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs/kWh)	
1	2	3	4	5	6	7 = 4+5+6	8=7/3	9
i	BTPS	483.51	83.54	195.04	0.37	278.94	5.77	
ii	Raj ghat	5.36	5.93	2.15	4.49	12.58	23.47	
iii	Gas Turbine	130.09	46.08	51.00	3.15	100.23	7.70	
iv	Pragati-I	310.75	39.45	119.85	(1.40)	157.89	5.08	
v	Pragati-III	391.21	151.32	113.15	(0.76)	263.71	6.74	
vi	Rithala	-	95.81			95.81		
vii	Solar- RPO	35.14		21.50	-	21.50	6.12	
Viii	**Total**	**1,356.06**	**422.13**	**502.69**	**5.85**	**930.66**	**6.86**	
J	**Grand Total**	**9,828.98**	**1,681.87**	**2,348.01**	**137.95**	**4,167.83**	**4.24**	**H+I**

3.348 The Petitioner has submitted the details of actual Power Purchase quantum station wise as follows:

Table 127 : Details of Power Purchase Quantum Station Wise (MU)

Sl. No.	Stations	Total Generation#	Energy Received at Delhi Periphery	Petitioner Share* 2014-15	Petitioner Share* 2015-16
Central Sector Generating Stations (CSGS)					
A	**NTPC**				
i	Anta Gas			32.07	19.52
ii	Auraiya Gas			21.64	31.34
iii	Dadri Gas			49.49	60.28
iv	Dadri – I			552.50	367.87
v	Dadri – II			977.09	1196.62
vi	Farakka			41.19	27.03
vii	Kahalgaon – I			83.74	63.58
viii	Kahalgaon – II			286.17	255.55
ix	Rihand – I			184.34	165.84
x	Rihand – II			245.84	233.86
xi	Rihand – III			237.84	232.86
xii	Singrauli			301.43	321.72
xiii	Unchahar – I			32.93	30.99
xiv	Unchahar – II			65.98	68.94
xv	Unchahar – III			44.18	39.46
xvi	Aravali Jhajjar			**Column not given**	59.43
xvii	**Total**			**3,156.44**	**3,174.89**
B	**NHPC**				
i	Baira Siul			25.51	23.99
ii	Chamera – I			61.00	61.97
iii	Chamera – II			60.03	60.30

Sl. No.	Stations	Total Generation#	Energy Received at Delhi Periphery	Petitioner Share* 2014-15	Petitioner Share* 2015-16
iv	Chamera – III			38.87	39.40
v	Dhauliganga			29.37	41.98
vi	Dulhasti			83.04	89.84
vii	Salal			121.15	122.08
viii	Tanakpur			12.58	12.81
ix	Uri			101.94	108.08
x	Sewa – II			22.75	22.53
xi	Parbati-III			25.41	24.67
xii	Uri-II			**Column not given**	49.02
xiii	Uri-III			47.98	**Column not given**
xiv	**Total**			**629.60**	**656.69**
C	**THDC**				
i	Tehri HEP			93.76	82.09
ii	Koteshwar			35.88	37.24
iii	**Total**			**129.65**	**119.34**
D	**DVC**				
i	Mejia Unit 6			217.10	206.39
ii	CTPS 7 & 8			574.25	479.98
iii	**Total**			**791.35**	**686.37**
E	**NPCIL**				
i	NAPS			82.87	100.86
ii	RAPS			94.47	**(MU)**
iii	**Total**			**177.34**	**230.60**
F	SJVNL			194.51	194.51
I	**Total**			**194.51**	**194.51**
G	**Others**				
i	Tala HEP			29.58	29.53
ii	Sasan Power limited			505.81	942.66
iii	Maithon Power Limited			2,042.44	2092.55
iv	CLP, Jhajjar			374.67	266.07
v	**Indira Gandhi Super Thermal Power Station/ Aravali Jhajjar**			**19.93**	**Column not given**
vi	**Koldam Hydro Power Station**			**Column not given**	**62.45**
vii	**Total**			2,972.42	3393.26
H	**Total CSGS**	**A+B+C+D+E+F+G**		**8,051.32**	**8472.92**
I	**State Generating Stations (SGS)**				
i	BTPS			583.15	483.51
ii	**Dadri**				**Column not given**

Sl. No.	Stations	Total Generation#	Energy Received at Delhi Periphery	Petitioner Share* 2014-15	Petitioner Share* 2015-16
iii	Rajghat			104.92	5.36
iv	Gas Turbine			264.44	130.09
v	Pragati-I			392.36	310.75
vi	Pragati-III			415.53	391.21
vii	**Solar**			2.20	**Column not given**
viii	**Solar – RPO**			**Column not given**	35.14
ix	**Rithala**			-	**Column not given**
ix	**Total**			**1,762.59**	**1,356.06**
J	**Grand Total**	**(H+I)**		**9,813.91**	**9,828.98**

** MU scheduled to the petitioner in FY 14-15 and FY 15-16 as per invoices. Values fetched from PPC certificate*

COMMISSION ANALYSIS

3.349 The Commission in its Tariff Order dated 23/07/2014 approved gross power purchase quantum (excluding Solar) of 12,226.47 MU from all sources including Central and State Sector Generating Stations for FY 2014-15. Similarly, the Commission in its Tariff Order dated 29/09/2015, has approved gross power purchase quantum of 10,731.41 MU from all sources including Central and State Sector Generating Stations for FY 2015-16.

3.350 The Commission vide its letter dated 01/05/2017 directed SLDC to verify the figures of Long term Power Purchase and Short term Power purchase/sale for Delhi DISCOMs. SLDC vide its letter dated 25/5/2017 has submitted source wise Long term Power Purchase and Short term Power purchase/sale for Delhi DISCOMs.

3.351 The Commission observed that there was deviation in the Power Purchase Quantum submitted by Petitioner in its Petition and that submitted by SLDC to the Commission due to peripheral mismatches i.e., for few plants the Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. Therefore, a meeting was held in the office of the Commission on 07/07/2017 attended by officials of the DISCOMs and SLDC. The Commission directed the petitioner and SLDC to reconcile station wise long term power purchase and source wise short term power purchase at DTL periphery jointly signed by the officials of the Petitioner and SLDC.

3.352 Accordingly, the Petitioner has submitted the Long Term Power Purchase Quantum station duly signed with their officials and SLDC and the Commission considers the same for FY 2014-15 and FY 2015-16.

3.353 The Commission, in its Tariff Order dated 23/07/2014 for FY 2014-15 had approved Rs. 4,996.99 Crore as Gross Power Purchase Cost from Central and State Generating Stations for 12,226.47 MU at an average rate of Rs. 4.09/kWh. The Petitioner has submitted the Gross Power Purchase Cost of Rs. 4,865.56 Crore for purchase of 10,449.45 MU at an average rate of Rs. 4.66/kWh.

3.354 Similarly, the Commission, in its Tariff Order dated 29/09/2015 for FY 2015-16 had approved Rs. 4,422.99 Crore as Gross Power Purchase Cost from Central and State Generating Stations for 10,731.41 MU at an average rate of Rs. 4.12/kWh. The Petitioner has submitted the Gross Power Purchase Cost of Rs. 4,594.27 Crore for purchase of 10,949.29 MU at an average rate of Rs. 4.20/kWh. It is observed that the difference between the projected and actual cost of power for FY 2015-16 is negligible.

3.355 The Commission has verified the station-wise, month-wise power purchase bills raised by various generators to the Petitioner for FY 2014-15. It is observed that major reason for increase in actual average rate of power purchase cost in comparison to the projected average power purchase cost for major Power Plants is as follows:

Table 128: Comparison of Projected Rate vis-à-vis Actual Rate FY 2014-15

Power Plant	Projected Rate for 2014-15 (Rs./kWh)	Actual Rate FY 2014-15 (Rs./kWh)
Pragati-I	4.73	5.31
Rajghat	5.20	6.83
PPS-III Bawana	8.20	8.04
Sasan UMPP	1.19	1.32

3.356 The Commission has verified the station-wise, month-wise power purchase bills raised by various generators to the Petitioner for FY 2015-16. It is observed that major reason for increase in actual average rate of power purchase cost in comparison to the projected average power purchase cost for major Power Plants is as follows:

Table 129: Comparison of Projected Rate vis-à-vis Actual Rate FY 2015-16

Power Plant	Projected Rate for FY 2015-16 (Rs./kWh)	Actual Rate FY 2015-16 (Rs./kWh)
Rajghat	6.74	23.47
Tehri HEP	4.89	9.29
Uri-II	3.93	6.56
Aravali	6.20	12.41

LONG TERM POWER PURCHASE COST

PETITIONER'S SUBMISSION

INITIATIVES TO CONTROL THE POWER PURCHASE COST

3.357 The Petitioner has submitted the initiatives to restrict the Power Procurement Cost during the FY 2014-15 as follows:

DISCOM WISE SCHEDULING

3.358 The Petitioner has submitted that prior to FY 14-15, the power allocated to Delhi (including the power from expensive stations) was scheduled to all the Distribution licensees on the basis of their percentage allocation. In such a scenario, the utility which did not require the expensive power was forcefully scheduled the power and had to bear the fixed costs as well as the variable costs of power being forcefully scheduled. Moreover, such power was sold in day ahead exchange/ transacted in UI where the realized rates were almost Rs.2/- to Rs.3/- per unit less than the cost of power procurement. This led to increase in the net power purchase costs. With the efforts and continuous persuasion by TPDDL, DISCOM wise scheduling was started in FY 14-15 and backing down of costly generation was done. SLDC has recognized the requirements of each utility and started to schedule power on the basis of their requirement from almost all the major generators. This has led to scheduling of power to the utility up to the extent that is required by the utility.

3.359 The petitioner further submitted that it also reduced the MU's sold over previous year by 42% and also increased the sale rate by 10% from Rs. 3.09 in 2013-14 to Rs.

3.42 in 2014-15 through selective slot wise sale.

REALLOCATION OF COSTLY POWER

3.360 The Petitioner submitted that after getting the DISCOM specific scheduling implementation, the Petitioner got costly power reallocated through perusal with Delhi Government and Ministry of Power immediately. The following reallocation of costly stations was affected by TPDDL without causing any shortages in its area of supply which has resulted in savings of approx. Rs.430 crores:

- 180 MW Dadri Stage I from September'14 to August'15
- 100 MW Dadri Stage II from November'14 to March'15.
- 66 MW BTPS October'14 to December'14
- 212 MW from Aravali Jhajjar from 01st Jul'14 to 31st Mar'15

EXTENSIVE BANKING DURING NIGHT HOURS

3.361 The Petitioner has submitted that by way of banking of winter and off peak night surplus power has been able to manage its summer requirements in the most efficient manner and the same has been done without purchasing any power under short term bilateral contract.

CORRECTION IN DSM BILLS BY SLDC

3.362 The Petitioner has highlighted the discrepancies in the DSM bills issued by Delhi SLDC for FY 14-15. SLDC has acknowledged the same and the revision of DSM bills by SLDC was under progress and it was expected that after all the revisions of DSM bills, the Power Purchase Cost of FY 2014-15 shall reduce further.

3.363 The Petitioner has submitted that they believe that the efforts made by TPDDL in FY 2014-15 to reduce the Power Procurement Costs having a positive impact on the end consumer tariffs. Till date SLDC has corrected the UI bills till 17th August 2014 i.e. week 20 of FY 14-15. It may be noted that till date we have received a credit of Rs 66.15 Lac (including a reduction in penalty amount by Rs. 10.18 Lac), on account of UI bill correction by SLDC. TPDDL is continuing with its efforts in FY 15-16 as well to ensure that despite increase in tariff components like Fixed Costs, Variable Costs and Transmission Charges the effect of the same on the end consumers is mitigated to the extent possible.

3.364 The Petitioner has submitted summary of power purchase cost sought for trued up for FY 2014-15 and FY 2015-16 as follows:

Table 130 : Power Purchase Cost Trued up for FY 2014 -15 (Rs Cr)

Sl. No.	Particulars	FY 14-15	Remarks/Ref
A	Net power purchase cost	4,253.67	
B	Transmission charges	656.78	Table 3.15(i)
C	Gross Power Purchase Cost for True up	4,910.45	A+B
D	Net impact of Provisions	(5.49)	
E	Late payment surcharges claimed in GENCOs	Nil	
F	Late payment surcharges claimed in TRANSCOs	Nil	
G	Trading margin paid to related party	Nil	
H	Additional UI Charges	Nil	see note 1 below
I	Trued up gross Power purchase cost	4,904.95	C-D-E-F-G

Table 131: Power Purchase Cost sought for Trued up for FY 2015-16 (Rs Cr)

Sl. No.	Particulars	FY 15-16	Remarks/Ref
A	Power purchase cost as per Audited certificate	4,753.03	
B	Less- Adjusted towards Rebate	92.66	
C	Add: Impact of Provisions	59.20	
D	Net Power Purchase Cost for True up	4,719.58	A-B+C
E	Late payment surcharges claimed by GENCOs	Nil	
F	Late payment surcharges claimed by TRANSCOs	Nil	
G	Trading margin paid to related party	Nil	
H	Additional UI Charges	Nil	see note 1 below
I	Trued up gross Power purchase cost	4,719.58	

AVOIDABLE POWER PURCHASE COST-NON-ADHERENCE OF MERIT ORDER DISPATCH

COMMISSION'S ANALYSIS

3.365 The Clause 5.4 of the Terms and Conditions of the License granted by the Commission to the Petitioner deals with optimisation of Power Purchase Cost which is as follows:

"The Licensee shall purchase the energy required by the Licensee for Distribution and Retail Supply in an economical manner and under a transparent power purchase or procurement process......"

3.366 As per the above mentioned licence condition and Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various Technical Constraints and the balance power from the left over stations after meeting the required demand, are not scheduled. Such balance power from the left over stations could have been backed down considering Technical Constraints and such surplus power could have been avoided.

3.367 The Commission further observes that it has directed SLDC vide its letter dtd. 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees. Therefore, the contention of the Petitioner that on account of non implementation of DISCOM-wise scheduling in Delhi, it could not adhere to Merit Order Despatch principle is wrong and rejected.

3.368 During the prudence check exercise, the Petitioner was asked to provide communication related to backing down request made to SLDC. But they could not provide copy of any communication related to backing down request made to SLDC in respect merit order dispatch. However, Petitioner submitted letter dated 05/04/2014 from SLDC which states that due to grid constraints scheduling of generation of BTPS, Pragati, RPH and GT shall be done by SLDC only. However, in their letter dated 07/05/2014 SLDC states that the interval between consecutive revisions may be kept at least 90 minutes and accordingly the pre-planning of load generation balance is carried out by DISCOMs.

3.369 Therefore, the Commission has excluded various power stations from Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the Islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.370 The Commission has observed that in FY 2014-15 and FY 2015-16 the Petitioner has violated Merit Order Dispatch principle for few stations like NCPP Dadri I and II which were scheduled over and above the technical limit even after meeting the demand. During such time period when NCPP Dadri I and II were scheduled over and above the technical limit, and the Surplus Power from these substations was sold below the variable cost of these stations.

3.371 The Commission has computed the impact due to violation of Merit order by considering the month-wise actual units of power purchase over and above the Technical Minimum limit which had been sold as Surplus Power (except Banking and UI) but could have been backed down.

3.372 The avoidable Power Purchase Cost due to scheduling of Power without considering Merit Order Dispatch Principle by the Petitioner is Rs. 0.04 Crore for FY 2014-15 which has been considered in the Trued up Power Purchase Cost.

3.373 The Commission directs that the Petitioner to adopt Merit Order Dispatch principle as specified in DERC MYT Regulations, 2011 and directions in various Tariff Orders in totality for all plants excluding the plants under must run and plants associated with islanding scheme and submit back down requests for such targeted plants to SLDC in a timely and desired manner.

AVOIDABLE POWER PURCHASE COST FROM ANTA, AURAIYA AND DADRI GAS STATIONS

PETITIONER'S SUBMISSION

3.374 The Petitioner has submitted that the Commission had decided the Power Purchase Cost from Anta, Auriya and Dadri Gas based stations should be considered into the total power purchase cost after the expiry date of its PPA due to their high cost of generation in the True-u[of FY 2013-14 as per the Commission's Order dated 29.09.2015. However, as physically the power was received from Anta, Auriya and Dadri Gas Stations in FY 2013-14, the Commission had considered all power scheduled from these stations as it was procured by the Petitioner through short term sources. Therefore, the cost of procurement of this power had been limited to the monthly average rate of exchange of Northern Region (N2) as per IEX for FY 2013-14. Accordingly, the difference between the actual rate of power procured and exchange rate of Northern Region (N2) from these stations has not been considered into the Power Purchase Cost of FY 2013-14.

3.375 The Petitioner on the above, submitted that they had signed PPAs with NTPC on 08.05.2008 pursuant to DERC's order dated 31.03.2007 wherein the Commission approved reassignment of PPAs to the Distribution Licensees (including TPDDL) signed earlier by DESU, DVB and DTL. As per clause 13.1 (A) of the said PPA signed with NTPC, the validity of agreement was upto 31st March 2012 or 25 years for coal based stations and 15 years for gas based stations , from the COD of the last unit of the respective stage/station., whichever is later. Further, CERC through its Regulations (Terms and Conditions of Tariff, 2009) increased the useful life of Gas/ Liquid fuel based thermal generating stations to 25 years.

3.376 Accordingly, the reasons for seeking renewal of Anta Auriya & Dadri PPAs were as follows:

(a) As per the CERC Regulations of FY 09-14 the life of the Gas power plants had been enhanced from 15 years to 25 years. At the time of renewal these plants were on the verge of completion of their useful life of 15 years, thus, it would had been beneficial for us to extend it further.

(b) Total cost of power from these plants (including arrears) was lower than the average bilateral short term/ prevailing market rates as follows:

Table 132: Cost of power from Anta, Auraiya and Dadri Stations (Rs/ kWh)

Station Name	Cost as per NTPC letter dated 2nd March 2012
Anta Gas	3.55
Auraiya Gas	3.53
Dadri Gas	3.31

(c) It may be noted that the average cost of power in UI market was Rs. 4.09 per unit, bilateral market was Rs. 4.18 per unit and Rs. 3.57 per unit for Power exchange, thus, the average rate in the short term market was in the range of Rs. 3.90 to Rs. 4.00 per Unit which was higher than the cost as informed by NTPC.

(d) Hence, it can be inferred that the total cost of power from these plants was generally lower than the average bilateral short term/ prevailing market rates. Taking cognizance of the anticipated shortages and other factors like cost competitiveness of the plants Vs short term bi-lateral rates, Uncertainty associated with the Short term market rates and Availability of power in short term market renewing of PPA with NTPC was felt most desirable. Further with the plants becoming old, further reduction in fixed cost was also anticipated.

(e) The Commission in its order Ref F.17 (47)/Engg./DERC/2009-10/C.F. No. 2147/2956 dated 21 Oct 2009 had mandated to keep the load shedding within 1 % of the total energy supplied in a month. This load shedding takes into account all factors such as break-downs, major equipment outages, non-availability of power due to shortages etc. and non-compliance of the same would attract a penalty of Rs. 5 lac for every 2 lac units unserved. This means TPDDL had to remain dependent on the long term PPA's for meeting its availability scenario considering no guarantee of rates and availability of power in short term market.

(f) The Petitioner has also submitted that if the PPA was not signed then the shortages would had been increased leading to reduction of availability and inability to meet the demand. Dependency upon short term bilateral market or exchange would have posed a serious concern of maintain 100% availability of power supply to the consumers of TPDDL as the prevalent rate in the Short term market during the peaks hours in FY 11-12 even touched Rs 6.80 per unit. Moreover exchange/ short term market does not guarantee availability of power, whereas providing uninterrupted power supply was a mandate of the Commission. Moreover, the Commission imposed a limit of short term purchase rate to be kept within Rs.5 per unit, which means TPDDL would not have been able to purchase the power of such high rate during peak hours. Considering the above mandates of the Commission it was most prudent to renew the PPA.

(g) The reliability of NTPC Plants was also a major factor governing the decision of TPDDL to continue with NTPC plants which was necessary to ensure the energy availability and security to TPDDL area over the long run.

(h) Also, if the same would not had been executed, then it could had resulted in losing the cheaper power from other Thermal plants like Singrauli (useful life getting over in 2013); Rihand (useful life getting over in 2015); Unchahar 1 (Useful life getting over in 2014) making TPPDL today devoid of some of the cheaper power sources.

(i) The Petitioner submitted the power procurement quantum, cost scenario in 2012 when they agreed for renewal was as follows:

Table 133 : Power procurement quantum, cost scenario in 2012

Particulars	UoM	FY 11-12	FY 12-13
Peak Demand	MW	1386	1496
Total Availability without signing supp.PPA	MW	897	1346
Total Availability after signing supp.PPA	MW	1259	1708
Shortage (without signing supp. PPA)	MW	(489)	(150)
Shortage (after signing supp. PPA)	MW	(127)	212

3.377 The Petitioner based on the above submissions, has requested to the Commission to approve the cost of power procured from Anta, Auriya & Dadri Gas Power plants.

COMMISSION'S ANALYSIS

3.378 The Commission in its Tariff Order dtd. 29/09/2015 observed that validity of PPA from Anta, Auraiya and Dadri stations have expired on 31.03.2012. However, the Petitioner renewed PPA of these plants without getting approval from the Commission which is violation of Licence condition. Therefore, the Commission disallowed the power purchase cost from these stations in its Tariff Order dtd. 29/09/2015 for Fy 2012-13 & FY 2013-14 by setting of the cost of procurement of these stations at the monthly average rate of exchange. The relevant extract of the Tariff Order dtd. 29/09/2015 is as follows:

"As physically the power was received from Anta, Auriya and Dadri Gas Stations in FY 2013-14, the Commission has considered all power scheduled from these stations as it was procured by the Petitioner through short term sources. Therefore, the cost of procurement of this power shall be allowed limited to the monthly average rate of exchange of Northern Region (N2) as per CERC Monthly Market Monitoring Report for FY 2013-14. Accordingly, the difference between the actual rate of power procured and exchange rate of Northern Region (N2) amounting to Rs. 60.40 Crore from these stations has not been considered into the power purchase cost of FY 2013-14."

3.379 The Commission in its PPAC Order dtd. 12/06/2015 excluded the cost of procurement of power from these stations. The said Order was challenged by

TPDDL in Appeal No. 186 of 2015 & IA No. 318 of 2015 and Appeal No. 196 of 2015 & IA No. 335 of 2015 before Hon'ble APTEL. Hon'ble APTEL has examined the methodology adopted by the Commission in Tariff Order dated 29/09/2015 regarding disallowance of Power Purchase Cost for FY 2012-13 and FY 2013-14 due to power procured from Anta, Auraiya and Dadri gas stations and upheld the same as follows:

" 7.7 Further, the Appellant has relied on Clause 5.1 of the license conditions which states as under:

"5.1 The Licensee shall be entitled to purchase, import or otherwise acquire electricity from such sources and persons with whom the Licensee had agreements or arrangements of power purchase or procurement of energy as on the date of the coming into force of the Transfer Scheme, in accordance with the terms and conditions of such agreement and arrangement".

The contention of the Appellants that the approval of the Commission is not required, is not correct and the licensees are bound to comply with the license conditions. Further, there is no provision of a deemed approval in the license conditions. It is also mentioned in the license conditions that the licensee shall purchase the energy required for distribution and retail supply in an economical manner and under a transparent power purchase or procurement process and in accordance with the Regulations framed by the Commission from time to time. As per the license conditions, prior approval from Delhi Commission was required which had not been done by the Appellants.

....

7.9 ***Accordingly, we do not find any infirmity in disallowing the actual cost of power procurement from Anta, Auraiya and Dadri Gas Generating Stations****. However, the Commission considered the power drawn from these stations at short-term power purchase rate as the power was already consumed by the Appellant.*

3.380 The Commission has adopted similar methodology as upheld by Hon'ble APTEL for computing avoidable Power Purchase Cost from Anta Auraiya and Dadri costly Gas based Power Plants as follows:

Table 134: Amount Disallowed from Anta, Auraiya and Dadri Gas Stations during FY 2014-15

MU Purchased in FY 2014-15													
Power Stations	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Total**
ANTA	5.08	1.32	1.62	1.94	2.97	2.39	1.28	3.33	4.35	4.30	2.16	1.34	32.07
AURAIYYA	1.20	0.56	0.96	0.54	1.86	2.17	0.56	1.48	4.20	2.88	2.98	2.25	21.63
DADRI	3.40	2.57	3.39	4.35	4.44	4.64	3.37	2.49	6.37	4.55	3.11	6.73	49.40
Rate (Rs./kWh)													
ANTA	3.84	10.05	6.03	5.60	3.52	5.59	7.05	5.08	4.80	4.85	6.16	7.81	
AURAIYYA	8.76	15.63	10.42	16.78	7.95	8.07	15.69	8.93	6.23	6.87	6.61	7.28	
DADRI	6.20	6.83	5.69	4.85	5.48	5.91	5.82	7.77	5.83	6.20	7.13	5.38	
Exch. Rate	3.44	3.16	3.56	3.35	4.19	4.06	3.66	2.63	2.97	2.70	2.60	2.44	
Disallowed Cost Rs. Crores													
ANTA	0.20	0.91	0.40	0.43	-0.20	0.37	0.43	0.82	0.79	0.92	0.77	0.72	6.57
AURAIYYA	0.64	0.70	0.66	0.73	0.70	0.87	0.68	0.93	1.37	1.20	1.20	1.09	10.75
DADRI	0.94	0.94	0.72	0.65	0.57	0.86	0.72	1.28	1.82	1.59	1.41	1.98	13.50
												Total	**30.82**

Table 135: Amount Disallowed from Anta, Auraiya and Dadri Gas Stations during FY 2015-16

MU Purchased in FY 2015-16													
Power Stations	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Total**
ANTA	0.37	1.90	4.05	0.11	1.06	3.35	0.17	2.93	3.65	1.33	0.00	0.59	19.51
AURAIYYA	2.17	1.86	3.97	0.94	4.00	0.51	2.54	3.97	4.58	2.49	3.46	0.86	31.34
DADRI	4.24	4.06	5.82	4.37	5.95	6.51	4.48	4.59	6.28	4.90	5.76	3.32	60.29
Rate (Rs./kWh)													
ANTA	11.38	8.45	4.31	53.88	8.42	5.07	6.76	4.62	4.66	9.84	5155.71	12.49	-
AURAIYYA	6.29	7.47	4.89	11.18	5.71	18.82	6.42	5.17	5.33	8.21	5.77	11.68	-
DADRI	5.16	5.93	5.21	6.55	5.34	5.22	5.18	2.16	4.73	5.65	4.99	6.21	-
Exch. Rate	2.48	2.26	3.18	3.20	2.65	3.43	2.89	2.55	2.45	2.88	2.64	2.60	
Disallowed Cost Rs. Crores													
ANTA	0.33	1.18	0.46	0.54	0.61	0.55	0.07	0.61	0.81	0.92	0.00	0.58	6.65
AURAIYYA	0.83	0.97	0.68	0.75	1.23	0.78	0.90	1.04	1.32	1.33	1.08	0.78	11.67
DADRI	1.14	1.49	1.18	1.46	1.60	1.16	1.03	-0.18	1.43	1.36	1.35	1.20	14.21
Total													32.53

3.381 In view of the above, the Commission has decided to disallow power purchase cost by Rs. 30.82 Cr. and Rs. 32.53 Cr. for FY 2014-15 and FY 2015-16 respectively.

3.382 The Petitioner vide its letter dated 07/09/2016 requested for allowance of arrears bills of Anta, Auraiya and Dadri Gas plants for the period FY 2012-13 and FY 2013-

14.

3.383 The Commission observes that it had disallowed Rs. 38.22 Cr. for FY 2012-13 and Rs. 39.66 Cr. for FY 2013-14 in Tariff Order dated 29/09/2015. Such disallowances were on account of renewal of PPA after its expiry from these plants without Commission's approval. While considering such disallowance, the past Arrear Bills, raised before the expiry of the PPAs were also disallowed. The Commission has indicated in the reply to the Appeal filed before Hon'ble APTEL in Appeal No. 301 of 2015 that such past arrear bills when submitted before the Commission will be considered after prudence check.

3.384 Accordingly, the Petitioner has submitted the past Arrear Bills raised by NTPC for Anta, Auraiya and Dadri Gas based Power Plants. These bills were checked and it was observed that arrear bills pertaining before the expiry of the PPA but raised in FY 2012-13 & FY 2013-14 were of Rs. 11.38 Cr. & Rs. 2.61 Cr. which are considered in past period true up dealt up earlier in this Order.

IMPACT OF HON'BLE SUPREME COURT JUDGMENT ON SASAN POWER LIMITED

COMMISSION'S ANALYSIS

3.385 The Hon'ble Supreme Court of India vide its judgment dated 08/12/2016 has ruled as follows:

"48. We thus find that the Appellate Tribunal is wholly incorrect in accepting the case of waiver put forward by learned counsel for Sasan, and is equally incorrect in absolving the independent engineer for the test certificate given by him on 30.3.2013. We, therefore, set aside the Appellate Tribunal's judgment, and reinstate the judgment dated 8.8.2014 of the Central Electricity Regulatory Commission."

3.386 Further, the relevant extract of CERC Order dated 08/08/2014 is as follows:

"30. Under the provisions of Article 6.3.2 of the PPA, if the commissioning test is not as per Article 6.3.1, the seller is required to retake the relevant test within a reasonable period with prior written notice to the procurers and Independent Engineer. It is noticed that SPL instead of taking appropriate remedial measures under the PPA has vide its email dated 30.3.2013 (Annexure-9 to

the petition) to WRLDC intimated the commercial operation of the Unit from 0000 hrs of 31.3.2013 and sent the declared capacity of the Sasan UMPP for 31.3.2013 for 620.4 MW. In our view, SPL has not acted strictly as per the provisions of the PPA. We directed SPL to carry out the revised testing in accordance with the PPA to achieve the unit tested capacity of not less than 95% of the contracted capacity as existing on the effective date. SPL after 31.3.2013 has carried out Performance Test in June 2013 and finally from 11.8.2013 to 14.8.2013. The Independent Engineer has issued the final certificate for commercial operation stating that the plant has been in operation for 72 hours at above 95% of the contracted capacity. However, it has been noticed that there was a single dip to 575.627 MW in one time block between 1745 hrs to 1800 hrs on 12.8.2013. The Commission enquired from WRLDC as to whether such dip in generation during the period of 72 hours the machine is being put to test for achievement of super critical parameters could be considered as continuous operation for declaring COD. WRLDC has explained that in case of other generating stations also, intermittent variation for short durations has been allowed while declaring COD of the generating station. It has been stated by SPL that the procurers have accepted the final testing of the unit and declaration of COD in August, 2013. MPPMCL, lead procurer, vide its letter dated 16.8.2013 has accepted the performance test carried out by SPL. Therefore, we consider that the unit has complied with the testing requirement as per the Schedule 5 of the PPA and accept the COD as 16.8.2013."

3.387 As per the conjoint reading of above indicated judgments, it is established that COD of Sasan UMPP is 16/08/2013.

3.388 The Petitioner has started procuring power from Sasan UMPP w.e.f. FY 2013-14 and quantum purchased in this Financial Year is split in two periods i.e. 01.04.2013 to 15.08.2013 and 16.08.2013 to 31.03.2014. As per CERC order dated 08.08.2014 supply of power for the period 01.04.2013 to 15.08.2013 should be treated as infirm power and accordingly infirm power is considered at U.I. rate and for the period 16.08.2013 to 31.03.2014. The rate billed by Sasan to the Petitioner for past years vis-a-vis the rate which was to be billed as a result of Hon'ble Supreme Court judgment is as follows:

Table 136 Sasan Rate Summary

Financial Year	Rate as per Sasan PPA	Applicable rate after Hon'ble Supreme Court's Judgment dated 08.12.2016
2012-13	Rs. 0.696/kWh	Rate suitable for infirm power
2013-14	Rs. 0.700/kWh	Upto 15.08.2013 rate suitable for infirm power and from 15.08.2013, the rate is Rs. 0.696/kWh
2014-15	Rs. 1.320/kWh	Rs. 0.700/kWh
2015-16	Rs. 1.570/kWh	Rs. 1.311/kWh

3.389 The impact due to Hon'ble Supreme Court's Judgment on Power Purchase Cost till FY 2015-16 is as follows:

Table 137: Impact of Hon'ble Supreme Court's Judgment on Power Purchase Cost

Particulars	UoM	FY 2013-14		FY 2014-15	FY 2015-16
		01.04.13 to 15.08.13	16.08.13 to 31.03.14		
As per petitioner's Submission and approved by DERC on the basis of PPA					
Power Procured from SPL	MU	31.76	51.04	505.81	942.66
Billing rate by SPL	Rs/kWh	0.710	0.710	1.320	1.570
Total Cost of power procured through SPL	Rs. Crore	2.25	3.62	66.77	148.00
As per Hon'ble Supreme Court					
Billing rate as per Hon'ble Supreme Court Judgment	Rs/kWh	1.450	0.696	0.700	1.311
Total Cost of power procured through SPL	Rs. Crore	4.61	3.55	35.41	123.58
Total Cost procured from SPL eligible for dis-allowance	Rs. Crore	2.35	(0.07)	(31.36)	(24.41)

3.390 On the basis of above table below would be the impact on respective year's power purchase cost:

Table 138: Treatment of impact of Supreme Court Judgment (Rs. Cr.)

Financial Year	Impact on Power Purchase Cost
2013-14	2.28
2014-15	(31.36)
2015-16	(24.41)

3.391 The Commission directed the Petitioner to provide credit note received by the Petitioner in this regard. During the prudence check discussion, the petitioner has informed the Commission that they have received credit note from SPL regarding

Supreme Court judgment.

3.392 The Petitioner vide their e-mail dated 26/07/2017 submitted copy of credit note received from SPL. As per credit note from SPL, petitioner had made excess payment for FY 2013-14, FY 2014-15 and FY 2015-16. SPL did not provide any breakup of said calculations.

3.393 The Petitioner is directed to submit the justification, within 1 (one) month from the issuance of this Tariff Order, for the difference in excess payment as computed by the Commission in the table above and that by submitted by SPL. The difference in excess payment as finalised by the Commission will be considered during True up of FY 2016-17.

3.394 The Power Purchase quantum and cost considered by the Commission for FY 2014-15 is as detailed in the table as follows:

Table 139: Power Purchase quantum and cost considered by the Commission for FY 2014-15

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
Central Generating Stations				
A	**NTPC**			
i	Anta Gas	32.07	16.86	5.26
ii	Auraiya Gas	21.64	17.47	8.07
iii	Dadri Gas	49.49	29.41	5.94
iv	Dadri – I	552.50	263.89	4.78
v	Dadri – II	977.09	582.48	5.96
vi	Farakka	41.19	16.73	4.06
vii	Kahalgaon–I	83.74	31.34	3.74
viii	Kahalgaon–II	286.17	110.84	3.87
ix	Rihand – I	184.34	50.54	2.74
x	Rihand – II	245.84	70.44	2.87
xi	Rihand – III	237.84	65.85	2.77
xii	Singrauli	301.43	56.91	1.89
xiii	Unchahar– I	32.93	14.18	4.31
xiv	Unchahar–II	65.98	28.26	4.28
xv	Unchahar–III	44.18	21.13	4.78
	Sub Total	**3,156.43**	**1,376.33**	**4.36**
B	**NHPC**			
i	Baira Siul	25.51	4.19	1.64
ii	Chamera – I	61.00	10.66	1.75

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
iii	Chamera – II	60.03	16.49	2.75
iv	Chamera – III	38.87	19.51	5.02
v	Dhauliganga	29.37	8.56	2.91
vi	Dulhasti	83.04	51.93	6.25
vii	Salal	121.15	25.22	2.08
viii	Tanakpur	12.58	3.59	2.85
ix	Uri	101.94	22.01	2.16
x	Sewa – II	22.75	10.90	4.79
xi	Parbati-III	25.41	12.63	4.97
xii	Uri-III	47.98	21.32	4.44
	Sub Total	**629.63**	**207.01**	**3.29**
C	**THDC**			
i	Tehri HEP	93.76	86.35	9.21
ii	Koteshwar	35.88	13.82	3.85
	Sub Total	**129.64**	**100.17**	**7.73**
D	**DVC**			
i	Mejia Unit 6	217.10	84.05	3.87
ii	CTPS 7 & 8	574.25	216.34	3.77
	Sub Total	**791.35**	**300.39**	**3.80**
E	**NPCIL**			
i	NAPS	82.87	20.91	2.52
ii	RAPP B Units 3&4	94.47	33.21	3.52
	Sub Total	**177.34**	**54.12**	**3.05**
F	**SJVNL**			
i	Naptha-Jhakri	194.51	103.08	5.30
	Sub Total	**194.51**	**103.08**	**5.30**
G	**Others**			
	Tala HEP	29.58	5.97	2.02
	Sasan UMPP	505.81	36.16	0.71
	Maithon Power	2,042.44	834.39	4.09
	CLP, Jhajjar	374.67	203.65	5.44
	Indira Gandhi Super Thermal Power Station	19.93	22.02	11.05
	Sub Total	**2,972.43**	**1,102.19**	**3.71**
H	**Total CSGS**			
I	**Delhi Generating Stations**			
i	BTPS	583.15	414.88	7.11
ii	Raj ghat	104.92	72.50	6.91

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
iii	Gas Turbine	264.44	170.03	6.43
iv	Pragati-I	392.36	208.85	5.32
v	Pragati-III	415.53	386.91	9.31
vi	Rithala		-	
vii	Solar	2.20	2.91	13.23
	Sub Total	**1,762.60**	**1,256.08**	**7.13**
J	**Total**	**9,813.93**	**4,499.37**	**4.58**

3.395 The Power Purchase quantum and cost considered by the Commission for FY 2015-16 is as detailed in the table below:

Table 140: Power Purchase quantum and cost considered by the Commission for FY 2015-16

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
Central Generating Stations				
A	**NTPC**			
i	Anta Gas	19.52	13.20	6.76
ii	Auraiya Gas	31.34	20.13	6.42
iii	Dadri Gas	60.28	31.20	5.18
iv	Dadri – I	367.87	179.41	4.88
v	Dadri – II	1,196.62	629.31	5.26
vi	Farakka	27.03	10.52	3.89
vii	Kahalgaon–I	63.58	23.69	3.73
viii	Kahalgaon–II	255.55	91.04	3.56
ix	Rihand – I	165.84	43.17	2.60
x	Rihand – II	233.86	60.30	2.58
xi	Rihand – III	232.86	92.92	3.99
xii	Singrauli	321.72	59.47	1.85
xiii	Unchahar– I	30.99	11.70	3.78
xiv	Unchahar–II	68.94	25.43	3.69
xv	Unchahar–III	39.46	17.70	4.49
xvi	Aravali Jhajjar	59.43	73.74	12.41
	Sub Total	**3,174.89**	**1,382.93**	**4.36**
B	**NHPC**			
i	Baira Siul	23.99	5.88	2.45
ii	Chamera – I	61.97	12.01	1.94
iii	Chamera – II	60.30	19.25	3.19

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
iv	Chamera – III	39.40	22.53	5.72
v	Dhauliganga	41.98	14.84	3.54
vi	Dulhasti	89.84	52.27	5.82
vii	Salal	122.08	24.45	2.00
viii	Tanakpur	12.81	5.25	4.10
ix	Uri	108.08	21.52	1.99
x	Sewa – II	22.53	10.50	4.66
xi	Parbati-III	24.67	13.20	5.35
xii	Uri-III	49.02	32.15	6.56
xiii	NHPC water charges		9.71	
	Sub Total	**656.67**	**243.56**	**3.71**
C	**THDC**			
i	Tehri HEP	82.09	76.24	9.29
ii	Koteshwar	37.24	14.14	3.80
	Sub Total	119.33	90.38	7.57
D	**DVC**			
i	Mejia Unit 6	206.39	70.68	3.42
ii	CTPS 7 & 8	479.98	163.72	3.41
	Sub Total	**686.37**	**234.40**	**3.42**
E	**NPCIL**			
i	NAPS	100.86	25.55	2.53
ii	RAPP B Units 3&4	129.74	45.25	3.49
	Sub Total	**230.60**	**70.80**	**3.07**
F	**SJVNL**			
i	Naptha-Jhakri	211.78	61.26	2.89
	Sub Total	**211.78**	**61.26**	**2.89**
G	**Others**			
i	Tala HEP	29.53	5.97	2.02
ii	Sasan UMPP	942.66	182.21	1.93
iii	Maithon Power	2,092.55	743.19	3.55
iv	CLP, Jhajjar	266.07	188.71	7.09
v	Indira Gandhi Super Thermal Power Station	62.45	33.74	5.40
	Sub Total	**3,393.26**	**1,153.82**	**3.40**
H	**Total CSGS**	**8,472.90**	**3,237.15**	**3.82**
	Delhi Generating Stations			
i	BTPS	483.51	278.94	5.77

S. No	Stations	Petitioner Share	Total Charge	Average Rate
		MU	Rs. Cr.	Rs./ kWh
ii	Raj ghat	5.36	12.58	23.47
iii	Gas Turbine	130.09	100.23	7.70
iv	Pragati-I	310.75	157.89	5.08
v	Pragati-III	391.21	263.71	6.74
vi	Rithala	-	-	-
vii	Solar	35.14	21.50	6.12
J	**Sub Total**	**1,356.06**	**834.85**	**6.16**
K	**Total**	**9,828.96**	**4,072.00**	**4.14**

POWER PURCHASE COST OF RITHALA

PETITIONER'S SUBMISSION

3.396 The Petitioner has further sought appreciation from the Commission for obligation to pay and have been paying a fixed cost of Rs. 280 Cr for FY 14-15 out of Rs. 1658 Cr as part of their allotted share in the above unutilized capacity of the gas based plants. Fixed cost is allowed to the other plants, therefore, the Commission should treat Rithala at par with the treatment being accorded for plants such as Bawana, GT etc.

3.397 The Petitioner submitted that according to the MoP list referred above, the Petitioner has submitted that 750 MW of Bawana Plant's capacity had PLF of 0% from April 2014 to January 2015, whereas the remaining 750 MW had a PLF of 33.5%. The Petitioner, however, is subject to the payment of the entire fixed costs of the Plant amounting to Rs. 259 Cr in FY 14-15, of which payment of fixed cost on account of unutilized capacity amounts to a staggering Rs. 211 Cr.

3.398 The Petitioner submitted that the fixed costs claimed for Rithala Plant is in line with the Tariff Petition filed by TPDDL with the Commission on 23rd Nov 2013 which is currently under adjudication and the recovery of capacity charges are in line with prevalent DERC Regulations. Therefore, the Petitioner requested to the Commission to approve the Tariff for Rithala Plant. Such a letter on requirement of Delhi GENCOs has been sent by SLDC to DISCOMs.

3.399 The Petitioner further submitted that the Commission is aware about the Petitions filed by the Petitioner regarding its Rithala Generation Plant which are still under adjudication of the Commission as follows:

a) **Petition No.11/2009**: Petition for approval of Terms & Conditions entered between NDPL-G & NDPL-D for purchase of entire capacity of Rithala Combined Cycle Power Plant being put by NDPL Generation.

b) **Petition No. 07/2009**: Petition for approval for usage of 6 acres of land located in the licensed are of the Petitioner to set up 108 MW Power Generation Plant at Rithala Delhi.

c) **Petition No.06/2013**: Petition seeking of Final Generation for 94.8MW Rithala Combined Cycle Power Plant u/S 62 read Part VII of E.A. 2003 and the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Generation Tariff) Regulation 2007 & 2011 for 2010-11, FY 2011-12 and FY 2012-13 to 2014-15.

3.400 The Petitioner further submitted that the Commission was directed by the Hon'ble APTEL in its Judgment dated 20.07.2016 to determine the final tariff for Rithala within 4 months from the date of the Order. Therefore, the Petitioner requested the Commission to allow the fixed costs claimed by the Rithala Plant for the year FY 2015-16 in line with the tariff petitions and prevalent Regulations.

3.401 The Petitioner further submitted that the Commission is also aware that shortage of affordable natural gas is a national phenomenon which has left large number of gas capacities stranded. However, as per the prevailing Regulations, the Petitioner is required to pay the fixed costs for all the gas based plants based on their declared availability. The same applies to all gas based plants such as Bawana, GT, Pragati for which the Petitioner continues to pay the fixed costs even with very low PLF.

3.402 In view of the above, the Petitioner has requested the Commission to treat Rithala Plant at par with the treatment being accorded to other gas based plants such as Bawana, GT etc. and the Petitioner also requested to the Commission to true up the entire cost of Rithala Generation till FY 15-16.

COMMISSION ANALYSIS

3.403 The Petitioner has not scheduled any power from its Rithala Generating Station in

FY 2014-15 and FY 2015-16. Further, the Commission has issued an Order for Rithala Power Plant dtd. 31/08/2017 wherein the Commission has directed the Petitioner to file the details for True up of Generation Cost of Rithala. Accordingly this issue shall be dealt up in subsequent Tariff Orders based on the True up filed by the Petitioner.

RENEWABLE PURCHASE OBLIGATION

PETITIONER'S SUBMISSION

3.404 The Petitioner submitted that the Commission had approved Rs. 83.58 Cr and Rs. 104.65 Cr for meeting the Renewable Purchase Obligations for FY 2014-15 and FY 2015-16 respectively. The Petitioner has submitted summary of Energy Availability to meet RPO obligations approved in the relevant tariff orders vis-à-vis actual for FY 2014-15 and FY 2015-16 as follows:

Table 141 : Energy Availability to meet RPO obligations approved in the relevant tariff orders vis-à-vis actual for FY 2014-15

Generating Stations	Estimated by DERC in Tariff Order dated Jul-14 (A)			Actual cost including PY arrears (B)			Difference (B-A)	
	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)
TPDDL G- Solar	1.93	0.87	4.50	2.20	2.91	13.22	0.27	2.04

Table 142 : Energy Availability to meet RPO obligations approved in the relevant tariff orders vis-à-vis actual for FY 2015-16

Generating Stations	Estimated by DERC in Tariff Order dated Sep-15 (A)			Actual cost including PY arrears (B)			Difference (B-A)	
	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)
TPDDL G- Solar	1.95	2.34	11.98	2.16	3.36	15.55	0.21	1.02
Solar Energy Corporation of India	31.82	17.5	5.50	32.98	18.14	6.12	1.16	0.64
Net Metering					0.01	5.03	-	0.01
Total – RPO to be met through Solar	**33.77**	**19.84**	**5.87**	**35.14**	**21.50**	**6.12**	**1.37**	**1.67**
RPO obligation	573.31	86.00	1.50				(573.31)	(86.00)

Generating Stations	Estimated by DERC in Tariff Order dated Sep-15 (A)			Actual cost including PY arrears (B)			Difference (B-A)	
	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)	Av. Rate (Rs/unit)	Energy (Mu)	Amount (Rs Cr)
to be met through wind power								

3.405 The Petitioner has submitted that the Commission vide notification dated 01st Oct' 2012 mandated that all the obligated entities have to meet certain specified percentage of energy through renewable energy. Pursuant to the notification, TPDDL initiated tendering process to procure power from renewable resources by way of Case 1 competitive bidding following MNRE guidelines. The tender was released on 28.05.2013 (TPDDL/PMG/Tender/RE/2013/04) inviting bids for participation in the tender and procurement of electricity generated from solar / non solar sources. The information of the same was shared with the Commission through copy of the RFP and subsequent correspondences dated 22.07.2013, 14.11.2013, 22.11.2013, 16.12.2013. However, the response received against the above RFP was very bleak. While the total RPO requirement of TPDDL was approx. 430 MW for FY 16-17, TPDDL has received total bids for only 133 MW. The tendering process was therefore annulled and intimation of the same was provided to the Commission vide letter dated 17.04.2014 and fresh tender was again released on 09.05.2014, against which TPDDL received very encouraging response from the generators of solar / non solar power. The bid quantum was received from 29 projects across 13 participants for 911 MW and was 245% higher as compared to TPDDL's required quantum, making the bid truly competitive. It has also been able to realize a land mark tariff in case of solar generation. Petition was filed with the Commission on 5th November 2014.

3.406 The Petitioner has submitted that it has taken all necessary measures to procure renewable power at the most affordable rates. The Petitioner vide its various submissions dated 5th Jan 2015, 5th Feb 2015 and 27th Feb 2015 in the matter towards its Renewable Petition 58/2014 has already submitted to the Commission that TPDDL shall be able to meet is existing RPO mandates and increasing future demand through the combination of Renewable Power being sourced under Case

1 Bidding above and Solar Rooftop which has a good potential in the state of Delhi. The same would ensure that the consumers of Delhi are not unnecessarily required to bear the burden of RECs which is an instrument to cross subsidize and harness the Renewable potential in other states.

3.407 The petitioner has submitted that the concern relating with the availability of renewable power in the region is also raised by this Commission in its statutory advice to Government of NCT of Delhi, dated 11.09.2012, wherein the Commission suggested that Government of NCT of Delhi initiate policy for putting up rooftop solar power and MSW power and the Commission has also initiated the process of making Delhi a Greener and Cleaner city through issuance of the Net Metering Guidelines in 2014.

3.408 The Petitioned submitted that issuance of the Net Metering Guidelines shall provide a huge impetus for setting up of Renewable Roof top projects in Delhi and the same needs to be given some time for the consumers to aggressively accept the same and become generators of Green Power. TPDDL (Petitioner) has already undertaken an assessment of potential in its area and believes that around 400 MW of power can be harnessed easily within TPDDL licensed area in a reasonable amount of time.

3.409 The Petitioner submitted that with the implementation of Net Metering guidelines during FY 2015-16, the gross generation of energy through rooftop solar was 0.14 MUs, out of which 0.10 MUs was self-consumed by the consumers and 0.04 MUs are injected into the Petitioner's Network against which the respective consumer can get the benefit of setoff of his/her upcoming self-consumption upto the end of that financial year. The consumers has set off 0.02 MUs against its self-consumption and for balance 0.02 MUs the Petitioner has booked the power purchase cost @ 5.03 per unit and adjusted an amount 0.01 Cr in consumers account towards the purchase from roof top solar generation. As per Net Metering Guidelines, the DISCOMs have to claim the amount of such power purchase cost in its ARR. Therefore, it is requested to allow Rs. 0.01 Cr for FY 2015-16 as sought in table no 3.12(vi) as a part of power purchase cost.

3.410 The Petitioner further submitted that it has provided all its support in respect to encouraging the consumers for setting up of Renewable Roof top projects in Delhi.

The Petitioner had already undertaken an assessment of potential in its area and believes that around 400 MW of power can be harnessed easily within the Petitioner licensed area in a reasonable amount of time. The Petitioner submitted that it made a presentation on same to the Commission and to achieve future RPO obligations, the Petitioner has tied up with the Solar Energy Corporation of India for sourcing 20 MW of solar power which shall start flowing from May 2015.

3.411 The petitioner reiterated that till the issuance of Net Metering Guidelines, the Petitioner had negligible option of renewable power in its area and therefore had to rely on renewable sources established in other states. In order to contribute to development of renewable resources and meet the RPO obligation, the Petitioner has sought to tie up renewable power from other states as it will provide actual power to the Petitioner which it needs especially from FY 2018-19 onwards in view of its surging demand. However, meeting RPO obligation by purchasing REC will only impose financial burden without actual flow of power. It will also amount to cross subsidizing other state consumers for development of renewable power in their states. TPDDL firmly believes that the burden on account of purchasing REC shall be avoided and means to fulfil the RPO obligation should be devised so as to benefit the consumers of TPDDL in holistic manner.

3.412 The Petitioner further submitted that Delhi has a very steep RPO trajectory, especially considering the lack of renewable resources at the Petitioner disposal.

3.413 The Petitioner further submitted the RPO trajectory of Delhi vis-à-vis Other States as follows:

Table 143 : RPO trajectory of Delhi vis-à-vis Other States

State	Ramp Up rate (in absolute terms)	Ramp Up rate (Y-o- Y)	RPO (Final)
Haryana`	Stabilized at 0.25%	24.90%	3.75% (FY 17)
Punjab	0.50%	16.67%	4% (FY 15)
Andhra Pradesh	0.00%	0.00%	5% (FY 17)
Delhi	1.40%	32.94%	9% (FY 17)
Bihar	1.5, 0.5% from 2012-13	33.3%	5% (FY 15)
Jharkhand	1%, 0% from 2012-13	8.33%	4% (FY 16)

3.414 The Petitioner based on the above table indicated that the RPO trajectory of Delhi is way higher vis-à-vis other states and resource deficient states. The Petitioner submitted that it had repeatedly requested the Commission to allow carry forward of shortage of RPO, if any, because they shown difficulty in arranging renewable power.

3.415 The Petitioner based on the above cited two orders, has submitted that the SERCs have used the power to relax wherever it was required. Due to the lack of renewable resources at its disposal and its commitment towards procurement of renewable power, the Petitioner requested to the Commission to consider carry forward of RPO obligation for the next 2-3 years. Further, the Petitioner also submitted that the road map for procurement of present and past RPO obligation has already been provided to the Commission in Petition no. 58/2014 and vide TPDDL letter reference no. TPDDL/PMG/Regulatory/03 dated February, 9 2017. Future RPO obligations shall be met through addition of Solar Rooftops which shall ensure that the Petitioner does not need to enter any conventional PPA till 2025 to meet its increasing demand.

3.416 The Petitioner further submitted that on one hand, while there is no purpose being served in terms of consumer satisfaction or reliability / quality of power with the purchase of these RECs, the eventual impact on tariff is evident. As such considering the sufficient supply of power available with the Petitioner as of now and further considering the fact that the said supply is likely to be more scarce in later years when the physical flow of power shall be required and be more beneficial than the REC procurement, the Petitioner has already requested the Commission to defer the Obligation under the said regulations in order to enable it to tap adequate power from renewable resources. Vide its letter dated 19.02.2014 the Commission stated that it has approved the carry forward of the Renewable Power Purchase Obligation pertaining to FY 2012-13 to the next financial year i.e. FY 13-14. Further, through the Directive issued by the Commission vide tariff order dated 23rd July 2014, the Commission further deferred the obligation to FY 2014-15 as follows:

"6.18 During the year 2014-15, RPO requirements for green power must be met along with requirements carried over from the previous year otherwise RECs must be bought from the exchange to meet the requirement of green power. If RPO obligations are not met, appropriate penalties may be imposed as per

the Electricity Act and applicable Regulations."

3.417 The Petitioner has prayed to the Commission to take cognizance of the various submission made by TPDDL dated 5th Jan 2015, 5th Feb 2015 and 27th Feb 2015 regarding its

a) Roadmap towards fulfillment of the RPO mandated by the Commission through Case 1 Competitive Bidding,

b) Impact of REC purchase on the retail tariffs,

c) Need for physical power tie up in line with surging demand from FY 2016-17/ FY 2017-18 onwards

d) Cost Benefit Analysis for swapping the fixed price Renewable Power with Volatile priced conventional power

e) Financial concerns regarding purchase of REC on account of non-allowance of timely PPAC and

f) Providing a chance to consumers of Delhi to set up their own solar generating plants and become consumers of green power under the Net Metering Regulations 2014 issued by the Commission.

3.418 In view of above submissions, the Petitioner has requested the Commission as follows:

a) Kindly defer RPO obligation for another 2-3 years

b) Reconsider the RPO trajectory and bring it at par with other renewable deficit states;

c) Waiver of penalty to the Petitioner in case RPO obligation are not met fully

3.419 The Petitioner submitted that it stands committed to the National Goals of promoting renewable energy and shall be able to fulfil its RPO obligation in the next control period without unnecessary burdening the consumers.

COMMISSION'S ANALYSIS

3.420 The Commission has observed that the petitioner fell short of RPO target as per table mentioned below.

Table 144: RPO Target and Achievement Analysis

Particulars	Target (%)		Actual Sales	Target (MU)		Actual (MU)		Shortfall (MU)		REC Rate (Rs./kWh)		Impact	
	Solar	Non Solar		Solar	Non Solar	Solar	Non Solar	Solar	Non Solar	Solar	Non Solar	Solar	Non Solar
FY 2012-13	0.15%	3.25%	6968	10.45	226.46	2.27	0	-	(226.46)	10.99	1.50	-	(33.97)
FY 2013-14	0.20%	4.60%	7187.4	14.37	330.62	1.95	0	(8.91)	(330.62)	10.99	1.50	(9.80)	(49.59)
FY 2014-15	0.25%	5.95%	7615.9	19.04	453.15	2.2	4.26	(16.84)	(448.89)	3.30	1.50	(5.56)	(67.33)
FY 2015-16	0.30%	7.30%	7854.3	23.56	573.36	35.25	6.18	-	(567.18)	3.30	1.50	-	(85.08)
TOTAL												(15.35)	(235.97)
Grand Total													**(251.33)**

3.421 In view of the above analysis, the Commission has observed that in case of non-solar RPO target achievement the petitioner felt short of 226.46 MU, 330.62 MU, 448.89 MU and 567.18 MU in consecutive years during FY 2012-13 to FY 2015-16 and in case of solar RPO the petitioner fell short of 8.91 MU and 16.84 MU in FY 2014-15 and FY 2015-16 respectively.

3.422 Accordingly, the Commission has decided to penalize the petitioner on account of under achievement of RPO targets and imposed penalty of 10% in line with directive 6.9 of the Tariff Order dtd.29/09/2015 of Rs. 25.13 Crore.

DETAILS OF SHORT TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.423 The Petitioner submitted the source wise summary of short term power purchase and Sale from FY 2012-13 to FY 2015-16 as follows:

Table 145 : Details of Short term Power Purchase

Sl. No.	Particulars	FY 12-13		FY 13-14		FY 14-15		FY 15-16	
		Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)
A	Bilateral	3.91	66.79	4.32	8.85	5.14	0.07		
B	Banking	4.23	10.16	4.16	199.49	4.30	226.49	4.38	274.65
C	Exchange	4.02	2.27	2.92	3.56	3.71	22.77	3.28	120.43
D	Intra state	4.31	15.16	2.54	0.89	2.69	2.37	2.30	22.18
E	UI	2.01	13.40	1.72	15.75	4.76	18.57	3.12	9.18
F	**Total**	**3.57**	**107.78**	**3.76**	**228.54**	**4.25**	**270.28**	**3.81**	**426.44**

Table 146 : Details of Short term Power Sales

Sl. No.	Particulars	FY 12-13		FY 13-14		FY 14-15		FY 15-16	
		Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)	Rate per Unit	Amount (Rs Cr)
A	Bilateral	3.62	309.99	3.33	203.31	3.31	118.21	-	-
B	Banking	3.79	30.26	3.72	282.14	3.59	189.55	3.65	533.28
C	Exchange	2.53	306.45	2.34	256.30	2.75	122.54	2.21	27.27
D	Intra state	4.26	4.20	4.19	4.74	4.16	66.21	3.68	94.53
E	UI	2.36	157.21	1.51	36.49	1.49	17.26	0.97	11.82
F	**Total**	**2.86**	**808.11**	**2.88**	**782.99**	**3.20**	**513.77**	**3.39**	**666.91**

COMMISSION'S ANALYSIS

3.424 Short term power purchase and Sale through different modes by the Petitioner from FY 2013-14 to FY 2015-16 is summarised as follows:

Table 147 : Comparison of Short Term Power Purchase Quantum (MU)

Sl. No.	Particulars	FY 13-14		FY 14-15		FY 15-16	
		MU	(%)	MU	(%)	MU	(%)
A	Bilateral	20.49	28.32%	0.14	0.00%	0.00	2.53%
B	Banking	479.54	62.30%	526.18	53.10%	627.28	20.65%
C	Exchange	12.19	2.08%	61.35	37.45%	367.20	55.97%
D	Intra state	3.50	1.02%	8.81	6.83%	96.45	17.52%
E	UI	91.57	6.28%	39.06	2.61%	29.38	3.33%
F	**Total**	607.29	100.00%	635.54	100.00%	1120.31	100.00%

Table 148: Details of Short Term Power Purchase

Sr. No.	Particulars	FY 2013-14		FY 2014-15		FY2015-16	
		Rate Per unit (Rs./kWh)	Amount (Rs. Cr.)	Rate Per unit (Rs./kwh)	Amount (Rs. Cr.)	Rate Per unit (Rs./kwh)	Amount (Rs. Cr.)
1	Bilateral	4.32	8.85	5.14	0.07		0.00
2	Banking	4.16	199.49	4.30	226.49	4.38	274.65
3	Exchange	2.92	3.56	3.71	22.77	3.28	120.43
4	Intra State	2.54	0.89	2.70	2.37	2.30	22.18
5	UI	1.72	15.75	4.76	18.57	3.12	9.18

Table 149 : Comparison of Short Term Power Sales Quantum (MU)

Sl. No.	Particulars	FY 13-14		FY 14-15		FY 15-16	
		Energy	(%)	Energy	(%)	Energy	(%)
A	Bilateral	610.54	22.47%	357.60	22.28%	0.00	0.00%
B	Banking	758.44	27.91%	527.54	32.86%	1461.44	74.39%
C	Exchange	1095.30	40.31%	445.14	27.73%	123.57	6.29%
D	Intra state	11.31	0.42%	159.31	9.92%	257.19	13.09%
E	UI	241.66	8.89%	115.78	7.21%	122.37	6.23%
F	**Total**	**2717.25**	**100.00%**	**1605.37**	**100.00%**	**1964.57**	**100.00%**

Table 150: Details of Short Term Power Sales

Sr.No.	Particulars	FY 2013-14		FY 2014-15		FY2015-16	
		Rate Per unit (Rs./kwh)	Amount (Rs. Cr.)	Rate Per unit (Rs./kwh)	Amount (Rs. Cr.)	Rate Per unit (Rs./kwh)	Amount (Rs. Cr.)
1	Bilateral	3.33	203.31	3.31	118.21	0.00	0.00
2	Banking	3.72	282.14	3.59	189.55	3.65	533.28
3	Exchange	2.34	256.3	2.75	122.54	2.21	27.27
4	Intra State	4.19	4.74	4.16	66.21	3.68	94.53
5	UI	1.51	36.49	1.47	17.00	0.97	11.82
6	**Total Sales**		**782.98**		**513.51**		**666.91**

3.425 The Commission vide its letter dated 20 January, 2010 had issued directions for procurement and sale of power by Distribution Licensee as follows wherein it is specifically indicated that the Distribution Licensees endeavour should be first to dispose off surplus power through banking transaction:

"7…….. the Distribution Licensee, for any reason whatsoever, the licensee may enter into a short-term arrangement or agreement for procurement of power/sale of power through a transparent process of open tendering and competitive bidding in accordance with these guidelines.

8. Distribution Licensee shall adopt a bid evaluation or scoring system that is sufficiently comprehensive and transparent to permit a competitive result which identifies the least cost proposal for procurement and highest in case of sale of power.

.....

15. The Distribution Licensees endeavor should be first to dispose off surplus power through banking transaction. Such banking transactions should be tried at first on direct basis."

3.426 The Commission observes that during FY 2014-15 the Petitioner has sold most of its Surplus Power in exchange on the contrary during FY 2015-16 petitioners has sold most of its surplus power in banking which is revenue neutral.

OVERLAPPING IN BANKING TRANSACTIONS

3.427 During prudence check, the Commission directed the petitioner to provide statement of banking transactions indicating opening and closing balance of banking transactions as per that indicated in the audited financial statement.

3.428 The Petitioner has submitted details of overlapping in banking transactions as follows:

Table 151: Overlapping in banking transactions submitted by Petitioner (MU)

Period of Overlapping	Overlapped Units
Jan-15	45.75
Sep-15	2.06

3.429 During prudence check with regard to overlapping in banking transactions, the petitioner explained that in order to procure power to meet short term demand, petitioner is engaged in practice to indulge in power banking transactions without considering relevant financial impact in terms of opportunity losses. In view of the above it has been observed that 45.75 MU and 2.06 MU were overlapped in banking transactions due to non-consideration of opportunity losses by petitioner in the FY 2014-15 and FY 2015-16 respectively while planning for power banking. Therefore, the Commission has decided to disallow transmission charges and trading margin related to overlapped units from total power purchase cost.

3.430 In view of the above, the Commission has decided to dis-allow total additional cost due to overlapping in banking transaction of Rs. 3.24 Cr. and Rs. 0.18 Cr. from total power purchase cost in FY 2014-15 and FY 2015-16 respectively.

ADDITIONAL UI CHARGES

3.431 The Commission has retained its past practice for additional UI Charges which has also been upheld by the Hon'ble APTEL in Appeal No. 271/2013. SLDC vide its letter dtd. 25/05/2017 has submitted in response to the Commission's letter dtd. 01/05/2017 that additional UI Charges borne by the Petitioner in FY 2014-15 is Rs. 4.85 Cr. and Rs. 2.39 Cr. in FY 2015-16.

TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.432 The Petitioner has submitted the transmission charges for FY 2014-15 and FY 2015-16 as follows:

Table 152 : Summary of Transmission charges for FY 2014-15 and FY 2015-16 (Rs Cr)

Sl. No.	Description	FY 2014-15	FY 2015-16
A	Inter-state transmission charges (PGCIL)	325.33	344.09
B	Intra-state transmission charges (DTL)	224.13	278.49
C	NRLDC System Operating charges (payable to Delhi SLDC)	1.20	1.36
D	DTL SLDC charges	(44.97)	2.82
E	Reactive energy charges	0.18	0.30
F	BBMB charges	0.43	0.43
G	Aravali Jhajjar Transmission Charges	0.40	-
H	CLP Jhajjar Transmission Charges	14.19	-
I	NTPC Transmission charges	3.22	-
J	DTL Pension Trust	132.66	179.08
K	STOA	-	(4.38)
L	SECI	-	1.42
M	Other transmission charges	-	22.04
N	**Total (A to J) 2014-15** **Total (A to F and J to M) 2015-16**	**656.78**	**825.67**

COMMISSION'S ANALYSIS

3.433 The Commission has checked transmission charges from audited power purchase certificates, accordingly the Commission has decided to consider the Transmission Charges as per Audited Power Purchase Certificate as Rs. 656.79 Cr. and RS. 825.67 Cr. for FY 2014-15 and FY 2015-16 respectively as per below mentioned table.

Table 153: Transmission Charges as per audited power purchase Certificate (Rs. Crore)

Sl. No.	Description	FY 2014-15	FY 2015-16
A	Inter-state transmission charges (PGCIL)	325.33	344.09
B	Intra-state transmission charges (DTL)	224.13	278.49
C	NRLDC System Operating charges (payable to Delhi SLDC)	1.20	1.36
D	DTL SLDC charges	(44.97)	2.82
E	Reactive energy charges	0.18	0.30
F	BBMB charges	0.43	0.43
G	Aravali Jhajjar Transmission Charges	0.40	-
H	CLP Jhajjar Transmission Charges	14.19	-
I	NTPC Transmission charges	3.22	-
J	DTL Pension Trust	132.66	179.08
K	STOA	-	(4.38)
L	SECI	-	1.42
M	Other transmission charges	-	22.04
N	**Total (A to J) 2014-15**	**656.79**	**825.67**

Sl. No.	Description	FY 2014-15	FY 2015-16
	Total (A to F and J to M) 2015-16		

NORMATIVE REBATE ON POWER PURCHASE

PETITIONER'S SUBMISSION

3.434 The Petitioner has submitted that in the MYT Regulation, 2011 in Para No 5.24, the Commission has specified as follows:

"Distribution Licensee shall be allowed to recover the net cost of power it procures from sources approved by the Commission, viz. Intra-state and Inter-state Trading Licensees, Bilateral Purchases, Bulk Suppliers, State generators, Independent Power Producers, Central generating stations, non-conventional energy generators, generation business of the Distribution Licensee and others, assuming maximum normative rebate available from each source for payment of bills through letter of credit on presentation of bills for supply to consumers of Retail Supply Business."

3.435 The Petitioner has submitted that they have earned actual rebate of Rs. 47.90 Cr and Rs. 64.41 Cr, net of Rebate allowed on Sale on Power towards early payment of power purchase bills during the FY 2014-15 and FY 2015-16 respectively but for the purpose of computation of net power purchase cost for the respective year, the maximum normative available rebate is to be considered as per the regulation mentioned above therefore the petitioner had offered an amount of Rs 98.25 Cr and 92.66 Cr for FY 2014-15 and FY 2015-16 respectively on account of normative rebate respectively.

3.436 The Petitioner has further clarified that the amount of Rs 98.25 Cr (FY 2014-15) and Rs. 92.66 Cr (FY 2015-16) is computed on accrual basis (i.e. normative rebate is also offered on outstanding bills at the end of financial year).

COMMISSION'S ANALYSIS

3.437 The Regulation 5.24 of DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011, specifies that :

"Distribution licensee shall be allowed to recover the net cost of power it procures from sources approved by the Commission, viz. Intra-State and Inter- State Trading Licences, Bilateral Purchases, Bulk Suppliers, State generators, Independent Power Producers, Central generating stations, non-conventional energy generators, generation business of the Distribution Licensee and others, ***assuming maximum normative rebate available*** *from each source for payment of bills through letter credit on presentation of bills for supply to consumers of Retail Supply Business".*

3.438 Further, it is pertinent to state that TPDDL has already made an Appeal before Hon'ble High Court of Delhi against the Delhi Electricity Regulatory Commission (Terms and Conditions of Wheeling Tariff & Retail Supply Tariff) Regulations, 2011. It is submitted that Hon'ble High Court of Delhi in its judgement dtd. 29/07/2016 in W.P.(C) 2203/2012 & C.M. No.4756/2012 has rejected the submissions of TPDDL regarding maximum normative rebate and has ruled as follows:

"39. The Commission is an expert body which is constituted to perform the functions as specified under the Act including determination of the tariff and specifying the terms and conditions for such determination. ***Such functions which by nature require expert knowledge would ordinarily be outside the scope of judicial review*** *and no interference would be warranted unless it is established that the actions of the Commission are contrary to the provisions of the Act and/or ultra vires the Constitution.*

.....

40. In view of the above, ***we are unable to accept that the impugned Regulations are violative of any provision of the Act*** *or are ultra vires the Constitution of India."*

3.439 In view of the above, the Commission has decided and considered the maximum normative rebate without considering rebate on the reduced cost of Anta, Auraiya, Dadri and Rithala Gas Power Plants and Pension Trust amount as follows:

Table 154: Rebate on Power purchase and Transmission Cost (Rs Cr)

Sr. No.	Particulars	Rebatable Amount	Rebate claimed by petitioner in	Rebate Calculated by the Commission
1	FY 2014-15	5,008.60	98.25	94.83
2	FY 2015-16	4,753.03	92.66	86.66

TRUED-UP POWER PURCHASE COST FOR FY 2014-15 & FY 2015-16

3.440 With the above observations and considering the principle of avoidable Power Purchase Cost, the Commission approves the total power purchase cost for FY 2014-15 and FY 2015-16, summarized in the table as follows:

Table 155: Trued-Up Power Purchase Cost for FY 2014-15 (Rs Cr)

Sr. No.	Particulars	Petitioner's Submission	Commission's Approval
1	Gross Power Purchase Cost	4,865.56	4,865.56
2	Less: Cost of Surplus Power Sold	513.77	513.77
3	Net Power Purchase Cost	4,351.79	4,351.79
4	Total Transmission Charges	656.79	656.79
5	Total Power Purchase Cost	5,008.58	5,008.58
6	**Less:** Normative Rebate not considering Rithala, Anta, Auraiya and Dadri Gas Power Plants	(98.25)	(94.83)
7	**Net Power Purchase Cost including Transmission Charges**	**4,910.33**	**4,913.75**
8	**Less:** Avoidable Power Purchase Cost Anta, Auraiya and Dadri costly Gas based Stations	-	(30.82)
9	**Less:** Additional UI Charges disallowed	-	(4.85)
10	**Less:** Power Purchase Cost of Rithala	-	(95.92)
11	**Less**: Scheduling of Power without considering Merit Order	-	(0.04)
12	**Less:** Disallowance on account of overlapping in banking transaction	-	(3.24)
13	**Add:** Negative Provisions for FY 2013-14 ref: table 3.83 of TO dtd. 29/09/2015		34.52*
14	**Trued-Up Power Purchase cost**	**4,910.33**	**4,813.39**

*Disallowed in Tariff Order dtd. 29/09/2015 as it pertained to FY 2014-15

Table 156: Trued-up Power Purchase Cost for FY 2015-16 (Rs Cr)

Sr. No.	Particulars	Petitioner's Submission	Commission's Approval
1	Gross Power Purchase Cost	4,594.27	4,594.27
2	Less: Cost of Surplus Power Sold	666.91	666.91
3	Net Power Purchase Cost	3,927.36	3,927.36
4	Total Transmission Charges	825.67	825.67
5	Total Power Purchase Cost	4,753.03	4,753.03
6	**Less:** Normative Rebate not considering Rithala, Anta, Auraiya and Dadri Gas Power Plants	(92.65)	(86.86)
7	Net Power Purchase Cost including Transmission Charges	4,660.38	4,666.17

Sr. No.	Particulars	Petitioner's Submission	Commission's Approval
8	**Less:** Avoidable Power Purchase Cost Anta, Auraiya and Dadri costly Gas based Stations	-	(32.53)
9	**Less:** Additional UI Charges disallowed	-	(2.39)
10	**Less:** Power Purchase Cost of Rithala	-	(95.81)
11	**Less:** Disallowance on account of overlapping in banking transaction	-	(0.18)
12	Other Adjustments	59.20	-
13	**Trued-Up Power Purchase cost**	**4,719.58**	**4,535.25**

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

3.441 The Petitioner in its True up Petition for FY 14-15 & FY 14-15 ARR for FY 17-18 has sought revision in O&M expenses. The Petitioner in line with Regulation 5.3 of MYT Regulations, 2011 stipulate that the Operation and Maintenance (O&M) expenses for a licensee shall include:

(a) Salaries, wages, pension contribution and other employee costs;

(b) Administrative and General expenses which shall also include expense related to raising of loans;

(c) Repairs and Maintenance; and

(d) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax).

said methodology/justification has sought revised O&M expenses for FY 15-16 as mentioned in the table below against the approved normative O&M expenses in Sep 2015 Tariff Order.

Table 157: O & M Expenses

Sl. No.	Particulars	FY 2014-15 approved by the Commission	FY 2014-15 sought by the Petitioner	FY 2015-16 approved by the Commission	FY 2015-16 sought by the Petitioner
A	Employee Cost	323.32	361.08	324.05	390.11
B	A&G Expenses	61.52	61.52	66.41	66.47
C	R&M Expenses	93.85	131.52	99.64	141.72
D	Total O&M expenses	478.68	554.12	490.10	598.29
E	Efficiency factor (%)	4%		4%	
F	Less: Efficiency Improvement (Rs)	19.15	-	19.60	-
G	Add: SVRS Pension	2.47	2.47	3.14	6.43
H	**Net O&M Expenses**	**462.00**	**556.58**	**473.63**	**604.72**

EMPLOYEE EXPENSES

3.442 The Petitioner has submitted that the Hon'ble Commission has allowed Rs 310.39 Cr as employee expense in its Tariff Order dated September, 2015 against which the Petitioner is seeking Rs 361.08 Cr as employee expenses for FY 2014-15.

3.443 The Petitioner has submitted that the Hon'ble Commission has allowed Rs. 311.09 Cr (net of efficiency i.e. Rs 324.05 Cr. – Rs. 12.96 Cr.) towards employee expense in its Tariff Order dated September, 2015 against which the Petitioner is seeking Rs. 390.11 Cr as employee expenses for FY 2015-16.

Table 158: Employee Expense

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved by the Commission	Now sought	Approved by the Commission	Now sought
A	Employee Expenses	323.32	361.08	324.05	390.11
B	Efficiency factor*	4%	-	4%	-
C	Employee Expenses	310.39	361.08	311.09	390.11

SVRS RELATED EXPENSES

3.444 The petitioner has submitted that Commission has provisionally allowed Rs 3.14 Cr as SVRS related expense in its 2nd MYT Tariff Order subject to true up on actual basis. The Petitioner has incurred expenses of Rs. 2.47 Cr. And Rs. 6.43 Cr. for FY 2014-15 and FY 2015-16 respectively towards SVRS related expenses and requested the Commission for truing up the same.

ADMINISTRATIVE AND GENERAL EXPENSES

3.445 The Hon'ble Commission has allowed A&G expense of Rs 63.75 Cr. net of efficiency (Rs. 66.41 Cr – Rs. 2.66 Cr.) in its Tariff Order dated September, 2015 against which the Petitioner is now seeking Rs.66.47 Cr as A&G expenses for FY 2014-15 without applying any efficiency.

Table 159: A&G Expenses (Rs. Cr)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved by the Commission	Now sought	approved by the Commission	A&G now sought
A	A&G Expenses	61.52	61.52	66.41	66.47
B	Efficiency factor*	-	-	4%	-

C	A&G Expenses (net of Efficiency)	61.52	61.52	63.75	66.47

** Efficiency considered NIL as per APTEL judgment in Appeal 171 of 2012*

REPAIRS AND MAINTENANCE EXPENSES

3.446 The petitioner has stated that the Commission has revised the K factor for second control period in its Tariff Order dated September, 2015 from the level of 2.61% to 2.58%. Based on which the Commission has revised the R&M expenses and approved Rs 90.09 Cr (net of efficiency) for FY 2014-15 and Rs. 95.66 Cr (net of efficiency) for FY 2015-16.

3.447 The Petitioner has computed R&M expenses for FY 2014-15 and FY 2015-16 based on recomputed K factor of 2.87% in line with the APTEL's judgment as follows:

Table 160 : R&M Expenses (Rs Cr)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		As approved by the Commission	Revised R&M Expenses now sought	As approved by the Commission	Revised R&M Expenses now sought
A	Gross Fixed Assets	3637.5	4,586.79	3857.50	4,942.27
B	K factor	2.58%	2.87%	2.58%	2.87%
C	R&M Expenses	93.85	131.52	99.64	141.72
D	Efficiency factor*	4%	-	4%	-
E	R&M expense (net of Efficiency)	90.09	131.52	95.66	141.72

3.448 Accordingly, the Petitioner has sought O&M Expenses for FY 2014-15 and FY 2015-16 as follows:

Table 161 : O&M Expenses sought by the Petitioner (Rs Cr)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		As approved by the Commission	Now sought	As approved by the Commission	Now sought
A	Employee Expenses	323.32	361.08	324.05	390.11
B	A&G Expenses	61.52	61.52	66.41	66.47
C	R&M Expenses	93.85	131.52	99.64	141.72
D	Total O&M Expenses	478.68	554.12	490.10	598.29
E	Efficiency factor	4%	-	4%	-

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		As approved by the Commission	Now sought	As approved by the Commission	Now sought
G	Less: Efficiency Improvement	19.15	-	19.60	-
H	Add: SVRS Pension	3.14	2.47	3.14	6.43
I	Net O&M Expenses	462.00	556.58	473.63	604.72

COMMISSION'S ANALYSIS

3.449 The Commission has examined the submissions of BRPL and BYPL regarding various Tariff Orders of Maharashtra Electricity Regulatory Commission and has analysed the O&M Expenses per unit of Sales year-wise for Reliance Infrastructure Ltd. - Distribution Business (RInfra-D) in the said Tariff Orders:

RInfra-D - FY 2013-14

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 158 of 2011 dtd. 23/11/2012	Business Plan Order for FY 13 to FY 16	642	10140	0.63
Case No. 9/2013 dtd. 22/08/2013	MYT Order for FY 13 to FY 16	913	9887	0.92
Case No. 4 of 2015 dtd. 26/06/2015	True up of FY 14 and provisional True up of FY 15 and revised ARR for FY 16	925	9,311.33	0.99

RInfra-D - FY 2014-15

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 158 of 2011 dtd. 23/11/2012	Business Plan Order for FY 13 to FY 16	699	10380	0.67
Case No. 9/2013 dtd. 22/08/2013	MYT Order for FY 13 to FY 16	971.16	10385	0.94
Case No. 4 of 2015 dtd. 26/06/2015	True up of FY 14 and provisional True up of FY 15 and revised ARR for FY 16	983.83	9,636.74	1.02
Case No. 34 of	True up of FY 15 and	964.36	9662.87	1.00

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
2016 dtd. 21/10/2016	provisional True up of FY FY 16			

RInfra-D - FY 2015-16

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 158 of 2011 dtd. 23/11/2012	Business Plan Order for FY 13 to FY 16	758	10653	0.71
Case No. 9/2013 dtd. 22/08/2013	MYT Order for FY 13 to FY 16	1032.86	10923	0.95
Case No. 4 of 2015 dtd. 26/06/2015	True up of FY 14 and provisional True up of FY 15 and revised ARR for FY 16	1040.11	9,953.40	1.04
Case No. 34 of 2016 dtd. 21/10/2016	True up of FY 15 and provisional True up of FY FY 16	1019.51	10,076.66	1.01

3.450 The Commission has further examined the various Tariff Orders of Maharashtra Electricity Regulatory Commission and has analysed the O&M Expenses per unit of Sales year-wise for Tata Power Company Limited- Distribution Business (TPC-D) in the said Tariff Orders:

TPC-D - FY 2013-14

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 165 of 2011 dtd. 26/08/2012	Business Plan Order for FY 13 to FY 16	157.89	6612.63	0.24
Case No. 179 of 2011 dtd. 28/16/2013	MYT Order for FY 13 to FY 16	158.43	6974.08	0.23
Case No. 18 of 2015 dtd. 26/06/2015	True-up of FY14, provisional Truing-up for FY15 & revised ARR for FY16	142.68	6538.01	0.22

TPC-D - FY 2014-15

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 165 of	Business Plan Order for FY	177.53	6988.46	0.25

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
2011 dtd. 26/08/2012	13 to FY 16			
Case No. 179 of 2011 dtd. 28/16/2013	MYT Order for FY 13 to FY 16	195.39	7610.97	0.26
Case No. 18 of 2015 dtd. 26/06/2015	True-up of FY14, provisional Truing-up for FY15 & revised ARR for FY16	153.21	5961.90	0.26
Case No. 47 of 2016 dtd. 21/10/2016	True-up of FY15 & provisional Truing-up for FY 16	153.68	5968.34	0.26

TPC-D - FY 2015-16

Case No.	Matter	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
Case No. 165 of 2011 dtd. 26/08/2012	Business Plan Order for FY 13 to FY 16	199.61	7378.73	0.27
Case No. 179 of 2011 dtd. 28/16/2013	MYT Order for FY 13 to FY 16	219.67	8305.62	0.26
Case No. 18 of 2015 dtd. 26/06/2015	True-up of FY14, provisional Truing-up for FY15 & revised ARR for FY16	180.9	6555.93	0.28
Case No. 47 of 2016 dtd. 21/10/2016	True-up of FY15 & provisional Truing-up for FY 16	161.26	5,767.16	0.28

3.451 Further, the Commission various Tariff Orders of Gujarat Electricity Regulatory Commission and has analysed the O&M Expenses per unit of Sales year-wise for Torrent Power Limited (Distribution) Ahmedabad and Surat in the said Tariff Orders:

Table 162 :Torrent Power Limited (Distribution) Ahmedabad
True up Orders Case No. 1627/2016, 1552/2015 and 1467/2014

Financial Year	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
FY 2013-14	232.79	6069.62	0.38
FY 2014-15	259.4	6451.19	0.40
FY 2015-16	268.41	6666	0.40

Table 163:Torrent Power Limited (Distribution) Surat
True up Orders Case No. 1628/2016, 1553/2015 and 1468/2014

Financial Year	O&M Expenses (Rs. Cr.)	Sales (MU)	O&M Expenses per unit of Sales (Rs./Unit)
FY 2013-14	91.61	3165.04	0.29
FY 2014-15	105.57	3308.27	0.32
FY 2015-16	111.11	3313	0.34

3.452 From the above analysis, the Commission observes that O&M Expenses per unit of Sales for RInfra-D varies from Rs. 0.63/kWh to Rs. 0.99/kWh for same year (FY 2013-14) in various Orders of Business Plan, Multi Year and True up. Therefore, the Commission decides not to consider O&M Expenses per unit of Sales of RInfra-D for comparison purpose.

3.453 It is observed that the Petitioner is being allowed O&M Expenses per unit of Sales are Rs. 0.58/kWh and Rs. 0.61/kWh in FY 2014-15 and FY 2015-16 respectively as compared to the O&M Expenses per unit of Sales for Torrent Power Limited (Distribution) Surat (Rs. 0.30/kWh), Torrent Power Limited (Distribution) Ahmedabad (Rs. 0.40/kWh) and Tata Power Company Limited- Distribution Business (Rs. 0.28/kWh) and there is scope for improvement in O&M Expenses. Therefore, the Commission decides to retain the efficiency factor of 3%, 4% and 4% for FY 2013-14, FY 2014-15 and FY 2015-16 respectively. Such efficiency factor is not considered for SVRS Pension and Arrears on account of statutory pay revision to employees.

3.454 Accordingly, the Commission approves O&M Expenses for FY 2014-15 and FY 2015-16 factoring Efficiency factor as follows:

Table 164: O&M Expenses approved by the Commission for FY -15 and FY -16 (Rs. Crore)

Sr. No.	Particulars	FY 2014-15		FY 2015-16		Reference
		Petitioner's Submission	Now Approved	Petitioner's Submission	Now Approved	
A	Employee Expenses	361.08	300.05	390.11	324.05	
B	A & G Expenses	61.52	61.49	66.47	66.41	
C	R & M Expenses	131.52	93.96	141.72	101.70	
D	Gross O& M Expenses	554.12	455.49	598.29	492.16	A+B+C
E	Efficiency Factor (%)	0%	4.00%	0%	4.00%	
F	**Less:** Efficiency Improvement	0.00		0.00	0.00	D*E
G	**Add:** SVRS Pension	2.47	3.14	6.43	3.14	
H	**Net O & M Expenses**	**556.58**	**440.41**	**604.72**	**475.61**	**D-F+G**

OTHER EXPENSES

LICENSE FEES

PETITIONER'S SUBMISSION

3.455 The Petitioner has submitted that according to Clause 12.1 of the Distribution and Retail Supply Licence, they are required to pay annually 0.05% of amount billed of previous year as license fees to the Commission. As the same is linked to sales which is uncontrollable and is trued up, the license fee too needs to be trued up.

Table 165 : Computation of License fee to be allowed on actual basis (Rs Cr)

Sl. No.	Particulars	2014-15 Amount	2015-16 Amount
A	Base year Exp. of License fee (FY 2011-12)	1.49	1.49
B	Y-o-Y Incremental (%)	8%	8%
C	License fee allowed as a part of total A&G Expense	1.87	2.02
D	Efficiency factor (%)	4%	4%
E	Less- amount adjusted towards Efficiency	0.07	0.08
F	License fee (net of efficiency) approved as a part of A&G	1.80	1.94
G	Billed Sale for Previous Year – as per P&L accounts	5,601.40	6,449.62
H	License fee (0.05%) based on billed Sale of previous year	2.80	3.22
I	Amount of License fee paid	2.80	3.22
J	Differential amount now sought	1.00	1.29

COMMISSION ANALYSIS

3.456 The Commission is of the view that license fee is applicable on actual sales for the respective year which is uncontrollable. Accordingly, the Commission has considered and approved the difference of normative license fee covered under A&G expenses and actual paid Rs. 1.00 Crore and Rs. 1.29 Crore on account of license fees paid to the Commission during FY 2014-15 & FY 2015-16 respectively.

LAND LICENSEE FEES TOWARDS GRID

PETITIONER'S SUBMISSION

3.457 The petitioner has submitted that license fee is applicable as per the rates decided by GoNCTD for using Land. The Petitioner has paid Rs. 2.24 Cr and Rs. 1.70 Cr during FY 2014-15 and FY 2015-16 respectively towards land licensee fee which is uncontrollable and has requested the Commission to allow the above said amounts.

COMMISSION ANALYSIS

3.458 The land license fee is applicable on actual basis, which is uncontrollable. Accordingly, the Commission has considered and approved Rs. 2.24 Crore and Rs. 1.70 Crore on account of land license fees paid to the GoNCTD during FY 2014-15 & FY 2015-16 respectively.

CSR EXPENSES

PETITIONER'S SUBMISSION

3.459 The Petitioner has submitted that the Ministry of Law and Justice (Legislative Department) vide its notification dated 30th August, 2013 in "The Gazette of India" has published the Companies Act, 2013.

3.460 The Petitioner further submitted that due to implementation of new Companies Act, 2013 the company has to incur additional expenditure in relation to some of the heads (major one is CSR) which was not considered to be the part of Base Year expenses, owing to later developments, hence all legitimate expenditure in relation to these is to be allowed on actual basis. The Petitioner further submitted that any expenses due to change in law or any statutory levies should also be allowed on actual basis being uncontrollable in nature.

3.461 The Petitioner has submitted that to comply with the provisions of Section 135 of new the Companies Act. Accordingly, they have incurred expenses of Rs. 8.11 Cr and Rs. 8.55 Cr for FY 2014-15 and FY 2015-16 respectively. The said expenses were not forming part of the base expenses of FY 2011-12 and the Petitioner has incurred these expenses being uncontrollable in nature and has requested to the Commission to allow the same over and above normative A&G expenses.

COMMISSION ANALYSIS

3.462 The Commission is of the view that CSR activities are social obligation, which a company in India needs to perform on the basis of profit earned by them. If the same is passed on to ARR then indirectly, it will be considered to be met by the consumers of electricity in Delhi. Therefore, the Commission has decided not to consider the same in ARR.

AMENDMENTS IN SERVICE TAX AS NOTIFIED IN THE FINANCE ACT, 2012

PETITIONER'S SUBMISSION

3.463 The Petitioner has submitted that the Service Tax rates have been increased to 12.36% from 10.30% w.e.f 01.04.2012. Further the service tax which was applicable on few services; has been extended to all services except specifically covered in negative list. It shall be appreciated that the Commission has allowed the above normative expenses for FY 2012-13 onwards based on expenses of FY 2011-12 which doesn't include the impact on account of above changes; hence the Petitioner requested to the Commission to allow the same on actual basis at the time of truing up of FY 2012-13 onwards being uncontrollable in nature.

3.464 The Petitioner has submitted that any addition/deletion or new enactment of statutory levy is totally uncontrollable in the hands of petitioner and is required to abide by the same. It is further submitted that statutory levies are treated uncontrollable by various other regulatory bodies like Kolkata, Gujarat, Maharashtra and many others.

3.465 The Petitioner has further submitted that the above mentioned amendments as notified the Finance Act, 2012 have impacted the Petitioner in two ways i.e. due to change in service tax rate and introduction of Reverse Charge Mechanism & Negative List.

3.466 The Petitioner has submitted that because of increase in Total Landed Cost of Services due to change in Service Tax Rate, the Petitioner had to pay additional service tax of Rs 3.03 Crore and Rs 5.45 Crore for FY 2014-15 and FY 2015-16 respectively.

3.467 The petitioner further submitted that in addition to increased Service Tax, the petitioner has to pay Rs 0.67 Crore and Rs 3.44 Crore for FY 2014-15 and FY 2015-16 respectively due to introduction of Reverse Charge Mechanism.

3.468 Accordingly, the Petitioner has requested the Commission to allow the above expenses.

COMMISSION ANALYSIS

3.469 The Commission is of the view that Service Tax is indirect taxes, which is collected by companies and deposited with the service tax department. Service tax is not paid by the petitioner from their own pocket. Therefore, the Commission has decided not to consider the same in ARR.

REGISTRATION FEES FOR CREATING CHARGE DUE TO CHANGE IN THE REGISTRATION ACT, 1908 OF DELHI

PETITIONER'S SUBMISSION

3.470 The Petitioner has submitted that they have informed to the Commission about the change in registration fee levied by Delhi Government for registration of mortgage deed executed for the purpose of availing credit facilities vide its letter dated June 3, 2012.

3.471 The Petitioner has submitted that as per the said notification the registration fee which was earlier payable at the rate of 1% of the consideration amount as per circle rate subject to maximum of Rupees Rs 50,000/- has now been changed as below

i.e. ***Rupees one thousand or one percent of the consideration amount set forth or the value as per the circle rate, which-ever is higher.***

3.472 The Petitioner further submitted that Registration of Mortgage Deed with the Registrar is one of the post disbursement covenants of availing secured loan and failing to comply with such covenant attracts penalty. In case Registration of Mortgage Deed is not executed for the enhanced amount, there would be additional 1% -3% interest, therefore, in the interest of consumers, the Petitioner is required to abide by the law and pay the required registration fee, being uncontrollable, which shall be pass through in the tariff.

3.473 The Petitioner submitted that they had brought to the notice of the Commission that if these charges are not allowed over base expenses the consumers are liable to borne extra interest cost as TPDDL (Petitioner herein) may opt to pay Registration fee only to the extent of normative increase allowed by the Commission. The increase in Registration fee is due to change in law, being uncontrollable in the hands of petitioner and petitioner is paying this increased fee in the interest of consumers.

3.474 It is further submitted by the Petitioner that the Commission in its written submission before the Hon'ble APTEL has mentioned that the Commission shall allow the expenses incurred towards registration charges at the time of truing up of the expenses. (Refer issue no 26 of Appeal no 171 of 2012 TPDDL vs. DERC)

3.475 The Petitioner has submitted that due to aforesaid amendments, to abide by the law being uncontrollable in nature the Petitioner has paid Rs 0.32 Cr in FY 2014-15 for creation of mortgage fee which was not part of Base year expenses and to be allowed at the time of truing up.

COMMISSION ANALYSIS

3.476 The Commission is of the view that such registration fees is uncontrollable in nature therefore the Commission has decided to consider the same on actual basis.

COST OF AUDITOR CERTIFICATES

PETITIONER'S SUBMISSION

3.477 The Petitioner has submitted that from the year FY 2012-13, the Commission has directed to get the veracity of certain figures, information like power purchase cost, Billing Data, Subsidy certificates, cash flow certificates, bank loan details etc. to be certified from the Auditor of the company. In this regard, the Petitioner has incurred cost towards obtaining these certificates to meet the requirement of the Commission which were not there in the base expenses, therefore, the Petitioner (TPDDL) request to allow these additional expenses incurred, else the Commission may go away these additional requirements.

3.478 The Petitioner further submitted that they have incurred an amount of Rs 0.13 Cr towards arranging the certificate desired by the Commission. As the said expenses are directly linked with requirement of the Commission hence the petitioner is respectfully submitted to the Commission to allow the cost of auditor's certificate of Rs. 0.03 Cr on actual basis which is the differential amount between base year cost and actual cost.

3.479 The Petitioner has submitted that normative increase in expense is permitted to meet inflation for same set of requirement but in case requirement keep on increasing, either additional expenses are required to be allowed to meet increased requirement or normative increase can be allowed but without any further additional requirement.

Table 166: Computation of Auditor Certificates (Rs Cr)

Sl. No.	Particulars	Amount	Remark
A	Base year – cost of auditor certificate (FY 2011-12)	0.08	
B	Y-o-Y Incremental (%)	8%	
C	Cost of auditor certificate as a part of total A&G Exp. For FY 2014-15	0.11	
D	Efficiency factor (%)	4%	
E	Less- Amount adjusted towards Efficiency	0.00	
F	Cost of Auditor expenses approved (net of efficiency) as a part of A&G	0.10	
G	Cost of Auditor Certificate	0.13	
H	Differential amount required to be allowed for FY 2014-15	0.03	(G-F)

COMMISSION'S ANALYSIS

3.480 The Commission has decided to allow the expenses related to cost auditor certificate as claimed by the petitioner.

ADDITIONAL O&M EXPENSES FOR IMPLEMENTATION OF AMNESTY SCHEME

PETITIONER'S SUBMISSION

3.481 The Petitioner has submitted that according to the directive of GONCTD vide its letter no. F.11 (31)/2015/Power/Pt/2552 dated 13th August, 2015 "One Time Settlement Scheme" was introduced for the benefits of the consumers with the objective that they will pay energy bills regularly in future. In its letter, GoNCTD had clearly directed to DISCOM to do the following in order to successfully implementation of the scheme:

"10 The distribution companies shall implement the scheme in their areas by way of organizing special camps in association with the respective MLAs.

11 Extensive publicity of the scheme will be given by the Distribution Companies."

3.482 The Petitioner further submitted that to comply with above direction, the Petitioner has incurred an amount of Rs 0.05 Cr during FY 2015-16 towards arranging various camps at zonal level and advertisement expenses. As the said expenses are not included in base year expenses and incurred by the Distribution Licensee on the direction of GONCTD, hence the Petitioner has submitted to the Commission to allow the expenses of Rs. 0.05 Crore for FY 2015-16 on account of implementation of "One Time Settlement Scheme/ Amnesty Scheme".

COMMISSION ANALYSIS

3.483 The Commission is of the view that as per regulation there is no specific provision to allow such expenses separately. Such type of expenses is covered in A&G expenses, which is being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

FINANCE CHARGES

PETITIONER'S SUBMISSION

3.484 The Petitioner as per provisions of Regulation 5.6 & 5.3(b) has sought financing charges of Rs 0.70 Cr and Rs. 0.48 Cr for FY 2014-15 and FY 2015-16 respectively towards rising of loans as follows:

Table 167 : Total amount of financing charges (Rs Cr)

Particulars	FY 2014-15	FY 2015-16
Financing Charges	0.70	0.48

COMMISSION ANALYSIS

3.485 The Commission is of the view that financing charges are covered in A&G expenses. And such A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

SAFETY RELATED EXPENSES

PETITIONER'S SUBMISSION

3.486 The Petitioner has submitted that for greater need of safety related matter, the Commission in its previous tariff order has issued directive (no 6.13) to the distribution licensee to submit the report on safety related matters. The Petitioner further submitted that they in their area of operation have complied with the Commission directive and taken all measures to increase the awareness in society in relation to safety.

3.487 The Petitioner has further submitted that they have incurred an amount of Rs. 1.34 Cr and Rs 2.26 Cr towards safety related issues/matter for FY 2014-15 and FY 2015-16. The Petitioner has submitted that the said expense were not there in the base year. Therefore, the Petitioner has requested the Commission to allow the same.

COMMISSION'S ANALYSIS

3.488 The Commission is of the view that such expenses are covered in A&G expenses. And A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

FINANCING COST OF POWER BANKING

PETITIONER'S SUBMISSION

3.489 The Petitioner has submitted that with respect to the issue of financing cost of power banking, the Commission in its submission to the Hon'ble APTEL mentioned that the Banking contracts have to be revenue neutral in nature and hence if power has been bought under "banking arrangement", then the same power will be sold back by the utility with 4% extra power. This extra power that is sold at the rate at which it had bought power at the first place serves like the financing cost of the power banked. Relevant extract of the same is given below:

"3.283 With respect to the financing cost of power banking, the Commission believes that banking contracts are revenue neutral. The electricity industry follows a practice wherein in case of forward/ advance banking, the utility demands additional power @ 4% to be returned and in case of backward banking, the utility has to return 4% extra power. The Commission considers the power banked in advance by the utility as energy sale at Rs 4 per unit because if it does not consider it then it would be burdening present consumers for future consumption, which the Commission deems inappropriate. The utility will be receiving the power banked along with 4% additional power in the next year. The Commission considers total power received as power purchase @ Rs 4 per unit. This allows the utility power purchase cost on additional 4% power received by them @ Rs 4 per unit, which is equivalent to the financing cost of this banking."

3.490 As the Petitioner has not kept the benefit of extra 4% power but offered in the ARR by reduction of power purchase cost on account of power banking hence based on the above submission, the Petitioner now sought the financing cost of power banking as computed below subject to the Judgment made by the Hon'ble Supreme Court.

Table 168 : Computation of cost of financing of power banking

Particulars	MU banked by TPDDL	Normative units @4%	Amount to be retained @ Rs 4/unit - "A"	MU banked with TPDDL	Normative units @4%	Amount to be retained @ Rs 4/unit – "B"	Difference sought/ (offered)
FY 2014-15	455.65	18.23	7.29	9.27	0.37	0.15	7.14
FY 2015-16	1249.86	49.99	20.00	199.80	7.99	3.20	16.80
Total	**1705.51**	**68.22**	**27.29**	**209.07**	**8.36**	**3.35**	**23.94**

3.491 Based on the above submissions, the Petitioner has sought Rs. 7.14 Cr and Rs. 16.80 towards finance cost of power banking for FY 2014-15 and FY 2015-16 respectively.

COMMISSION'S ANALYSIS

3.492 The Commission is of the view that such expenses are covered in A&G expenses. And A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR separately.

DIFFERENTIAL INTEREST RATE OF WORKING CAPITAL VIS-A-VIS INTEREST RATE CONSIDERED TOWARDS REBATE ON NUMBER OF BILLS RAISED IN THE FINANCIAL YEAR FY 2014-15 & FY 2015-16

PETITIONER'S SUBMISSION

3.493 The Petitioner has submitted that the Commission vide its Tariff Order dated July 2013 has introduced the concept of allowing rebate to single phase consumers depending on the billing cycle of that respective consumer. Relevant extract of the Tariff Order is reproduced below also submitted:

"4.121 The other approach would be to retain the existing provision for working capital in the tariff on a uniform basis, but mandate a correction by way of rebate to single phase domestic consumers whose billing cycle is changed from the earlier 60 days billing period.

4.122 The Commission proposed to follow the second approach as this would allow continuation of a uniform provision in the tariff while requiring that the distribution utilities allow varying rebates depending on the billing cycle adopted by them in respect of single phase domestic consumers. This rebate would be allowed by the distribution utility at the end of each financial year based on the number of bills raised by them during the financial year and interest cost at the SBI PLR at 14.45% for the average number of days for which the billing has been advanced.

Accordingly, the level of rebate on the total amount billed in any financial year shall be allowed in the first bill of the next financial year."

3.494 It was brought in the kind attention of the Commission that the very purpose of levying the concept of rebate is to nullify the notional interest benefit arisen to DISCOMs on account of pre-pone the 60 days billing cycle of single phase domestic consumers. According to the Petitioner, it is worth to mention that while computing the rebate (%) the Commission has considered SBI PLR against which the Commission actually approves the lower rate of interest for working capital, therefore, not maintaining the parity in working capital interest rate allowed v/s charged, resulting into financial loss to the Petitioner to that extent.

3.495 The Petitioner has submitted that during the FY 2015-16 they have made an expenditure of Rs 15.84 Cr on account of rebate in respect of number of bills issued in the respective year considering the rebate (%) as provided by the Commission. As already explained above, the said rebate % has been computed based on 14.45% interest rate against which the petitioner is seeking working capital at the rate of11.62% in this petition. Therefore the impact on account of difference in working capital interest rate should be additionally provided to the Petitioner.

Table 169: Computation of the additional amount

Sl. No.	Particulars	Amount (Rs Cr)	Remark
A	Rebate allowed – Rs Cr.	15.84	Refer Note no 31 of Audited Financial Statement attached as

Sl. No.	Particulars	Amount (Rs Cr)	Remark
			Annexure A-2 of volume II of the Petition
B	Interest Rate considered by the Hon'ble Commission for allowance of Rebate	14.45%	
C	Working Capital interest rate sought for trued up	11.62%	
D	Impact on account of difference in working capital interest rate	3.10	(15.84/14.45*11.62)

3.496 Further the Petitioner has submitted that the Commission is very well aware that revision of billing cycle for single phase domestic consumers has been done for the benefit of consumer. It is also pertinent to mention that as per direction of the Commission the rebate benefit has to be computed on the entire billed amount for the year, but in actually the rebate should be restricted upto the 6 months average amount which is received from consumers due to change in such billing cycle from 60 days.

3.497 Based on the above submissions, the Petitioner requested to the Commission

(a) To allow the differential amount for (FY 2014-15) and Rs. 3.10 Cr (FY 2015-16) on account of difference in interest rate towards working capital minus interest rate considered towards allowing rebate for FY 2014-15 and FY 2015-16.

(b) Further, Rebate should be computed for differential amount only compared to 6 billing cycle.

COMMISSION'S ANALYSIS

3.498 The Commission is of the view that such expenses are covered in A&G expenses and A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

EXPENSES INCURRED TOWARDS IMPLEMENTATION OF VARIOUS DSM- SCHEMES AND REBATE OFFERED TO CONSUMER ON ACCOUNT OF REPLACEMENT OF NON-STAR RATED ACS WITH BEE 5 STAR RATED ACS

PETITIONER'S SUBMISSION

3.499 The Petitioner has submitted that the Commission vide its letter dated 13th May, 2015 has given its approval for implementation of AC replacement scheme in the Petitioner region to be read with DERC other letter No. F. 17(23)/DERC/Engg./2014-15/4604/288. The Commission in its Tariff Order dated September, 2015 has approved the DSM budget of Rs 20 Cr.

3.500 The Petitioner has incurred an amount of Rs. 1.56 Cr. in FY 2015-16 towards implementation of rebate scheme. Head wise bifurcation of the same is given below:

Sl. No.	Description of Expenditure	Amount of Expenditure (Rs. in Lac)
1	Rebate Payout towards 2003 ACs	1.29
2	Promotional Activities & Printing of stickers	0.09
3	Other Administrative Cost /- (0.75% of total cost i.e. INR 23,69,76,900.00 /-) as per proposal of DSM Scheme	0.18
	Total	**1.56**

COMMISSION'S ANALYSIS

3.501 The Commission is of the view that such expenses are covered in A&G expenses. And A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

PAYMENT OF REBATE TO OEMS

PETITIONER'S SUBMISSION

3.502 The Petitioner submitted that the scheme commenced in July 2015 for their customers. The Petitioner has engaged three Implementing Agencies (I/A) namely- Hitachi, Voltas & Godrej for this scheme. From the commencement of the scheme up to the end of FY 2015-16, the Petitioner has replaced 2003 ACs under the scheme in FY 15-16.

3.503 The tables below show the rebate payment done to implementing agency by the Petitioner for different class of ACs in the FY 16.

Table 170: Payment of Rebate to OEM's

Particulars	1.5 Tr BEE 5 Star	1 Tr BEE 5 Star	1.5 Tr BEE Inverter	1 Tr BEE Inverter	Total Rebate in Rs Cr.
Voltas	4928000	350400	762200	16500	0.61
Hitachi	2924800	211200	1221000	5500	0.44
Godrej	1574400	230400	673400	11000	0.25
Total Rebate	9427200	792000	2656600	33000	1.29
Total ACs - Quantity	1473	165	359	6	
Per ACs Rebate	6400	4800	7400	5500	

COMMISSION'S ANALYSIS

3.504 The Commission is of the view that such expenses are covered in A&G expenses. And A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

EXPENDITURE ON PROMOTIONAL ACTIVITIES

PETITIONER'S SUBMISSION

3.505 Petitioner has submitted that following mediums have been used for creating awareness among the customers:

- During the program TPDDL arranged frequent press release in leading newspapers to promote the scheme
- Frequent media advertisements by OEMs
- Display of Standees/ Posters/ Hoardings at all the TPDDL Bill payment centers and key offices
- Radio jingle programmes
- E-mailers sent to the registered customer base on regular basis
- SMS sent to approx. 3.05 Lakh consumers multiple times
- "Pop- up" of the Scheme displayed on TPDDL website
- Weekend Camps organized at RWA societies by the participating OEMs
- Kiosks put up by OEMs at selected TPDDL offices.

The total expenditure towards the promotional activities is Rs 0.09 Cr in FY 2015-16.

COMMISSION'S ANALYSIS

3.506 The Commission is of the view that such expenses are covered in A&G expenses. And A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

ADMINISTRATIVE EXPENSES

PETITIONER'S SUBMISSION

3.507 These expenses are on account of activities such as design & development AC registration process, development of IT system in CRM for registration against domestic CA no, validation of eligibility criteria through system for registration, verification of documents & MIS for installation and disposal, payment of rebate amount after verification of documents; maintenance of records etc. These are basically the activities carried out starting from registration process till the disbursement of rebate to implementing agency.

3.508 The administrative costs to be recovered by TPDDL in the ARR under DSM fund is 0.18 Cr. (0.75% of total cost i.e. INR 23,69,76,900.00 /-).

3.509 As the Hon'ble Commission has separately approved DSM fund therefore the said expenditure of Rs.1.56 Cr is to be allowed separately in ARR.

Table 171 : DSM fund projected by the Petitioner

Particulars	Amount allowed in ARR(Rs Cr)	Amount sought at the time of True up (Rs Cr)
Approved DSM Fund	20.00	1.56

Table 172 : Summary of New initiative/Additional Expenses (FY 2014-15) (Rs Cr)

Sl. No.	Nature	(Amount) Sought	Remark
Statutory Levis, Taxes etc.			
A	License Fee	1.00	Table 3.19(i)
B	Change in Service Tax	3.03	clarification given above
C	Reverse Charge Mechanism	0.67	Service tax Notification attached as Annexure A-12 in Volume II of the Petition
D	Registration charges as per GOI notification	0.32	clarification given above
E	Land Licensee Fees	2.24	clarification given above
F	CSR Expenses	8.11	clarification given above
Additional Expenses/ Other Expenses – in line with APTEL Judgment			
G	Cost of Auditor Certificate	0.03	Table 3.19(ii)
H	Other Financing charges	0.70	Table 3.19(iii)
I	Safety related matters	1.34	clarification given above
J	Power Banking	7.14	Table 3.19(iv)
K	Rebate on number of Bills		Explanation given below

Sl. No.	Nature	(Amount) Sought	Remark
	Total	**24.60**	

Table 173: Summary of New initiative/Additional Expenses FY 2015-16 (Rs Cr)

Sl. No.	Nature	(Amount) Sought	Remark
Statutory Levis, Taxes etc.			
A	License Fee	1.29	Table 3.19(i)
B	Change in Service Tax	5.45	Explanation given above
C	Reverse Charge Mechanism	3.44	Service tax Notification attached as Annexure A-4 in Volume II of the Petition
D	Land Licensee Fees	1.70	Explanation given above
E	CSR Expenses	8.55	Explanation given above
Additional Expenses/ Other Expenses – in line with APTEL Judgment			
F	Amnesty Scheme	0.05	Explanation given above
G	Other Financing charges	0.48	Table 3.19(ii)
H	Safety related matters	2.26	Explanation given above
I	Power Banking	16.80	Table 3.19(iii)
J	Rebate on number of Bills	3.10	Explanation given above
Demand Side Management			
K	DSM Fund	1.56	Explanation given above
	Total	**44.67**	

3.510 Based on the above submissions, the Petitioner has sought Rs. 24.60 Cr and Rs.44.67 towards new initiative/Additional Expenses for FY 2014-15 and FY 2015-16 respectively.

COMMISSION'S ANALYSIS

3.511 Based on the above analysis, the total amount considered under the head "Other Expenses' is given in the table as follows:

Table 174: Other Expenses Truing up for FY 2014-15 and FY 2015-16 (Rs. Crore)

Particulars	Petitioner's Submission		Commission's Approved	
	FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16
Incremental Licence Fees paid to DERC	1.00	1.29	1.00	1.29
Land License Fees paid towards grid	2.24	1.70	2.24	1.70
CSR Expenses	8.11	8.55		
Amendment in Service Tax	3.03	5.45		
Reverse Charge Mechanism	0.67	3.44		
Registration fees for registration act	0.32	-	0.32	
Cost Auditor Certificate Expense	0.03	-	0.03	

Particulars	Petitioner's Submission		Commission's Approved	
	FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16
Other Finance Charges	0.70	0.48		
Safety Related Matters	1.34	2.26		
Power Banking	7.14	16.80		
Rebate on number of bills	-	3.10		
Amnesty Schemes	-	0.05		
DSM Fund	-	1.56		
Total	**24.58**	**44.68**	**3.59**	**2.99**

NON-TARIFF INCOME (NTI)

PETITIONER'S SUBMISSION

3.512 The Petitioner has submitted that their Non-Tariff Income for the purpose of Truing Up for FY 2014-15 is Rs. 71.85 Cr against Rs. 74.28 Cr and FY 2015-16 is Rs. 71.14 Cr as against Rs. 114.96 Cr as estimated by the Commission in Tariff Order dated 31st July, 2014 and Sep, 2015 respectively.

Table 175 : Non-Tariff Income for FY 14-15 and FY 15-16

Sl. No.	Particular	14-15 (Rs Cr)	14-15 (Rs Cr)	15-16 (Rs Cr)	15-16 (Rs Cr)	Remarks
A	Other Operating Income		155.71		173.36	Note 26 of Audited Accounts
B	Other Income		35.79		57.99	Note 27 of Audited Accounts
C	Add: Open Access Charges		0.18		0.57	Table 3.1
D	Service line charges		0.54		(5.14)	Table 3.20(i)
E	Less- Income from other business		(17.37)		(40.40)	Note 27 of Audited Accounts
F	**Total Income**		**174.84**		186.38	
Less: Income included in above, not passed as Non-Tariff Income						
G	Transfer from capital grants	0.52		0.50		Note 26 of Audited Accounts
H	Transfer from consumer contribution for capital works	24.29		24.33		Note 26 of Audited Accounts
I	Interest/Short term capital gain	8.27		14.23		Note 27 of Audited Accounts
J	Gain on Foreign Exchange	8.16				Note 27 of Audited Accounts
K	Special Meter Reading Charges	0.04		0.05		
L	Financing Cost of LPSC	13.68		11.62		Working given below table 3.20(i) 14-15 and table 3.20 (ii) 15-16
M	Rebate of power purchase	47.90		64.41		Note 26 of Audited Accounts
N	Incentive towards Street Light	1.51		1.44		Note 26 of Audited Accounts
O	Income of Generation Business	0.05				Note given below
P	Cash discount	0.02				Note given below
Q	**Total**		**104.44**		**116.58**	
R	**Sub- Total**		**70.40**		**69.80**	(F)-(Q)
S	Add – Income from Other Business to be offered to consumers		1.45		**1.34**	Table 3.21
T	**Total non-tariff income**		**71.85**		**71.14**	(Q+R) 14-15 & (R+S)

Sl. No.	Particular	14-15 (Rs Cr)	14-15 (Rs Cr)	15-16 (Rs Cr)	15-16 (Rs Cr)	Remarks
						15-16

(Audited Accounts attached as Annexure A-2 in Volume II of the Petition)

3.513 The Petitioner has submitted detailed explanation for each item of Income additionally offered as Non-tariff Income for tariff determination is as follows:

OPEN ACCESS CHARGES

PETITIONER'S SUBMISSION

3.514 The petitioner has submitted that Regulation 5.2 of MYT Regulations, 2011 provides that "The Aggregate Revenue Requirement for the Retail Supply Business of the Distribution Licensee, for each year of the Control Period, shall contain the following items;

(j) Less: Receipts on account of cross subsidy surcharge and additional surcharge from open access customers."

3.515 During FY 2014-15 and FY 2015-16, the Petitioner has billed an amount of Rs. 0.18 Cr and Rs. 0.57 Cr (net of E. tax) towards open access charges respectively.

3.516 Therefore, in accordance with the above MYT Regulations, 2011, the Petitioner has offered Rs. 0.18 Cr and Rs. 0.57 Cr as non-tariff income towards the ARR of FY 2014-15 And FY 2015-16 respectively.

COMMISSION'S ANALYSIS

3.517 The Commission has observed open access charges from audited financial statement as Rs. 0.23 Cr. And Rs. 0.75 Cr. Therefore Commission has considered Rs. 0.23 Cr. And Rs. 0.75 Cr for FY 2014-15 and FY 2015-16 respectively.

SERVICE LINE CHARGES

PETITIONER'S SUBMISSION

3.518 The Petitioner has submitted that the Commission in its Tariff order dated July 2014 has adopted a new approach of considering the entire amount of service line charges as available for non-tariff income. The relevant extract of the same is given below:

"3.223 The Commission is of the view that service line charges were actually received by the utility and deferring certain portion of these charges for future years is not justifiable in terms of Accounting Standards/principles. Hence, the Commission has considered the service lines charges of Rs.32.67 Crore as per the audited accounts for FY 2012-13. Further, the Commission has considered an amount of Rs.38.94 Crore deferred pertaining to FY 2010-11 (Rs.11.85 Crore) and FY 2011-12 (Rs.27.09 Crore) and added to non-tariff income in the truing up for FY 2012-13."

3.519 The Petitioner has respectfully submitted that the said new approach as adopted from FY 2012-13 is against the earlier approach (Capital Receipt) followed by the Commission itself since policy direction period. In the earlier approach, the Commission treats the service line charges as an income over a period of 3 years.

3.520 Relevant extract of the Tariff Order on ARR and Tariff Petition of NDPL for FY 2004-05 is reproduced by the Petitioner below for reference

"…………the Petitioner has highlighted that in the event of the Commission disallowing the charging off the meters as a revenue expense, the Service Line Charges, which have been considered as part of the Non-Tariff Income shall need to be treated as a capital receipt. For FY 2003-04, the Commission has considered the Non-Tariff Income of Rs 20.30 Crore while estimating the ARR after treating the Service Line Charges as an income over a period of 3 years."

3.521 Aggrieved by the said new methodology as followed by the Commission, the Petitioner has challenged the said issue before the Hon'ble APTEL.

3.522 As the matter is sub-judice, therefore, the Petitioner has sought the service line charges in line with earlier methodology as adopted and agreed between the DISCOMS and the Commission vide Tariff Order for FY 2004-05.

3.523 Computation of service line charges to be offered for FY 2014-15 and FY 2015-16 based on capital receipt concept is given below.

Table 176 : Service line charges (FY 15-16) (Rs Cr)

Particulars	4th installment	3rd installment	2nd installment	1st installment	14-15 Total	15-16 Total

	of FY 2012-13	of FY 2013-14	of FY 2014-15	of FY 2015-16		
Amount to be considered (based on 1/3rd of Service line charge) – "A"	10.89	9.72	10.04	12.45	30.65	32.20
Amount received for the year – "B" *					30.11	37.36
Additional amount now offered C= A-B					0.54	5.41

**Refer note no 26 of the Audited Balance Sheet of Annexure A-2 of Volume II of the Petition*

3.524 The Petitioner has submitted the detailed explanation for each item of Income not to be considered as Non-tariff Income for tariff determination is as follows:

COMMISSION'S ANALYSIS

3.525 The Commission has observed from the audited financial statements of FY 2014-15 and FY 2015-16 that the service line charges are Rs. 0.54 Crore and Rs. 5.14 Crore respectively. Therefore, as per the prevailing practice in previous Tariff Order, the Commission has considered these amounts as part of non-tariff income for the relevant year.

GRANT/CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.526 The Petitioner has submitted that as the Commission is utilizing the Gross Capital Grant/Consumer Contribution for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for capex/capitalization financing. The above treatment is in accordance with the principles accepted and implemented by the Commission in its previous Tariff Orders also.

COMMISSION'S ANALYSIS

3.527 The Commission has observed open access charges from audited financial statement as Rs. 24.29 Cr. And Rs. 24.33 Cr. Therefore Commission has considered Rs. 24.29 Cr. And Rs. 24.33 Cr. for FY 2014-15 and FY 2015-16 respectively.

INTEREST ON SURPLUS FUNDS OUT OF SHAREHOLDER'S MONEY

PETITIONER'S SUBMISSION

3.528 The Petitioner has submitted that in tariff order of July 2014, the Commission has treated income arising from surplus funds of shareholder's money as non-tariff income which is against the following principles:

a) The Commission own acceptance in the tariff order for FY 05-06 as reproduced below **(2014-15)**

b) The Hon'ble APTEL order in appeal no 153/2009, where the APTEL has decided that interest on surplus funds out of shareholder's money is not a part of NTI

c) Sudden and different approach taken by the Commission against the MYT Regulations and precedent creating uncertainty for shareholders

d) Regulation 5.35 of MYT Regulations 2011 also excludes the income arising from Shareholder's fund to be treated as a part of NTI. **(2015-16)**

e) Against the principle of Transfer scheme

   a) The Commission itself in the tariff order FY 05-06 has accepted that TPDDL (Petitioner herein) in its ARR and Tariff Petition for FY 2005-06 has submitted that the company has invested short terms surplus in the Debt Based Mutual funds and these investments have been made out of surpluses which have arisen due to the dis-allowance of ploughing back the entire Return on Equity (which the Company has been unable to declare as dividend due to inadequacy of Profits After Tax, hence any interest/dividend on the same shall not constitute non-tariff Income. Relevant extract of the Petitioners submission as mentioned in *DERC Tariff Order for FY 2005-06* is given below

   b) *"The Petitioner has submitted that the company has invested its short terms surpluses in Debt Based Mutual funds and these investments have been made out of surplus which have arisen due to the dis-allowance of ploughing back the entire Return on Equity (which the Company has been unable to declare as dividend due to inadequacy of Profits After Tax), any interest/dividend on the same shall not constitute non-tariff income."*

   c) The Petitioner has submitted that the Commission has upheld the TPDDL contention by considering the view that in case the petitioner distributes the free reserve arising out of return on equity, not allowed to invest in the business as dividend to shareholders, the company will not earn any income, therefore any interest/ short term capital gain earn on the free reserve which was not allowed to invest in the business shall not be treated as a part of non-tariff income, hence not considered an amount of Rs 3.36 Cr as non-tariff income for FY 2004-05.

d) *Relevant extract of the DERC Tariff Order for FY 2005-06 is given below (refer page no 3-39 of the Tariff Order)*

e) "As regard to the Petitioner's submission on treatment of income from investments made out of surplus due to the dis-allowance of ploughing back the entire Return on Equity, the Commission agrees with the Petitioner's views. In case, the Petitioner distributes the free reserves arising out of Return on Equity not allowed to invest in the business as dividend to shareholders, the Company will not earn any income. Therefore, the Commission has not considered income on these investments as part of non-tariff income."

f) Further the Petitioner submitted that based on the above, the Commission has not considered the interest/ short term capital gain as non-tariff Income from FY 2004-05 onwards.

3.529 The petitioner has also submitted that apart from its view upheld by the Commission as mentioned above, It is worth to mention that Hon'ble APTEL also upheld the Petitioner view in its Judgment in Appeal no 153/2009 that interest on surplus funds should be allowed to the company. Relevant extract of the same is reproduced by the Petitioner *"the State Commission cannot erode the benefit to be derived by the distribution company by considering such interest income as part of non-tariff income to be deducted from ARR. Therefore finding on this issue by State Commission is wrong. ………………………………………………………………………………*

Interest Income on surplus on account of retail supply tariff except the consumer 'share in incentive on overachievement of AT&C losses cannot be deducted from the ARR."

3.530 The Petitioner has earned Rs. 8.27 Cr and Rs. 14.23 Cr on shareholder's funds invested during different period of the year during the FY 2014-15 and FY 2015-16 respectively.

COMMISSION'S VIEW

3.531 The Commission has decided to deduct Rs. 8.27 Cr and Rs. 14.23 Cr on shareholder's funds invested during different period of the year during the FY 2014-15 and FY 2015-16 respectively.

GAIN ON FOREIGN EXCHANGE FLUCTUATIONS OF RS. 8.16 CR.

PETITIONER'S SUBMISSION

3.532 The Petitioner has earned Rs. 8.16 Cr gain on foreign exchange transaction in respect to payment made towards purchase of Gas during the current financial year. It is further clarified by the Petitioner that as the Petitioner has prepared financial statement based on company as a whole, therefore the transaction related to generation business are also form a part of income/expenditure of financial statement. Hence the Petitioner is deducting Rs. 8.16 Cr. from the other Income and not offering the same as income available towards distribution business.

3.533 The Petitioner has clarified that the above foreign exchange gain earned by the Petitioner on the take or pay advance payment of USD 5.96 Million to M/s RIL and other associate parties for the period in which M/s RIL could not supply gas for Rithala Generation plant due to shortage of gas. Since the gas could not be supplied by M/s RIL due to shortage of gas, hence payment made by the Petitioner didn't form part of power purchase cost from Rithala to TPDDL distribution unit. The Petitioner also submitted that as the same payment was made by TPDDL from its own sources for which no carrying cost was allowed by the Commission, hence any gain earned on foreign exchange on refund of the above said advance payment, does not form part of ARR, hence to be excluded from Revenue available towards ARR.

COMMISSION'S ANALYSIS

3.534 The Commission is of the view whatever gain realised by the petitioner was undoubtedly related to business activities of licensed business. Therefore, gain realised from such transactions should be considered as NTI, therefore the

Commission has decided not to deduct gain on foreign exchange from NTI.

SPECIAL METER READING EXPENSES

PETITIONER'S SUBMISSION

3.535 The Petitioner has submitted that during FY 14-15 and FY 15-16, consumers have filed applications to do special meter reading by paying the nominal charges/fee. In order to conduct such, on request special meter reading the Petitioner has to incur additional/excess expenses by hiring outsourced agencies to that extent.

3.536 Therefore, the Petitioner is not offering such nominal feed/charges of Rs. 0.04 Cr (FY 2014-15) & Rs. 0.05 Cr (2015-16) received towards special meter reading as non-tariff income because no corresponding additional expenses in the form of meter reading is being allowed to the Petitioner. It is pertinent to mention that meter reading expenses are allowed on normative basis.

COMMISSION'S ANALYSIS

3.537 The Commission is of the view that money received by the petitioner is undoubtedly related to business activities of licensed business. Therefore, money received by the petitioner on account of special meter reading charges should be considered as NTI, therefore the Commission has decided not to deduct special meter reading charges from NTI.

FINANCING COST FOR LPSC

PETITIONER'S SUBMISSION

3.538 The Petitioner has submitted that the LPSC is levied on consumers who do not make payment within the credit period allowed for payment. This compensates the Utility for the additional interest cost that gets incurred on the additional working capital requirements due to non-payment for timely payments of such dues by the consumers by the respective due dates.

3.539 The Petition has also submitted that the LPSC received by the distribution licensee is treated as Non-Tariff Income under Regulation 5.23 of the MYT Regulations and the same is deducted to arrive at the ARR. Regulation 5.23 provides by the Petitioner as follows:

"5.23 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to the licenses business from the other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee."

3.540 In this regard, the Petitioner has submitted some Appeal/judgement of the Hon'ble APTEL as below:

The Hon'ble APTEL in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates. The Hon'ble APTEL categorically held that "the financing cost relating to the late payment surcharge" must be derived from the "prevalent market lending rates." This is imperative because the Petitioner is required to finance working capital requirement arising out of delayed payment throughout the year.

The Hon'ble APTEL vide its judgment dated July 12, 2011 in Appeal No. 142 of 2009 had held that the Petitioner is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. The relevant portion of the judgment is reproduced below:

"19.5…

Accordingly, the Appellant is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate."

(Emphasis added)

3.541 However, the Petitioner submitted that the Commission has used the approach that

LPSC financing cost is to be allowed based on the cost of debt for working capital only. Further MYT Regulations, 2011 stipulated that working capital should be considered as 100% debt financed, therefore, the Petitioner sought the cost of working capital as 100% debt financed and further entitled to get tax on the equity portion as per MYT Regulations, 2011 hence for the purpose of computing financing cost the petitioner has grossed up the debt rate by applicable income tax rate for 30% portion of equity.

3.542 The Petitioner has reproduced the financing cost for LPSC is computed in a tabular form as follows:

Table 177 : Computation of financing cost for earning LPSC

Sl. No.	Particular	UoM	Amount (Rs Cr)	UoM	Amount (Rs Cr)
		2014-15		2015-16	
A	LPSC earned	(Rs Cr)	19.62	(Rs Cr)	16.64
B	Late payment surcharge rate as prescribed by the Hon'ble Commission	%	18% p.a.	%	18% p.a.
C	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B)	(Rs Cr)	109.02	(Rs Cr)	92.44
D	Financing Cost Rate	%	12.54%	%	12.57%
E	Financing Cost (C*D)	(Rs Cr)	13.68	(Rs Cr)	11.62
F	Cost of Working Capital-70% Debt		11.62%		11.62%
G	Return on Equity- 30% Equity - grossed up for tax	11.62% p.a. /(1-tax rate of 20.96%)	14.70%	11.62% p.a. /(1-tax rate of 21.35%)	14.77%
H	Financing cost Rate	(70%*11.62%) + (30%*14.70%)	12.54%	(70%*11.62%) + (30%*14.77%)	12.57%

COMMISSION'S ANALYSIS

3.543 As per judgment in Appeal No. 14 of 2012 of Hon'ble APTEL :

"135. Delhi Commission has submitted that allowing financing cost for LPSC means allowing of additional working capital for the time period between the due date and the actual date of payment. Hence, financing cost of LPSC has to be

at the same rate as that approved for working capital funding. The view taken by the Delhi Commission is correct and need not be interfered with."

3.544 The Commission has approved the rate of interest of working capital at 10.17% for FY 2014-15 and 10.25% for FY 2015-16. In view of the judgment of Hon'ble APTEL, the Commission considers the financing cost at 10.17% for FY 2014-15 and 10.25% for FY 2015-16 and interest approved for funding of principal amount of LPSC for FY 2014-15 and FY 2015-16 indicated in the table as follows:

Table 178: Approved Funding of LPSC (Rs. Crore)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	LPSC Collected @ 18 %	19.62	16.64
B	Principal amount on which LPSC was charged (A/18%)	109.02	92.44
C	Interest Rate for funding of Principal of LPSC	10.25%	10.40%
D	Interest approved on funding of Principal amount of LPSC (B*C)	11.17	9.61

INCENTIVE TOWARDS STREET LIGHT

PETITIONER'S SUBMISSION

3.545 The Petitioner has respectfully submitted that in order to evolve a performance driven system that the Commission vide its order dated 22.09.2009 has put up the incentive/disincentive mechanism for maintaining street lights.

3.546 The Petitioner has also submitted the relevant extract of para no. 20 on page no 9 of the aforesaid order is given below:

"On going through the relevant submission made by the DISCOMs and MCD/PWD etc., it is decided that the performance level/ efficiency for the purpose of incentive shall be reviewed during next control period till such time the same arrangement for incentive/ disincentive shall continue as under:

Performance level achieved	***Incentive***	***Example***
Between 90-95%	*1% of the maintenance cost for each percentage in over achievement from target of 90%*	*Actual Performance 93%* *Incentive 93-90 = 3%*
Between 95-97%	*1.5% of the maintenance cost for each percentage in over achievement from target of 95%*	*Actual Performance 97%* *Incentive= 5 + 3 = 8%*
Above 97%	*2.0% of the maintenance cost for each percentage in*	*Actual Performance 99%* *Incentive = 8 + 4 = 12%*

Performance level achieved	***Incentive***	***Example***
	over achievement from target of 97%	

Performance less than 90% shall attract disincentive for the DISCOMS according to the following table:

Performance level achieved	***Disincentive***	***Example***
Between 80-90%	*1% of the maintenance cost for each percentage in shortfall to achieve target of 90%*	*Actual Performance 83%* *Disincentive 90-83 = 7%*
Between 70-80%	*1.5% of the maintenance cost for each percentage in shortfall to achieve target of 80%*	*Actual Performance 77%* *Disincentive =10+4.5 = 14.5%*
Below 70%	*2% of the maintenance cost for each percentage in shortfall to achieve target of 70%*	*Actual Performance 60%* *Disincentive = 25 + 20 = 45%*

3.547 The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month.''

3.548 The Petitioner has submitted that the incentive earned by the Petitioner would not be a pass through in the ARR according to the State Commission Order, hence the Petitioner had kept with itself Rs. 1.51 Cr (FY 2014-15) and Rs. 1.44 Cr (FY 2015-16) as incentive earned towards the maintenance of Street Light. Further, the Petitioner clarified that the total amount of maintenance charges under the head Operating Income as appearing in Note No 26 of Audited Balance Sheet is inclusive of aforesaid incentive of Rs 1.51 Cr (FY 2014-15) and Rs. 1.44 Cr (FY 2015-16), therefore, the Petitioner has deducting the amount of Rs 1.51 Cr (FY 2014-15) and Rs. 1.44 Cr (FY 2015-16) from the total operating income.

COMMISSION'S ANALYSIS

3.549 The Commission in its Order dated March 5, 2004 regarding directions for street lighting in the areas of MCD has stated as follows:

"11. … The best way doing this would be to have an in-built system of providing incentives in case of good performance and likewise, impose penalties in case the performance is lower than expectations…

- *The Commission would like to evolve a system whereby good performance is rewarded. Similarly, poor performance also needs to be discouraged and therefore, the Commission directs that full maintenance charges may be paid for 90% performance. Performance higher than 90% shall earn an incentive for the DISCOMS according to the following table:*

Performance level achieved	***Incentive***	***Example***
Between 90-95%	*1% for each percentage in over achievement from target of 90%*	*Actual Performance 93% Incentive 93-90= 3%*
Between 95 - 97%	*1.5% for each percentage in over achievement from target of 95%*	*Actual Performance 97% Incentive = 5+3 = 8%*
Above 97%	*2.0% for each percentage in over achievement from target of 97%*	*Actual Performance 99% Incentive = 8+4 = 12%*

Performance less than 90% shall attract disincentive for the DISCOMS according to the following table:

Performance level achieved	***Disincentive***	***Example***
Between 80-90%	*1% for each percentage in shortfall to achieve target of 90%*	*Actual Performance 83% Disincentive 90-83 = 7%*
Between 70 - 80%	*1.5% for each percentage in shortfall to achieve target of 80%*	*Actual Performance 77% Disincentive = 10+4.5 = 14.5%*
Below 70%	*2% for each percentage in shortfall to achieve target of 70%*	*Actual Performance 60% Incentive = 25+20 = 45%*

The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month."

3.550 The Commission in its Tariff order dated 23/07/2014 has already clarified that income from street light maintenance is part of other income of regulated business. Further, the expenses incurred on account of this activity are part of O&M expenses of the base year. Therefore, no separate expenses are permissible under this head.

3.551 Further, the Commission had directed the Petitioner in Tariff Order dtd. 29/09/2015 to provide details of the incentive earned on account of street light maintenance which shall be allowed to be retained by the Petitioner. However, the Commission observes that neither any separate line item for incentive earned on street light maintenance in Note 26 of the audited financial statements of FY 2014-15 and FY 2015-16 is available nor the petitioner has provided any separate details on incentive earned on account of street light maintenance as claimed by the Petitioner. Therefore, the Commission has considered the amount for Street Light Maintenance Business as Other Business Income of the distribution business.

INCOME PERTAINING TO GENERATION BUSINESS

PETITIONER'S SUBMISSION

3.552 The Petitioner has submitted that they earned other income of Rs. 0.05 Cr for its generation division during FY 14-15.

3.553 It is clarified that the aforesaid income will be offered in tariff petition of the generation division by the Petitioner as per the MYT Regulations pertaining to State Generating Stations.

3.554 Therefore, the Petitioner is not offering the generation income of Rs 0.05 Cr as a part of non-tariff income of distribution business.

COMMISSION'S ANALYSIS

3.555 The Commission has decided to allow deducting Rs. 0.05 Cr. on account of income from generation business.

INCOME PERTAINING TO CASH DISCOUNT

PETITIONER'S SUBMISSION

3.556 The Petitioner has submitted that they have earned cash discount of Rs 0.02 Cr due to early discharge of liability during FY 14-15. Further submitted that working capital is allowed on normative basis hence any saving due to efficiently management of working capital shall be retained with the Petitioner; hence the same is not offered as non-tariff income by the Petitioner.

COMMISSION'S ANALYSIS

3.557 The Commission is of the view that the petitioner availed cash discount on activities which pertains to licensed business activities only. Therefore, the Commission decides not allow deduction of cash discount from NTI.

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER'S SUBMISSION

3.558 The Petitioner has cited the Regulation 5.34 of MYT Regulations, 2011 specify that *"Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007", and shall be a pass through in the ARR."*

3.559 Regulation 16(vi) of Delhi Electricity Supply Code and Performance Standards Regulations, 2007", specify that

"vi The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year."

3.560 The Petitioner has submitted that the Commission used the consumer security deposit as a means of finance to fund the revenue gap, hence in order to compute the net interest on consumer security deposit, interest rate equivalent to carrying cost rate of 15.13% (FY 2014-15) and 14.80% (FY 2015-16) has been considered.

Table 179 : Computation of Interest on Consumer Security Deposit

Sl. No.	Particulars	2014-15 Amount (Rs Cr)	2015-16 Amount (Rs Cr)	Remarks
A	Opening balance of consumer security deposit as on 01.04.2014	458.83	505.32	

B	Closing balance of consumer security deposit as on 31.03.2015	505.32	549.45	
C	Average balance	482.08	527.39	(A+B)/2
D	Interest Rate (%)	15.13%	14.80%	Annexure A-13 in volume II of the Petition
E	Interest amount	72.91	78.05	(C*D)
F	Less- adjustment for Interest on Consumer security deposit already passed to the consumers in their bills	30.45	33.28	Note no 30 of Audited Balance Sheet
G	Differential amount of interest offered in ARR for FY 2014-15 and Rs. 2015-16	42.47	44.78	(E-F)

3.561 Based on the above computation, the Petition is offering Rs. 42.47 Cr (FY 2014-15) and Rs. 44.78 (FY 2015-16) as interest on CSD while computing the Annual Revenue Requirement for FY 2014-15 and FY 2015-16.

COMMISSION'S ANALYSIS

3.562 The Commission is of the view that the Petitioner has invested the Consumers security deposits in the regulated business. The Commission has considered the normative interest rate as per the rate of interest on carrying cost. The difference in the normative interest and the interest booked on consumer security deposit (at the rate of 6%) for FY 2014-15 and FY 2015-16 as per the audited financial statements has been considered as Non Tariff Income as the funds are already with the DISCOM which is being utilised for the Regulated business. The approved interest on consumer security deposit considered as part of Non Tariff Income is computed as follows:

Table 180: Interest on Consumer Security Deposit (Rs. Crore)

Sr. No.	Particulars	FY2014-15	FY2015-16
A	Opening CSD	443.34	488.10
B	Additions	44.76	42.62
C	Closing CSD	488.10	530.72
D	Average CSD	465.72	509.41
E	Rate of Interest	10.25%	10.40%
F	Normative interest on CSD	47.74	52.98
G	Interest paid to the consumers	30.45	33.28
H	Normative interest as part of Non tariff income	17.29	19.70

INCOME FROM OTHER THAN LICENSED BUSINESS

PETITIONER'S SUBMISSION

3.563 With the objective of creating additional avenues for growth, sharing of knowledge & best practices across utilities, and most importantly, in line with its strategy of providing power at competitive rates to consumers, the Petitioner is exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.

3.564 The Petitioner has also built up considerable expertise in various areas relating to change management, business processes reengineering, implementation of IT Solutions, etc.

3.565 The Petitioner has submitted that they have earned Rs 17.37 Cr (FY 2014-15) and Rs. 40.40 Cr (FY 2015-16) (Gross Receipts) from other than licensed business. Breakup of the same is produced by the Petitioner given below;

(a) Training (Rs 1.46 Cr) FY 2014-15 and (Rs. 1.29 Cr) FY 2015-16, which includes training to outsiders (Programme covered – APDRP, Drum Training etc. provided to Employees of other state utilities).

(b) Optimal utilization of Distribution Assets (Rs 0.82 Cr) FY 2014-15 and (Rs.1.18 Cr) FY 2015-16; and

(c) Consultancy (Rs. 15.09 Cr) FY 2014-15 and (Rs. 37.93 Cr) FY 2015-16 which includes consultancy relating to Data porting, Service- Development of software application wherein substantial amount of expenses are incurred by Petitioner towards travelling expenses.

3.566 The Petitioner has submitted that the Commission vide its letter dated May 25, 2007 has clarified that the income from other business shall be shared on net of expenses basis.

3.567 It is further submitted that the Hon'ble APTEL in Appeal no 14/2012 has also upheld that income from other business should be allocated net of expenses incurred to earn the income from other business. Petitioner has reproduced ready reference for the same below:

"47. Whereas the main Regulation 5.26 has used the words 'income from other businesses, 2nd Proviso to the section has used the word 'revenue from such other business. Thus, it clear from plain wording of the Regulation 5.26 that

'income' is different from 'revenue'. Income in main regulations is the profit earned by the Appellant from other business and is equal to revenue earned from other business minus the expenditure incurred on the other business.

48. It is clear from the plain reading of Regulation 5.26 itself that income from other sources to be worked out by deducting expenditure from the revenue.

49. Accordingly the same is decided in favor of the Appellant".

3.568 To generate such income, the Petitioner has incurred direct expenditure of Rs.10.90 Cr and Rs. 25.60 Cr during the FY 2014-15 and FY 2015-16 respectively which has to be deducted while computing the net income available for sharing between consumers and the Petitioner.

3.569 It is further submitted that though the Commission has taken the entire 80% of revenue generated from other business, but has not allowed Income Tax separately on the same as the revenue from other business is benefiting consumers and revenue has been generated additionally for the benefit of consumers. Any associated tax expense on additional revenue generated for the benefit of consumers should be allowed and burden on the same should not erode 16% assured RoE of shareholders as additional net revenue is for the benefit of consumers and not detrimental to the interest of consumers. Therefore, it is the contention of the Petitioner that Income Tax @ 20.96% on Rs. 17.37 Cr (on grossed up basis Rs. 1.72 Cr) FY 2014-15 and Income Tax @ 21.35% towards Rs. 40.40 Cr (on grossed up basis comes to Rs. 4.02 Cr) FY 2015-16 on additional revenue should have been allowed separately over and above Income Tax on RoE of Distribution business.

3.570 It is submitted that where there was optimal utilization of Distribution Assets, the Petitioner itself is submitting before the Commission that the revenue from the same should be considered in the ratio of 10:90 (FY 2014-15) and 40:60 (FY 2015-16). However, with regard to Training and Consultancy activity the Petitioner is claiming the revenue to be divided in the ratio of 33:67 (FY 2014-15) and 10:90 (FY 2015-16) (Consumer: Petitioner).

3.571 The Petitioner submitted that they have filed a Petition before the Commission in relation to change in the sharing ratio of Income from other business.

3.572 On the basis of above submission, the Petitioner is hereby going to propose the sharing of other business income as under:

Table 181 : Break-up of sharing of other business Income for FY 2014-15 and 2015-16

Particulars	2014-15 Rs Cr	2015-16 Rs Cr	2014-15 Petitioner's Share	2015-16 Petitioner's Share
(A) Consultancy				
Consultancy Income	15.09	37.93		
Training Income	1.46	1.29		
Sub Total	16.55	39.22		
Less- Direct Exp- other than Income tax	10.90	25.60	10.90	25.60
Less: Income Tax (i.e. on Grossed up basis)	1.50	3.70	1.50	3.70
Net Revenue (A)	4.16	9.93		
(B) Distribution of Assets				
Distribution of Assets	0.82	1.18		
Less- Direct Exp- other than Income tax			-	-
Less: Income Tax (i.e. on Grossed up basis)	0.22	0.32	0.22	0.32
Net Revenue (B)	0.60	0.86		
(C) Income from DSM Fund (LED Scheme)				
Sharing of Income from A above			2.77	8.93
Sharing of Income from B above			0.54	0.51
Total	**17.37**	**40.40**	**15.92**	**39.06**

COMMISSION'S ANALYSIS

3.573 The Commission is of the view that except income tax expenses related to income from other business are already considered as a part of A & G expenses. Therefore, the Commission has decided to allow income tax pertaining to 'Income from other Business' and considered 'Income from other business" on the basis of regulation for "Income from Other Business'.

3.574 Based on the above analysis and deliberations, the Commission has approved the amount of Non Tariff Income as summarized below:

Table 182: Amount of Non Tariff Income (Rs Cr)

Sl. No	Particulars	2014-15	2015-16
		Now Approved	Now Approved
I	**As per Audited Accounts**		
A	Other Operating revenue	155.71	173.36
B	Other Income	35.79	57.99

Sl. No	Particulars	2014-15	2015-16
		Now Approved	Now Approved
C	Income from normative interest on Consumer Security Deposit	17.29	19.70
E	Add: Open Access Charges	0.23	0.75
F	**Less: Income from other business (a+b)**	**1.72***	**4.02***
G	**Total NTI (III – F)**	**207.30**	**251.53**
H	Less: Transfer from Capital Grants	0.52	0.50
I	Less: Financing cost of LPSC	11.17	9.61
J	Less: Rebate on Power Purchase and Transmission charges	47.90	64.41
K	Less: Incentive towards Streetlight maintenance Charges	1.51	1.44
L	Less: Short term gain	8.27	14.23
M	Less: Income from generation	0.05	-
N	Less: Transfer from Consumer Contribution for Capital Works	24.29	24.33
O	**Total (1 to)**	**93.71**	**114.52**
P	**Total : Non Tariff Income (IV - V)**	**113.58**	**133.25**

* Including income tax on other business

CAPITALIZTION AND CAPITAL EXPENDITURE

PETITIONER'S SUBMISSION

3.575 Considering the EI certificate based capitalization, the Gross Fixed Assets for FY 2014-15 and FY 2015-16 is works out as follows:

Table 183 : Gross Fixed Assets (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Opening Balance	4,586.79	4,942.27
B1	Capitalization out of CWIP prior to 01.04.2007	16.82	0.00
B2	Capitalization out of CWIP after to 01.04.2007	338.65	389.96
B	Total Capitalization during the year	355.47	389.96
C	De-Capitalization*		
D	Closing Balance	4,942.27	5,332.23
E	Average Fixed Assets	4,764.53	5,137.25

**As the matter is sub-judice, no retirement has been considered*

3.576 The Petitioner has submitted the actual Capitalization of fixed assets (Distribution business) as per books of accounts for FY 2014-15 and FY 2015-16 is as follows (Refer Annexure A-2 in volume II of the Petition):

Table 184 : Detail of Actual Capitalization (Rs Cr)

Particulars	FY 14-15	FY 14-15
Capitalization as per Audited Accounts	318.51	362.75
Less- Generation Capitalization	0.15	-
Distribution Capitalization	318.36	362.75

3.577 According to the Petitioner, the Hon'ble Commission has considered the capitalization based on the receipt of Electrical Inspector (EI) certificate, which means the year in which EI certificate is received has been considered as year of capitalization. Year wise detail of receipt of EI certificate in respect to capitalization considered for FY 2014-15 and FY 2015-16 is given as below:

Table 185 : Detail of Actual Capitalization (Rs Cr)

Year of capitalization	2014-15 Opening Pending EI certificates (Table 3.8.4.3)	2015-16 Opening Pending EI certificates (Table 3.8.4.3)	Total Capitalization / Opening O/S EI certificates	EI certificate not required – D	FY 15	FY 16	Pending	Pending
FY 05-06	8.10	5.43			2.67		5.43	5.43
FY 06-07	16.29	5.15			11.14		5.15	5.15
FY 07-08	12.74	9.73			3.01		9.73	9.73
Capitalization Prior to 01.04.2007 – "A"	**37.13**	**20.31**			**16.82**		**20.31**	**20.31**
FY 08-09	14.86	10.18			4.68		10.18	10.18
FY 09-10	11.40	5.00			6.4		5.00	5.00
FY 10-11	3.86	0.87			2.99		0.87	0.87
FY 11-12	15.78	2.93			12.85	0.24	2.93	2.69
Capitalization 1st MYT Period – "B"	**45.90**	**18.98**			**26.92**	**0.24**	**18.98**	**18.74**
FY 12-13 – "C"	22.31	7.89			14.42	0.28	7.89	7.61
FY 13-14 – "E"	7.67	1.75			5.92	0.05	1.75	1.70
FY 14-15 –"F"		26.96		**125.66**	**165.73**	26.96	**26.96**	0.00
FY 15-16 – "G"				**169.20**		**193.22**		**0.32**
Total Capitalization (A+B+C+D+E+F)	**113.01**	**75.89**			**355.47**	**389.96**	**75.89**	**48.68**

COMMISSION'S ANALYSIS

3.578 The Commission has considered opening GFA for FY 2014-15 as the closing GFA for FY 2013-14 approved in the Tariff Order dtd. 29/09/2015.

3.579 As per Audited Financial statements for FY 2014-15 and FY 2015-16, the Capitalisation, De-Capitalisation and Consumer Contribution is as follows:

Table 186: Audited Capitalisation, De-Capitalisation and Consumer Contribution

Particulars	FY 2014-15	FY 2015-16
Capitalisation	318.51	362.75
De-Capitalisation	18.67	29.73
Consumer Contribution	87.94	116.32

3.580 In view of the pending physical verification of the fixed assets of the Petitioner, Capitalization for the purpose of true up has been considered provisionally based on audited financial statements for FY 2014-15 and FY 2015-16 as follows:

Table 187: GFA approved as per audited financial statements for FY 2014-15 and FY 2015-16 (Rs. Cr.)

Sr. No	Particulars	Petitioner's Submission		Trued up	
		FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16
A	Opening GFA	4586.79	4942.27	3637.50	3937.35
B	Additions during the year	355.47	389.96	318.51	362.75
C	Retirements	-	-	18.67	29.73
D	Closing GFA	4942.27	5332.23	3,937.35	4270.36
E	Average GFA	4764.53	5137.25	3,787.42	4103.85

FINANCING OF CAPITALIZATION

PETITIONER'S SUBMISSION

3.581 The Petitioner has submitted that the Commission in its MYT Regulations, 2011 has allowed the financing of capitalization based on Debt: Equity ratio of 70:30. It is further clarified that during the financial year the Petitioner has capitalized the assets of Rs 355.47 Cr (FY 2014-15) and Rs. 389.96 Cr (FY 2015-16) based on EI certificates. Out of this, capitalization of Rs. 16.82 Cr (FY 2014-15) has been done from opening CWIP for which the Commission has already allowed financing in Policy Direction Period. Thus, for the Balance capitalization of Rs. 338.65 Cr the Petitioner has sought financing (net of consumer contribution) in debt equity ratio of 70:30.

Table 188 : Financing of Capitalization (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16	Remark
A	**Total Capitalization**	338.65	389.96	
B	Consumer Contribution	72.16	116.32	
C	Balance Capitalization	266.50	273.64	(A-B)
D	Loan	186.55	191.55	70% of C

E	Equity	79.95	82.09	30% of C

COMMISSION'S ANALYSIS

3.582 The Commission provisionally considers the audited financial statements and funding of net capitalisation through equity and debt in the ratio of 30:70 in terms of Regulation 5.11 of the MYT Regulations, 2011 as follows:

Table 189: Financing of new investment capitalised as approved by Commission (Rs. Crore)

Sr. No	Particulars	Petitioner's Submission		Trued up		Remarks
		FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16	
A	Capitalisation	338.65	389.96	299.85	333.01	
B	Consumers contributions	72.16	116.32	87.94	116.32	
C	Net Capitalisation	266.50	273.64	211.91	216.69	(A-B)
D	Equity	79.95	82.09	63.57	65.01	C*30%
E	Loan	186.55	191.55	**148.33**	**151.68**	C*70%

CONSUMER CONTRIBUTION/GRANT

PETITIONER'S SUBMISSION

3.583 The Petitioner has submitted that the MYT Regulations stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized has to be deducted.

3.584 As the capitalization has been considered based on EI certificate received, therefore the corresponding consumer contribution based on EI certificate received has been computed.

3.585 Based on the above, the consumer contribution works out as follows:

Table 190 : Consumer Contribution/grants (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Opening Balance	527.54	615.48
B1	Capitalized out of Opening till 31.03.07	15.78	0.38
B2	Capitalized out of Consumer Contribution received after 01.04.07	72.16	116.32
B	Total Addition during the year	87.94	116.69
C	Closing Balance	615.48	732.17
D	Average Consumer Contribution	571.51	673.82

COMMISSION'S ANALYSIS

3.586 The Commission has considered closing contribution at Rs. 461.87 Crore for FY 2013-14 in the tariff order dated 29.09.2015. As per audited accounts for FY 2014-15 and FY 2015-16, the additions to the consumer contribution during FY 2014-15 and FY 2015-16 are Rs. 87.94 crore and Rs. 116.32 Crore respectively. The additions to the consumer contributions during FY 2014-15 and FY 2015-16 are considered accordingly.

Table 191: Consumer Contributions for FY 2014-15 and FY 2015-16

S.N.	Particulars	FY 2014-15	FY 2015-16
A	Opening Consumers contributions (A) (Tariff Order dated Sept. 29, 2015)	461.87	549.81
B	Addition to Consumer contribution (B) (as per audited financial statements)	87.94	116.70
C	Closing consumers contributions (C = A+B)	549.81	666.51
D	Average consumers contributions (A+C)/2	505.84	608.16

DEPRECIATION (NET OF CONSUMER CONTRIBUTION)

PETITIONER'S SUBMISSION

3.587 As per MYT Regulations,

"Depreciation shall not be allowed on assets funded by any capital subsidy / grant."

3.588 The Petitioner has submitted that as specified in the MYT Regulations 2011, the Commission has allowed the depreciation on net fixed assets i.e. Gross Addition – Consumer Contribution/ Requirement, first depreciation rate prescribed in MYT Regulations 2011 is applied on average Gross Block of Assets in order to compute the total depreciation and thereafter based on such total depreciation and average Gross Block of Assets, average depreciation rate is worked out which is further applied on Fixed assets (net of consumer contribution) to compute the allowable depreciation for the year.

3.589 Based on above methodology, average depreciation rate is worked out as follow:

Table 192 : Computation of Average rate of Depreciation on Gross Fixed Assets (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Average of Gross Fixed Assets	4,764.53	5,137.25
B	Depreciation	185.94	201.03
C	Average Depreciation Rate	3.90%	3.91%

3.590 Considering the above depreciation rate, computation of allowable depreciation on Average Assets (net of consumer contribution/grants) is given below:

Table 193 : Depreciation on Net Fixed Assets (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Average Assets	4,193.02	4,463.42
B	Average Depreciation Rate	3.90%	3.91%
C	Depreciation (Net of Consumer Contribution)	163.64	174.66

Table 194 : Cumulative Depreciation on Fixed assets (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Opening Balance	1,554.22	1,717.86
B	Addition during the year	163.64	174.66
C	Impact of De-capitalization*		
D	Closing Balance	1,717.86	1,892.52

**As the matter is sub-judice, hence no retirement has been considered*

Table 195 : Utilization of depreciation (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Depreciation	163.64	174.66
B	Utilized for Debt repayment	163.64	174.66

COMMISSION'S ANALYSIS

3.591 Based on the provisionally approved Opening GFA, Capitalisation, De-Capitalisation and Consumer Contribution, provisional depreciation approved by the Commission for true up of FY 2014-15 and FY 2015-16 is as follows:

Table 196: Financing of new investment capitalised as approved by Commission (Rs. Crore)

Particulars	Petitioner's Submission		Trued up	
	FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16
Opening GFA	4586.79	4942.27	3637.50	3937.35
Closing GFA	4942.27	5332.23	3937.34	4270.35
Opening Consumer Contribution	527.54	615.48	461.87	549.81
Closing Consumer Contribution	615.48	732.17	549.81	666.13
Average Consumer Contribution	571.51	673.83	505.84	607.97
Average GFA	4764.53	5137.25	3787.42	4103.85
Net GFA for Depreciation	4193.02	4463.43	3281.58	3495.69
Average depreciation rate	3.90%	3.90%	3.91%	3.91%
Depreciation	**163.53**	**174.07**	**128.31**	**136.68**
Opening Accumulated Depreciation	**1554.22**	**1717.75**	**1384.49**	**1512.80**
Closing Accumulated Depreciation	**1717.75**	**1891.82**	**1512.80**	**1649.49**

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.592 The petitioner has submitted that MYT Regulations, 2011 specify that

" 5.14 Working capital for wheeling business of electricity shall consist of Receivables for two months of Wheeling Charges.

Working capital for retail supply of electricity shall consist of

(a) Receivables for two months of revenue from sale of electricity;

(b) Less: Power purchase costs for one month;

(c) Less: Transmission charges for one month; and

(d) Less: Wheeling charges for two month."

3.593 Further the MYT Regulations provided that working capital will be allowed on normative basis, hence not to be trued up.

3.594 Therefore in line with the methodology prescribed in MYT order, the revised computation of working capital is given below:

Table 197 : Computation of Change in working capital (FY 2014-15)

Sl. No.	Particulars	2014-15 (Rs Cr)	2015-16 (Rs Cr)
A	Receivables for Annual Revenue Requirement	6138.86	6079.81
B	Receivables equivalent to 2 months average billing	1023.14	1013.30
C	Power Purchase expenses (inclusive of Transmission charges)	4904.95	4719.58
D	Less: 1/12th of power purchase expenses	408.75	393.30
E	**Total**	**614.40**	**620.00**
F	Less- Opening Working Capital	541.30	614.40
G	Change in working capital for the year	73.10	5.61

3.595 Further the working capital has to be considered as 100% debt financed in accordance with the MYT Regulations, 2011 which is subject to outcome of writ petition as the matter is already challenged by the Petitioner.

3.596 The Petitioner has submitted it is clarified that The Hon'ble APTEL in Appeal No. 52 of 2008 has already decided that working capital to be allowed in 70:30 debt equity ratio. Based on the Hon'ble APTEL judgment funding of the working capital for each year is considered in 70:30 debt equity ratio but for the purpose of cost of working capital, the return on equity portion of 30% is considered equal to the cost of debt.

Table 198 : Debt/ Loan – Approved for Working Capital (Rs Cr)

Sl. No.	Particulars	2014-15 Sought in the Petition for true up		2015-16 Sought in the Petition for true up		Remark
A	working capital through Debt	341.70		392.87		
B	working capital through Equity	16.46		38.39		
C	**Total opening working capital**		**358.16**		**431.26**	(A+B)

Sl. No.	Particulars	2014-15 Sought in the Petition for true up		2015-16 Sought in the Petition for true up		Remark
	Change in working capital for the year				**5.67**	
D	through Debt -70% of F	51.17		3.93		
E	through Equity -30% of F	21.93		1.68		
F	**Total (D+E)**		**73.10**		**463.87**	
G	Closing working capital through Debt	392.87		396.80		
H	Closing working capital through Equity	38.39		40.07		
I	**Closing Debt- Working Capital**		**431.26**			**(C+F)**
K	Average working capital – Debt	367.29		394.84		
L	Average working capital - Equity	27.42		39.23		
J	**Average Working Capital**		**394.71**		**343.06**	**(A+I)/2**

COMMISSION'S ANALYSIS

3.597 Hon'ble High Court of Delhi in its judgement dated 29/07/2016 in the matter of W.P.(C) 2203/2012 & C.M. No.4756/2012 has already upheld the provision of MYT Regulations, 2011 regarding funding of working capital through 100% debt. Further, Regulation 5.14 and 5.15 of the MYT Regulations 2011 specifies that working capital shall consist of:

"For Wheeling business

(a) Receivables for two months of wheeling charges

For Retail supply business

(a) Receivables for two months of revenue from sale of electricity

(b) Less: Power purchase costs for one month

(c) Less: Transmission charges for one month, and

(d) Less: Wheeling charges for two months"

3.598 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and revenue available towards ARR as approved in the truing up for FY 2014-15 and FY 2015-16 as follows:

Table 199: Approved Working Capital Requirement for FY 2014-15 and 2015-16 (Rs Cr)

Sr.N.	Particulars	Petitioner's Submission		Trued up		
		FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16	Reference
A	Annual Revenues from Tariff & Charges	6138.86	6079.81	5,680.52	6,063.70	
B	Receivables equivalent to two months average	1023.14	1013.30	946.75	1,010.62	B/6
C	Power Purchase Expenses	4904.95	4719.58	4,813.39	4,535.25	
D	Less: 1/12th of Power Purchase Expenses	408.75	393.30	401.12	377.94	C/12
E	Working Capital	614.40	620.00	545.64	632.68	A1+B1-C1
F	Working Capital-Previous	541.30	614.40	475.41	545.64	
G	**Change in Working Capital**	**73.10**	**5.61**	70.22	87.04	**D-E**

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.599 "For the 2nd MYT control period, the return allowed to the Petitioner shall be as per the methodology specified in the MYT Regulations, 2011. As per Regulation, the return for the year shall be determined by multiplying the weighted average cost of capital employed to the average of ―Net Fixed Asset for each year. Thus, the return allowed each year is determined based on the values of assets capitalized (net of depreciation and consumer contribution) in the respective year. The addition in equity/ free reserves and debt during each year of the Control Period is also to the extent of assets capitalized in that year.

3.600 Based on the assets capitalization, depreciation, consumer contribution and working capital requirement for FY 2014-15 and FY 2015-16, the computation of Regulated Rate Base is given below:

Table 200: Computation of Regulated Rate Base for the period FY 14-15 and FY 15-16 (Rs Cr)

Sl. No.	Particulars	FY 14-15	FY 15-16
A	Opening Balanced of OCFA	4,586.79	4,942.27
B	Opening Balance of Working Capital	541.30	614.40
C	Opening Balance of Accumulated Depreciation	1,554.22	1,717.86
D	Opening balance of Accumulated Consumer Contribution	527.54	615.48
E	RRB opening	3,046.33	3,223.32

	RRB - for the year		
F	Investments in capital expenditure during the year	355.47	389.96
G	Depreciation for the year (Including AAD)	163.64	174.66
H	Consumer Contribution, Grants, etc. for the year	87.94	116.69
I	Change in Working Capital	73.10	5.61
J	**RRB – Closing**	**3,223.32**	**3,327.54**
K	**ΔAB (Change in Regulated Base)**	**125.05**	**54.91**
L	**RRB(i)**	**3,171.37**	**3,278.23**

COMMISSION'S ANALYSIS

3.601 The RRB has been computed based on provisional investment capitalised, depreciation, consumer contribution and working capital requirements for FY 2014-15 and FY 2015-16 detailed in the table as follows:

Table 201: RRB for FY 2014-15 and FY 2015-16

Sr. No.	Particulars	FY 2014-15	FY 2015-16
	OCFA opening balance	3,637.50	3,937.34
	Change in WC	475.41	545.64
	Accumulated Depreciation	1,384.50	1,502.02
	Accumulated Consumer Contribution	461.87	549.81
A	RRB Opening	2,266.55	2,431.15
B	ΔAB (Change in Regulated Base)	112.02	126.86
C	Investments Capitalized	299.84	333.01
D	Depreciation net of De-capitalization	117.52	119.46
E	Consumer Contribution	87.94	116.70
F	Change in working capital	70.22	87.04
G	RRB Closing	2,431.15	2,615.04
H	RRB (*i*)	2,378.57	2,558.01

DETERMINATION OF WACC

PETITIONER'S SUBMISSION

3.602 The Petitioner has submitted that the Distribution Licensee (BRPL & BYPL) in its Appeal no 61 & 62 of 2012 has challenged the Commission methodology for not considering the repayment while calculating average loan balance for the year which has resulted in lower weighted average cost of capital. This lower weighted average cost of capital when applied to RRB (Regulated Rate Base) is resulting in less ROCE.

3.603 Further, they submitted that the Hon'ble APTEL has decided the issue in favour of the distribution licensee and directed to the Commission to consider the repayment of loans while computing average debt.

3.604 The Hon'ble APTEL has also upheld the contention of the Distribution licensee that as depreciation is used for repayment of loans and after the repayment of loans; the ratio of debt equity changes and the changed position of debt equity has to be considered for calculating the WACC.

3.605 Therefore, in line with the Hon'ble APTEL Judgment, the Petitioner has considered average debt (net of repayment) and average equity deployed in the business (i.e. Fixed Assets and Working Capital).

Table 202 : Computation of WACC (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	Equity (Average)	1,290.31	1,371.33
B	Equity (Average)- working capital	27.42	39.23
C	Debt (Average)	1,564.46	1,556.26
D	Debt- Capex	1,197.17	1,161.42
E	Debt- working capital	367.29	394.84
F	Rate of Return on Equity	16.00%	16.00%
G	Rate of Return on Debt	11.31%	11.32%
H	WACC	13.41%	13.48%

Table 203 : Computation of Return on Capital Employed (Rs Cr)

Sl. No.	Particulars	FY 2014-15	FY 2015-16
A	WACC	13.41%	13.48%
B	RRB(i)	3,171.37	3,278.23
C	RoCE	425.20	442.03

COMMISSION'S ANALYSIS

3.606 The Commission has considered the equity to the extent of 30% of net funding requirement of capitalization for the purpose of computation of WACC. As the working capital requirement should be funded through 100% debt therefore the balance of RRB(i) should be funded through debt only.

3.607 It is observed that the State Bank of India base rate did not vary more than +/- 1%, as the same was 10% on 01.04.2012, 01.04.2014 and 01.04.2015. Therefore, the Commission has not trued up the Interest on Loan for FY 2014-15 and FY 2015-16.

3.608 Further the Petitioner is eligible for additional return on equity due to over achievement in AT&C loss target for FY 2014-15 and FY 2015-16. Therefore the Commission has allowed the additional return on equity as discussed in the true up of AT&C loss target in this order.

3.609 Accordingly, WACC & RoCE has been computed for FY 2014-15 and FY 2015-16 as follows:

Table 204: Approved WACC and RoCE for FY 2014-15 and FY 2015-16

Sr. No.	Particulars	FY 2014-15	FY 2015-16
A	RRB (i)	2,378.57	2,558.01
B	Equity (limiting to 30% net capitalization)	554.73	588.58
C	**Average Equity balance as per net worth**	2,955.54	3,087.49
D	Equity now considered for WACC	554.73	588.58
E	Debt - balancing figure	1,823.83	1,969.42
F	Rate of return on equity (re)	16.00%	16.00%
G	Additional return on equity due to over achievement in AT&C loss	2.16%	3.26%
	Effective return on equity	18.16%	19.26%
	Rate of interest on debt (rd)	10.25%	10.40%
H	WACC	12.10%	12.44%
I	RoCE	287.71	318.21

INCOME TAX

PETITIONER'S SUBMISSION

3.610 Regulation 5.32 of MYT Regulations, 2011 specified that Tax on Income, if any liable to be paid on the licensed business of the distribution Licensee shall be limited to tax on return on the equity component of capital employed.

3.611 Relevant extracts of the same is given below;

"5.32 Tax on income, if any, liable to be paid on the licensed business of the Distribution Licensee shall be limited to tax on return on the equity component of capital employed. Any additional tax other than this shall not be a pass through, and it shall be payable by the Distribution Licensee itself.

5.33 The actual assessment of income tax should take into account benefits of tax holiday, and the credit for carry forward losses applicable as per the provisions of the Income Tax Act 1961 shall be passed on to the consumers.."

3.612 Based on the above Regulation, the Petitioner has sought Income tax of Rs. 61.17 Cr as a tax on return on the equity component of capital employed against the income tax of Rs. 30.60 Cr as approved by the Commission in its Tariff Order dated July, 2014.

Table 205 : Income tax sought for FY 2014-15 and FY 2015-16

Sl. No.	Particulars	(FY 2014-15)			(FY 2015-16)		
A	RRB (Average)			3,171.37			3,278.23
B	Equity (Average)- Capex	1,290.31		1,317.74	1,371.33		1410.56
C	Equity (Average)- working Capital		27.42			39.23	
D	Debt (Average)- Capex	1,197.17		1,564.46	1,161.42		1556.26
E	Debt (Average)- Working capital		367.29			394.84	
F	% of Equity	51.87%	6.95%	45.72%	54.14%	9.04%	47.54%
G	Rate of Return on Equity	16.00%	11.62%	15.91%	16.00%	11.62%	15.88%
H	Return on Equity			230.67			247.48
I	MAT / Income Tax Rate for the year			20.961%			21.35%
J	Income Tax sought for the year			61.17			67.18

COMMISSION'S ANALYSIS

3.613 As per regulation 5.32 of MYT regulation 2011, income tax if any is liable to be paid on the licensed business of the distribution licensee which shall be limited to tax on return on equity component of capital employed. Any additional tax other than this shall not be pass through and it shall be payable by the distribution licensee itself.

3.614 Regulation 5.33 specify the actual assessment of income tax should take into account benefits of tax holiday and the credit for carry forward losses applicable as per the provisions of the income tax act, 1961 shall be passed onto the consumers.

3.615 The, Commission has computed the return on equity at 16% post tax in accordance with MYT regulations as detailed in the table below:

Table 206: Approved Income Tax for FY 2014-15 and AY2015-16

S.N.	Particular	FY 2014-15	FY 2015-16
A	Equity	554.73	588.58
B	Rate of return	16%	16%
C	Return on Equity	88.76	94.17
D	Income tax Rate	33.99%	33.99%
E	Return on equity including income tax	134.46	142.67
F	tax	45.70	48.49

S.N.	Particular	FY 2014-15	FY 2015-16
G	Actual Tax paid	105.35	76.33
H	Tax Allowed	45.70	48.49

AGGREGATE REVENUE REQUIREMENT FOR FY 2014-15 AND FY 2015-16

PETITIONER'S SUBMISSION

3.616 Based on the submission made above for truing up of FY 2014-15 and FY 2015-16, the total Aggregate Revenue Requirement for the year comes to Rs. 6,138.86 Cr. and Rs. 6,079.81 Cr respectively. Components wise amount sought for true up is given below:

Table 207 : Summary of Aggregate Revenue Requirement (Rs Cr)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		Tariff Order July, 2014	Trued up Sought	Tariff Order Sep, 2015	Trued up Sought
A	Power Purchase Cost	3,730.17	4,346.42	3,996.25	3,986.56
B	Inter-State Transmission Charges	378.93	432.65	340.2	344.09
C	Intra-State Transmission Charges	340.05	224.13	481.88	481.58
D	Less- Normative Rebate	111.47	98.25	101.26	92.66
E	O&M Expenses	437.97	556.58	473.63	604.72
F	Other statutory levies/New initiatives		24.60	20	44.67
G	Depreciation	139.16	163.64	134.15	174.66
H	Return on Capital Employed	324.73	425.20	313.04	442.03
I	Additional Return on Capital employed- AT&C overachievement		117.02		142.90
J	Income tax	30.60	61.17	32.98	67.18
K	Add- PPAC	50.10			
L	Less: Non-Tariff Income	74.28	71.85	114.96	71.14
M	Less: Interest on CSD		42.47		44.78
N	Aggregate Revenue Requirement	**5,245.96**	**6,138.86**	**5,575.91**	**6,079.81**

Table 208 : Revenue available towards ARR for FY 2014-15 and FY 2015-16

Sl. No.	Particulars	Amount (Rs Cr) FY 2014-15	Amount (Rs Cr) FY 2015-16
A	Total Amount Realized	6,429.86	6,857.04
B	Less- 8% DRRS	445.90	472.89
C	Less: Electricity Duty	269.52	287.96

D	Revenue Available for Expenses	5,714.43	6,096.19

COMMISSION'S ANALYSIS

3.617 The petitioner's submission for truing-up and now approved by the Commission in the truing-up for FY 2014-15 and FY 2015-16 is summarized in table below:

Table 209: True up of Aggregate Revenue Requirement for FY 2014-15

Sl. No.	Particulars	Approved for FY 2014-15 in MYT order July 2012	Petitioners submission	Now Approved
A	Power Purchase cost (incl. Transmission charges)	4,360.58	4,904.95	4,813.39
B	O&M Expenses	708.89	556.58	440.41
C	Other expenses/Statutory levies	-	24.60	3.59
D	Depreciation	248.97	163.64	128.31
E	Return on Capital Employed (RoCE)	530.72	542.22	287.71
F	Income Tax	41.75	61.17	45.70
G	Less: Non-Tariff Income	103.99	114.12	113.58
H	Less: Penalty on account of Cash payment received greater than Rs.4,000/-	-	-	3.70
I	**Aggregate Revenue Requirement**	**5,786.92**	**6,139.04**	**5,601.83**

Table 210: True up of Aggregate Revenue Requirement for FY 2015-16

Sl. No.	Particulars	Approved for FY 2015-16 in order Sept. 2015	Petitioners submission	Now Approved
A	Power Purchase cost (incl. Transmission charges)	4717.07	4,719.57	4,535.25
B	O&M Expenses	473.63	604.72	475.61
C	Other expenses/Statutory levies	20.00	44.67	2.99
D	Depreciation	134.15	174.66	136.68
E	Return on Capital Employed (RoCE)	313.04	584.93	318.21
F	Income Tax	32.98	67.18	67.18

Sl. No.	Particulars	Approved for FY 2015-16 in order Sept. 2015	Petitioners submission	Now Approved
G	Less: Non-tariff income	114.96	115.92	133.25
H	Less: Penalty on account of Cash payment received greater than Rs.4,000/-	0.00	-	0.0036
I	Less: Penalty due to non fulfillment of RPO upto FY 2015-16	0.00	-	25.13
J	**Aggregate Revenue Requirement**	**5575.91**	**6,079.81**	**5,377.54**

REVENUE SURPLUS / (GAP) FOR FY 2014-15 AND FY 2015-16

PETITIONER'S SUBMISSION

3.618 The Petitioner has submitted that against the Revenue Surplus of Rs 497.51 Cr and Rs. 624.55 Cr as estimated by the Commission, the actual Revenue Gap for FY 2014-15 and FY 2015-16 comes to Rs. (424.42) Cr and Rs. 16.37 Cr respectively as computed in the table below;

Table 211 : Computation of Revenue surplus/ (Gap) for FY 14-15 and FY 15-16 (Rs Cr)

Sl. No.	Particular	Estimated by Commission	Actual as per Petitioner	Estimated by Commission	Actual as per Petitioner	Remarks
A	Revenue Available	**5,743.47**	**5,714.43***	**6,200.47**	**6,096.19***	
B	Aggregate Revenue Requirement	**5,245.96**	**6,138.86***	**5,575.92**	**6,079.81***	
C	Revenue Surplus/(Gap)	497.51	(424.42)	624.55	16.37	(A-B)

COMMISSION'S ANALYSIS

3.619 The Commission has approved the total revenue of the petitioner available towards ARR as 5,703.26 Crore and Rs. 6,086.57 Crore respectively for FY 2014-15 and FY 2015-16.

3.620 The Commission has trued-up revenue surplus(gap) as per below table:

Table 212: Revenue Surplus/ (Gap) for FY 2014-15 (Rs Cr)

Sl. No.	Particulars	Petitioner's Submission	Now Approved
A	ARR for FY 2014-15	6139.04	5,601.83

B	Revenue available towards ARR	5714.43	5,680.52
C	Revenue (Gap) / Surplus for the period	**-424.61**	**78.69**

Table 213: Revenue Surplus/ (Gap) for FY 2015-16 (Rs. Crore)

Sl. No.	Particulars	Petitioner's Submission	Now Approved
A	ARR for FY 2015-16	6079.81	5,377.54
B	Revenue available towards ARR	6096.19	6,063.70
C	Revenue (Gap) / Surplus for the period	**16.38**	**686.16**

AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2017-18

INTRODUCTION

4.1 As per Regulation 3 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017. The Commission shall notify Business Plan Regulations for each Control Period based on the Business Plan submitted by the Utility which shall be read as part of these Regulations.

4.2 As per Regulation 4 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Business Plan Regulations shall contain the following parameters applicable for a Control Period:

(1) Rate of Return on Equity,

(2) Margin for rate of interest on Loan,

(3) Operation and Maintenance Expenses,

(4) Capital Investment Plan,

(5) Mechanism for sharing of incentive-disincentive mechanism,

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset,

(7) Generating Norms:

(a) Gross Station Heat Rate,

(b) Plant Availability Factor,

(c) Secondary Fuel oil consumption;

(d) Auxiliary consumption and

(e) Plant Load Factor;

(8) Transmission Norms:

(a) Annual Transmission system availability;

(b) Annual Voltage wise Availability;

(9) Distribution Norms:

(a) Distribution Loss Target;

(b) Collection Efficiency Target;

(c) Targets for Solar and Non Solar RPO;

(d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions

(e) The ratio of various ARR components for segregation of ARR into Retail Supply and Wheeling Business.

4.3 The Petitioner has filed the Petition for determination of Aggregate Revenue Requirement (ARR) for FY 2017-18. The Commission has analysed the Petition submitted by the Petitioner for ARR for FY 2017-18 as required under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

4.4 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, audited accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2017-18.

4.5 This chapter contains detailed analysis of the Petition submitted by the Petitioner and the various parameters approved by the Commission for determination of ARR for FY 2017-18.

ENERGY SALES

PETITIONER'S SUBMISSION

4.6 The Petitioner has submitted that the estimated sales of for FY 2017-18 has been considered based on the past year available trends and further assumed that the underlying factors which drive the demand for electricity are expected to follow the same growth trend in future year also. Therefore, demand forecast is based on the assumption that the past consumption growth trend will continue in the future also.

4.7 The category wise and year wise Compounded Annual Growth Rate (CAGR) has been calculated for the past sales pattern for those categories where CAGR/past growth trends are not showing any particular type of movement then the demand has been forecasted based on recent consumption pattern.

4.8 The Petitioner has considered upcoming projects of new electrified lines of DMRC and upcoming DJB Projects

4.9 Impact of replacement of existing conventional streetlight points to LED has also been considered while forecasting the public lighting sales.

4.10 Impact of Net Metering due to Solar Energy generated by the different categories of consumers has also been considered while forecasting the energy sales.

4.11 Based on the above assumptions and explanations, the Petitioner has submitted the category wise estimated summary of billed sale for FY 2017-18

Table 214: Category wise summary of units sold from FY 11 to FY 16 (MU)

Sl. No.	Category	FY11	FY12	FY13	FY14	FY15	FY16
1	Domestic	2,718	2,845	2,949	3,075	3,313	3,404
2	Non Domestic	1,097	1,184	1,240	1,278	1,343	1,404
3	Industrial	1,962	2,012	2,105	2,192	2,279	2,349
4	Agriculture & Mushroom Cultivation	16	14	12	12	13	13
5	Street Lighting	80	97	109	124	144	148
6	Delhi Jal Board	182	172	203	204	219	229
7	Railway	52	57	50	46	46	46
8	DMRC	157	163	160	134	140	149
9	Own Consumption	19	16	17	17	17	18
10	Advertisement & Hoarding	-	-	1	1	2	1
11	Others**	108	138	123	105	100	92
	Total	6,391	6,699	6,968	7,187	7,616	7,854

Table 215: Category-wise Consumers from FY 11 to FY 17

Sl. No.	Category	FY11	FY12	FY13	FY14	FY15	FY16	FY 17
1	Domestic	965026	1021552	1066415	1132432	1189504	1241731	1290754
2	Non Domestic	167932	194807	198507	196617	205533	211779	223659
3	Industrial	34335	33859	33303	32169	32986	33394	34012
4	Agriculture & Mushroom Cultivation	4303	3568	3971	3859	3934	3955	4651
5	Street Lighting	392	380	473	3243	4543	4509	4429

Sl. No.	Category	FY11	FY12	FY13	FY14	FY15	FY16	FY 17
6	Delhi Jal Board	51	56	298	825	814	526	724
7	DIAL	0	0	0	0	0	0	0
8	Railway	1	1	1	1	1	1	1
9	DMRC	3	3	3	3	3	4	4
10	Own Consumption	0	0	0	307	315	331	331
11	Advertisement & Hoarding	0	0	221	203	292	307	316
12	Others **	42374	23564	22450	19633	19023	19089	21219
	Total	1214417	1277790	1325642	1389292	1456948	1515626	1580100

***others include staff and temporary*

Table 216: CAGR of 4 Categories

Sl. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years	Growth Considered for future
1	Domestic	5.17%	5.00%	5.20%	4.71%	4.39%	5.00%
2	Non Domestic	4.75%	2.11%	2.18%	3.78%	3.04%	3.78%
3	Industrial	-0.55%	-0.35%	0.09%	1.89%	1.24%	1.89%
4	Advertisement & Hoarding	-	-	11.58%	22.98%	5.14%	5.14%

Table 217: Projected Number of Consumers, Sanctioned Load and Sales (MU) for FY 2017-18

Sl. No	Category	Number of Consumers	Sanctioned Load	Projected Sales
A	Domestic	1355300	2952	3981.63
B	Non –Domestic	232120	1307	1474.77
C	Industrial	34654	1604	2407.28
D	Agriculture	4650	32	12.75
E	Mushroom Cultivation	1	0	0.02
F	Public Lighting	4518	124	114.14
G	Delhi Jal Board (DJB)	738	76	247.03
H	DIAL	0	0	-
I	Railways Traction	1	14	46.68
J	DMRC	4	37	148.55
K	Adv. & Hoardings	332	0	1.19
L	Temporary Supply	15738	56	62.85
M	Others*	6144	33	52.93
	Total	**1,65,4203**	**6233**	**8,549.81**

**Others includes Staff, Own Consumption, Theft & Misuse*

COMMISSION'S ANALYSIS

4.12 The Petitioner has submitted the category wise energy sales and CAGR from FY 2010-11 to FY 2015-16 in their tariff petition. Further the Petitioner has also submitted the Form 2.1(a) for FY 2016-17 for projection of sales of FY 2017-18.

4.13 The Commission has approved sales for FY 2017-18 considering trued up sales for the period FY 2009-10 to FY 2016-17. The base year for projection of sales of FY 2017-18 has been considered as actual sales of FY 2016-17. The category wise sales from FY 2009-10 to FY 2016-17 are indicated in the table as follows:

Table 218: Actual sales for FY 2009-10 to FY 2016-17 (MU)

Sl. No	Category	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Domestic	2447	2752	2888	2994	3109	3279	3404	3770
2	Non-Domestic	1023	1125	1229	1270	1329	1343	1404	1463
3	Industrial	1884	1962	2012	2105	2193	2279	2349	2313
4	Agriculture	20	17	15	13	13	13	13	13
5	Mushroom	0	0	0	0	0	0	0	0
6	Public Lighting	55	89	97	109	124	144	148	148
7	DJB	153	182	172	203	204	219	229	239
8	Railway Traction	54	52	57	50	46	46	46	48
9	DMRC	99	157	163	160	134	140	149	149
10	Adv. & Hoardings	-	-	-	1	1	2	1	1
11	Others	64	64	38	40	35	136	132	135
	Total	5799	6400	6672	6944	7187	7616	7877	8279

4.14 The category-wise CAGR of sales for 1 year to 7 years (FY 2009-10 to 2016-17) is shown in the table as follows:

Table 219: Various year CAGR (FY 2009-10 to FY 2016-17) (%)

Sl. No	Category	CAGR for 7 Years	CAGR for 6 Years	CAGR for 5 Years	CAGR for 4 Years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
1	Domestic	6.37%	4.60%	3.88%	3.35%	2.80%	2.02%	1.47%
2	Non Domestic	5.25%	3.83%	2.52%	2.04%	1.38%	1.23%	0.60%
3	Industrial	2.97%	2.38%	2.01%	1.35%	0.76%	0.21%	-0.22%
4	Irrigation & Agriculture	-6.36%	-4.17%	-2.81%	-0.03%	-0.79%	-0.23%	-0.77%
5	Mushroom	0	0	0	0	0	56.38%	45.26%
6	Public Lighting	15.19%	7.54%	6.22%	4.47%	2.55%	0.41%	-0.03%
7	Delhi Jal Board (DJB)	6.56%	3.95%	4.80%	2.31%	2.26%	1.25%	0.61%
8	Railway Traction	-1.65%	-1.12%	-2.41%	-0.45%	0.78%	0.56%	0.58%
9	DMRC	6.06%	-0.70%	-1.23%	-0.94%	1.61%	0.93%	0.00%
10	Advertisement	0	0	0	9.93%	9.67%	-3.67%	2.84%

Sl. No	Category	CAGR for 7 Years	CAGR for 6 Years	CAGR for 5 Years	CAGR for 4 Years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
	and Hoardings							
11	Others	11.23%	11.23%	19.68%	19.08%	21.29%	-0.14%	0.28%

ESTIMATED SALES FOR FY 2017-18

4.15 The Commission has adopted an Adjusted Trend Analysis method of demand forecasting for FY 2017-18 which assumes that the underlying factors driving the demand for electricity to follow the same trend as in the past. Hence, the forecast is also based on the assumption that the past consumption trend will continue in the future.

4.16 The trend based approach has to be adjusted based on judgment of the characteristics of the specific consumer groups/categories.

4.17 The strength of the method, when used with balanced judgment, lies in its ability to reflect recent changes and therefore probably best suited as a basis for a short term projections as used for the revenue projection in the context of ARR determination. The category-wise sales forecast for FY 2017-18 is as discussed below:

DOMESTIC CONSUMERS

4.18 The consumption of energy by Domestic category constitutes about 46% of total sales in FY 2016-17. The Petitioner has projected sale of 3982 MU for FY 2017-18 at a growth rate of 5% (4 years CAGR). The growth rate for this category ranges from 1.47% to 6.37% from FY 2009-10 to 2016-17. Thus, the Commission considers growth rate of 2.80% (3 years CAGR) from FY 2012-13 to 2016-17 for projecting the sales of 3876 MU for FY 2017-18 as it is considered to be realistic for Domestic consumers category.

NON-DOMESTIC CONSUMERS

4.19 The consumption of energy by Non-Domestic category constitutes to about 18% of total sales in FY 2016-17. The Petitioner has projected sales of 1475 MU for FY 2017-18 at a growth rate of 3.78% (2 years CAGR). The growth rate for this category ranges from 0.60% to 5.25% from FY 2009-10 to 2016-17. The Commission considered the growth rate of 1.38% based on 3 year CAGR as it is considered reasonable in view of the trend during the last 5 years. Therefore, the Commission approves the sales of 1483 MU for FY 2017-18 in Non-Domestic consumers category based on actual sales of FY 2016-17.

INDUSTRIAL CONSUMERS

4.20 The sales of industrial category constitutes to about 28% of total sales in FY 2016-17. The Petitioner has projected sale of 2407 MU for FY 2017-18 at a growth rate of 1.89% based on 2 year CAGR. The growth rate for this category ranges from 0.21% to 2.97% from FY 2009-10 to 2016-17. The Commission considers the growth rate of 0.76% based on 3 year CAGR as it is considered reasonable in view of the trend during the last 6 years. Thus, the Commission approves the sales of 2330 MU for FY 2017-18 for Industrial consumers.

AGRICULTURE & MUSHROOM CULTIVATION

4.21 The power consumption of these two categories has been almost constant during last 5 years. The Petitioner has projected 12.77 MU for 2017-18. The Commission considers the actual sales of FY 2016-17 in FY 2017-18 at 13 MU for these two categories.

RAILWAY TRACTION

4.22 The consumption of energy by Railway Traction is about 1% of total sales by the Petitioner during FY 2016-17. The Petitioner has projected energy sales of 47 MU for FY 2017-18.

4.23 The Commission had sought from Railways about its projected quantum of purchase of power for traction load in the Petitioner's area of supply. Railways vide its letter No.56-Elect/TRD/222 dated 16.01.2017 has intimated the projected purchase of 48 MU during FY 2017-18. Thus, the Commission has considered the quantum of sale at 48 MU as provided by Railways (Traction) for FY 2017-18.

DELHI METRO RAILWAY CORPORATION (DMRC)

4.24 The consumption of energy by DMRC constitutes about 2% of total sale by the Petitioner during FY 2016-17. The Petitioner has projected energy sales of 149 MU for FY 2017-18.

4.25 The Commission had sought from DMRC about its projected quantum of purchase in the Petitioner's area of supply vide its letter dated 23/12/2016 and 25/04/2017. DMRC vide its letter No. DMRC/DERC/TARIFF/17 dated 08.05.2017 intimated the projected purchase of 166 MU during FY 2017-18. Thus, the Commission has considered the quantum of sale at 166 MU as projected by DMRC for FY 2017-18.

PUBLIC LIGHTING

4.26 The consumption of energy in the Public Lighting category constitutes to about 2% of total sales during FY 2016-17. The Petitioner has projected sales of 114 MU for FY 2017-18. It is observed that consumption of this category is now on declining trend due to the replacement of Halogen Street Lights with Energy Efficient LED lights. Therefore, the Commission approves the sales of 148 MU based on actual sales for FY 2016-17 without considering any additional growth in this category.

DELHI JAL BOARD (DJB)

4.27 The consumption of energy by DJB constitutes to about 3% of total sales in FY 2016-17 at 239 MU. The Petitioner has projected the sales 247 MU for FY 2017-18.

4.28 The Commission vide its letter dated 23.12.2016 sought from DJB about its projected quantum of purchase in the Petitioner's area of supply. DJB vide its letter No.DJB/FIN/DD-I/POWER/2016-17 has intimated a projected purchase as 255 MU during FY 2017-18. Thus, the Commission has considered the quantum of sale at 255 MU as projected by DJB for FY 2017-18.

OTHER CATEGORIES

4.29 Other categories consist of Places of Worship, Hospitals (domestic category), DVB staff, Enforcement, Own Consumption, Temporary Connections and Advertisement & Hoardings. The Petitioner has projected sales of 117 MU under this category. The nature of sales in other categories may not follow the past CAGR trends in the future. Therefore, the Commission has considered the quantum of sales to such other categories at 137 MU at same level of FY 2016-17.

4.30 On the basis of above analysis, the Commission approves the following energy sales for the Petitioner for the FY 2017-18:

Table 220: Approved Sales for FY 2017-18 (MU)

Category	Petitioner's Submission	Approved
Domestic	3981.63	3876
Non-Domestic	1474.77	1483
Industrial	2407.28	2330
Agriculture	12.75	13
Railway Traction	46.68	48
DMRC	148.55	166
Public Lighting	114.14	148
DJB	247.03	255
Others*	117.19	137
Total	**8550.02**	**8457**

* Places of Worship, Hospitals (domestic category), DVB Staff, Enforcement, Own Consumption, Temporary Connections and Advertisement & Hoardings.

REVENUE IN FY 2017-18 AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.31 The Petitioner has estimated the total revenue for FY 2017-18 at Rs. 6,388.16 Crore at the existing tariffs for sale of 8550 MU as follows:

Table 221: Estimated Billed Revenue for FY 17-18 at existing retail supply Tariff

Categories	FY 2017-18				
	Fixed Charges	Energy Charges	ToD Surcharge/ ToD Rebate	DRS	Total Revenue
Domestic	119.39	2,103.61	-	177.84	2,400.84
Non Domestic	179.02	1,322.87	9.85	120.94	1,632.68
Industrial	181.14	1,948.76	20.76	172.05	2,322.72
Irrigation & Agriculture	0.00	3.52	-	0.28	3.80
Street Lighting	-	83.41	-	6.67	90.08
Delhi Jal Board	11.02	185.72	(0.12)	15.73	212.34
Railway	2.64	32.28	0.33	2.82	38.07
DMRC	5.55	90.85	1.47	7.83	105.69
Own Consumption	-	-	-	-	-
Advertisement & Hoarding	0.30	1.46	-	0.14	1.90
Theft/ Others	9.13	75.18	0.02	6.75	91.08
Total	**508.19**	**5,847.65**	**32.32**	**511.05**	**6,899.21**
8% Deficit Revenue Surcharge					511.05
Total					**6,388.16**

COMMISSION'S ANALYSIS

4.32 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/ demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per month or as a fixed amount per kW of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.33 For Domestic consumers with sanctioned load less than 5 kW, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the number of consumers in that particular tariff slab. For Domestic consumers with sanctioned load exceeding 5 kW, the revenue from fixed charges is calculated by multiplying the specified fixed charge with the connected load (in kW) of the category. For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

4.34 For the Non-Domestic, Industrial, Railway Traction, DMRC and DJB categories, billing is done either on kW or kVA basis, as specified in the approved tariff schedule for FY 2015-16. Since projections for FY 2017-18 are done only on kW basis for sanctioned load and on kWh basis for energy sales, wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

4.35 The Power Factor considered by the Commission for different categories is shown below:

Table 222: Power Factor considered by the Commission

Sl. No.	Consumer category slab	Power Factor
1	**Non Domestic Low Tension (NDLT)**	
A	Up to 10 kW	0.89
B	10-100 kW	0.93
C	Above 100 kW	0.93
2	**Non Domestic High Tension (NDHT)**	0.95
3	**Small Industrial Power (SIP)**	
A	10-100 kW	0.91
B	Above 100 kW	0.93
4	**Large Industrial Power (LIP)**	0.97
5	**Railway Traction**	0.94

Sl. No.	Consumer category slab	Power Factor
6	DMRC	1.00
7	DJB	0.88

4.36 Based on the Petitioner's data of Sanctioned Load, Number of Consumers and Sales provided in Form 2.1a for FY 2016-17 the Commission has estimated the total revenue of Rs. 6,590.85 Crore to be billed in FY 2017-18. The category-wise break up of revenue estimated by the Commission on sale of 8457 MU for FY 2017-18 indicated in the table as follows:

Table 223: Revenue estimated by the Commission for FY 2017-18 (Rs. Crore)

Category	Fixed Charges	Energy Charges	Total Revenue
Domestic	77.10	2187.81	2264.91
Non-Domestic	223.09	1366.48	1589.57
Industrial	189.55	1971.19	2160.74
Agriculture	0.60	3.66	4.26
Public Lighting	0.00	108.04	108.04
DJB	12.17	217.31	229.47
Railway Traction	4.30	37.10	41.40
DMRC	5.10	103.61	108.71
Others	5.15	111.71	116.86
Total	**517.06**	**6106.91**	**6623.97**
Revenue at 99.50% Collection Efficiency			**6590.85**

DISTRIBUTION LOSS

PETITIONER'S SUBMISSION

4.37 The Petitioner has proposed AT&C loss level for FY 2017-18 indicated in the table as follows:

Table 224: Proposed AT&C Loss level alongwith Distribution Loss Level and Collection Efficiency

Category	FY 2017-18
Distribution Loss Level	9.85%
Collection Efficiency	99.00%
AT&C Loss Level	10.75%

COMMISSION'S ANALYSIS

4.38 The Commission has fixed the targets for Distribution Loss in its Business Plan Regulations 2017 as 8.38% for FY 2017-18, which has been considered for computation of energy requirement for FY 2017-18 of the Petitioner.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.39 The Petitioner has estimated the energy requirement of 9483.98 MU at Distribution periphery for FY 2017-18 against projected sales of 8549.81 MU. The Petitioner has considered the Distribution Loss at 9.85% for computation of energy requirement for FY 2017-18 as given in the Table as follows:

Table 225: Energy requirement proposed by the Petitioner for FY 2017-18

Sl. No.	Particulars	UoM	FY 2017-18
1	Energy Sales	MU	8549.81
2	Distribution loss	%	9.85
3	Energy Input (at TPDDL periphery)	MU	9483.98

COMMISSION'S ANALYSIS

4.40 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2017-18 considering the sales approved for FY 2017-18 and the Distribution loss at 8.38%. The approved energy requirement is summarized in the Table as follows:

Table 226: Energy requirement approved for FY 2017-18

Sr. No.	Particulars	Unit	Approved Energy Requirement	Remarks
A	Energy sales	MU	8457.44	
B	Distribution Loss	%	8.38%	
C	Energy Requirement	MU	9231.00	(A/(1-B))
D	Distribution Loss	MU	773.56	(C-A)

POWER PURCHASE

PETITIONER'S SUBMISSION

4.41 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the Latest allocation order for the allocations has been considered.

4.42 Further, allocation from RPH has been considered NIL, as PPA of Rajghat has already been expired and has been disallowed by the Hon'ble Commission in tariff order of FY 2015-16.

4.43 The Petitioner has also submitted that allocation from Koldam plant is taken as zero for FY 16-17 and for future years considering the same reallocated as per NRPC order no. 10/2015-16 dated 17th February' 2016.

4.44 The Petitioner has further clarified that no power from unallocated quota has been considered for projection purposes.

4.45 The Petitioner has submitted the availability of energy in MU for the purpose of projections has been computed as below State Generating Stations

- No energy is considered to be scheduled from Rithala in view of present gas curtailment. As the plant is available for generation thus only the fixed cost has been considered. Variable cost will be considered on actual basis.
- The generation expected from Own Solar installed capacity of 1.65 MW @ 15% CUF.
- For energy in MU's to be scheduled from the plants, it has been assumed that the plants having ECR less than Rs. 2.70 shall be scheduled to the maximum allocation. For plants having ECR greater than Rs. 2.70 shall be scheduled at 70%/ Minimum Technical Limit. The same is considering that for FY 16-17 the actual sale rate YTD Jan'2017 is around Rs 2.65/- per unit. However it is expected that some forced scheduling from expensive Delhi Gencos shall continue.
- The Fixed Cost of BTPS for 2X210 MW has been considered for FY 2017-18.

4.46 Based on the above, the Petitioner has submitted the Quantum and Cost of Power Purchase during FY 2017-18 from State Generation Stations as follows:

Table 227: Projected Power Purchase from State Generating Stations

Sl. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Crore)	Variable Charge (Rs Crore)	Total Charge (Rs Crore)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	State Generating Stations					
i	BTPS	-	78.64	-	78.64	
ii	Pragati	245.72	42.34	61.63	103.97	4.23
iii	GT	81.91	67.58	21.35	88.94	10.86
iv	Rithala Generation		93.32		93.32	
v	Pragati III	367.92	299.42	93.89	393.31	10.69

Sl. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Total Charge	Average Rate
		(MU)	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
vi	Total SGS	695.54	581.30	176.87	758.18	10.90

4.47 Central Sector Generating Stations

- Thermal Plants: The estimates for energy availability from coal based plants are based on the normative month wise availability (PAFM) of the stations.
- Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.
- Hydro Plant: The estimation is based on the month wise design energy of each plant prorated for the Petitioner share.
- For MU to be scheduled, plants having ECR less than Rs. 2.70 shall be scheduled to the maximum capacity allocation. For plants where ECR greater than Rs. 2.70 scheduling to be done at 70%/ MTL. The same is considering that for FY 16-17 the actual sale rate YTD Jan'2017 is around Rs 2.65/- per unit. However it is expected that some forced scheduling from expensive CSGS stations like Dadri Stage 1; Dadri Stage 2 & Aravali Jhajjar shall continue.
- Long Term bilateral tie-ups: TPDDL has done long term bilateral arrangements from Maithon Power Limited (MPL) and CLP Jhajjar. Therefore, 300 MW from MPL and 132 MW from CLP have also been considered for the projections in line with the projections of CSGS.

4.48 Based on the above, the Petitioner has submitted the Quantum and Cost of Power Purchase during FY 2017-18 from Central Sector Generation Stations as follows:

Table 228: Projected Power Purchase from Central Sector Generating Stations

Sl. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Total Charge	Average Rate
		(MU)	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	**Central Sector Generating Stations (CSGS)**					
B	**NTPC**					
i	Singrauli	311.58	21.41	49.63	71.04	2.28

Sl. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Total Charge	Average Rate
		(MU)	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
ii	Rihand STPS-I	205.78	19.10	36.42	55.52	2.70
iii	Rihand STPS-II	264.90	23.57	46.68	70.25	2.65
iv	Rihand STPS-III	277.33	44.06	48.81	92.87	3.35
v	ANTA	32.10	7.42	8.83	16.25	5.06
vi	Auriya GPS	21.74	13.09	7.92	21.00	9.66
vii	Dadri GPS	49.34	12.34	15.80	28.14	5.70
viii	Unchahaar-I TPS	41.06	5.51	13.78	19.29	4.70
ix	Unchahaar-II TPS	80.46	10.02	27.00	37.02	4.60
x	Unchahaar-III TPS	49.65	8.79	16.66	25.45	5.13
xi	Dadri (Th)	1072.48	126.26	400.64	526.89	4.91
xii	Dadri (Th) II	1310.16	243.54	459.16	702.70	5.36
xiii	Kahalgaon-I TPS	103.50	11.71	25.97	37.68	3.64
xiv	Aravali	1235.29	276.70	414.71	691.42	5.60
xv	Kahalgaon-II TPS	330.82	39.87	78.64	118.51	3.58
xvi	Farakka	46.40	4.85	12.09	16.93	3.65
xv	Total	5,432.59	868.23	1,662.73	2530.96	4.66
C	NHPC					
i	Bairasul	26.30	2.45	2.56	5.00	1.90
ii	Salal- I	109.87	4.37	6.42	10.79	0.98
iii	Tanakpur	17.77	1.75	2.82	4.57	2.57
iv	Chamera-I	40.34	4.41	4.44	8.85	2.19
v	Chamera-II	61.34	6.00	6.08	12.08	1.97
vi	URI	87.64	5.60	7.11	12.71	1.45
vii	URI II	46.38	9.20	11.19	20.39	4.40
viii	Dhauliganga	45.99	3.93	6.92	10.85	2.36
ix	Sewa II	21.82	5.55	5.89	11.44	5.24
x	Parbati HEP-III	36.52	4.95	9.66	14.61	4.00
xi	Chamera-III	42.44	8.60	9.09	17.68	4.17
xii	Dulhasti	75.06	19.59	20.94	40.53	5.40
xiii	Total	611.47	76.40	93.11	169.51	2.77
D	**THDC**					
i	Tehri HPP	51.20	14.37	16.71	31.08	6.07
ii	Koteshwar HEP	34.93	6.80	9.36	16.16	4.63
iii	Total	86.14	21.17	26.07	47.24	5.48
E	**DVC**					
i	DVC (CTPS 7&8)	651.06	127.75	136.79	264.54	4.06
ii	DVC (MTPS 6)	217.02	32.44	52.52	84.96	3.91
iii	Total	868.08	160.19	189.31	349.50	4.03
F	**NPCIL**					
i	NAPS	80.01	0.00	22.75	22.75	2.84
ii	RAPS	95.06	0.00	36.99	36.99	3.89

Sl. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Crore)	Variable Charge (Rs Crore)	Total Charge (Rs Crore)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
iv	Total	175.07	0.00	59.74	59.74	3.41
G	**SJVNL**					
i	Naptha Jhakri	174.91	24.81	23.05	47.86	2.74
ii	Total	174.91	24.81	23.05	47.86	2.74
H	Others					
i	Tala	30.13	0.00	6.69	6.69	2.22
ii	Sasan, MP	956.65	16.26	155.70	171.96	1.80
Iii	CLP Jhajjar	760.37	91.87	254.99	346.86	4.56
Iv	MPL	2039.46	361.72	441.73	803.44	3.94
v	Total	3786.61	469.85	859.11	1328.95	3.51
K	**Grand Total**	11134.87	1620.65	2913.12	4533.76	4.07

COMMISSION'S ANALYSIS

4.49 Power purchase cost is the single largest component of ARR of a distribution licensee. It is pertinent to estimate the power purchase cost with utmost care based on the optimum method of procuring power from the generating stations.

ALLOCATION OF POWER FROM CENTRAL SECTOR AND STATE SECTOR GENERATING STATIONS

4.50 Delhi has a firm allocated share in Central Sector Generating Agency (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered the allocation of firm power as per the allocations specified in Intra-state ABT based energy account for the month of May, 2017 dated 07/06/2017 issued by Delhi SLDC.

4.51 The distribution of unallocated quota from the various plants varies from time to time and is based on power requirement and power shortage in different States. Therefore, the Commission has not considered any power from unallocated quota for FY 2017-18.

4.52 The Commission has examined the quantum of power purchase proposed by the Petitioner from various generating stations. The Commission convened a meeting with SLDC and DISCOMs on 07/07/2017 to discuss the availability of power as submitted by SLDC and as projected by the Petitioner in its petition. In the meeting, the Commission has directed SLDC to reconcile the availability of energy from those energy stations where the projection of Petitioner was different from that of SLDC.

4.53 SLDC had submitted the reconciled availability for FY 2017-18 vide its Email dated 21/07/2017. The Commission has projected the availability of power from various stations as reconciled by the Petitioner with SLDC.

4.54 The Commission in its Tariff Order dated 29/09/2015 observed that the validity of PPA from Anta, Auraiya and Dadri Gas based Plants had expired on 31/03/2012. However, the Petitioner renewed PPA of their Plants without getting approval from the Commission which was a violation of the licence condition. Accordingly, the Commission disallowed the power from these stations for FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16. However, Hon'ble APTEL has examined in Appeal No. 186/15 and IA No. 318/2015, Appeal No. 196/2015 and IA No. 335/2015, the methodology adopted by the Commission in its Tariff Order 29/09/2015 regarding disallowance of power purchase cost from these stations and has up-held the methodology followed by the Commission.

4.55 In view of the above, the Commission has not considered the availability of power from Anta, Auraiya and Dadri gas based stations for FY 2017-18 also.

RE-ALLOCATION OF POWER AMONG DELHI DISTRIBUTION LICENSEES

4.56 The Commission has analysed the power availability from various generating stations to Delhi vis-a-vis Sales projection of all Delhi DISCOMs and it was observed that there is deficit in power availability of NDMC during FY 2017-18. NDMC had projected to purchase 183.25 MU under Short Term purchase to meet the demand in its area during September'17 to March '18.

4.57 Further, TPDDL had requested for re-allocation of power from various generating stations to the Commission. A meeting was held on 29/11/2016 in the office of the Commission on the proposal for reallocation of share among Delhi DISCOMs for Dadri - 1, Dadri – 2 & APCPL.

4.58 The Commission has specified in its Regulation 121 (4) of Tariff Regulations, 2017 regarding re-allocation of power as follows:

" 4) The gap between average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution

licensee:

Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India."

4.59 Accordingly, the Commission has decided to reassign the allocation of power amongst the Distribution Licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi as follows:

Table 229: Re-allocation of Power from FY 2017-18 onwards

Sr. No.	Generating Station	From DISCOM	To DISCOM	Remarks
1	ARAVALI POWER CORPORATION LTD	BRPL	TPDDL	100% from Sept'17 onwards
2	NCPP – DADRI	TPDDL	BRPL	100% from Sept'17 onwards
3	DADRI EXTENSION	TPDDL	BRPL	100% from Sept'17 onwards
4	SALAL	TPDDL	BRPL	100% from Sept'17 onwards
5	RIHAND-III	TPDDL	BRPL	50% from Sept'17 onwards
6	RIHAND-III	TPDDL	BYPL	50% from Sept'17 onwards
7	GTPS	BRPL	NDMC	80% from Sept'17 to March'18
8	SASAN UMPP	TPDDL	BRPL	90% from Sept'17 to March'18

4.60 Based on the foregoing analysis, the availability of power to the Petitioner from Central, State and Other Generating Stations as approved by the Commission is given in the Table as follows:

Table 230: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations approved for FY 2017-18

Source	Plant Capacity (MW)	Delhi`s Share %	Delhi`s Share (MW)	Projected Energy to be Scheduled by Delhi (MU)	Energy to be scheduled by TPDDL (MU)
Central Generating Stations					
NTPC					
BTPS	705	100	705	1398.84	316.84
FARAKKA	1600	1.39	22	111.38	24.11
KAHALGAON STAGE-I	840	6.07	51	318.68	94.23
NCPP – DADRI	840	90	756	3067.31	257.64

Source	Plant Capacity (MW)	Delhi`s Share %	Delhi`s Share (MW)	Projected Energy to be Scheduled by Delhi (MU)	Energy to be scheduled by TPDDL (MU)
RIHAND-I	1000	10	100	677.49	213.79
RIHAND-II	1000	12.6	126	822.75	255.01
RIHAND-III	1000	13.19	132	915.92	100.59
SINGRAULI	2000	7.5	150	1044.57	308.27
UNCHAHAR-I	420	5.71	24	124.32	28.88
UNCHAHAR-II	420	11.19	47	258.06	60.57
UNCHAHAR-III	210	13.81	29	173.64	37.70
KAHALGAON STAGE-II	1500	10.49	157	960.59	220.64
DADRI EXTENSION	980	74.516	730	3805.69	476.04
APCPL	1500	46.2	693	2841.33	2152.08
NTPC Total				**16520.58**	**4546.39**
NHPC					
BAIRA SIUL	180	11	20	67.07	26.04
CHAMERA-I	540	7.9	43	154.01	52.54
CHAMERA-II	300	13.33	40	206.25	63.28
CHAMERA-III	231	12.734	29	143.61	44.06
DHAULIGANGA	280	13.21	37	153.56	47.10
DULHASTI	390	12.83	50	268.59	82.42
SALAL	690	11.62	80	359.51	79.55
TANAKPUR	94.2	12.81	12	54.78	16.81
URI	480	11.04	53	289.22	88.75
SEWA-II	120	13.33	16	76.72	26.59
Uri-II	240	13.452	32	169.76	48.75
Parbati III	520	12.73	66	90.37	32.02
NHPC Total				**2033.45**	**607.90**
Others					
TEHRI HEP	1000	6.3	63	188.70	52.35
NJPC (SATLUJ)	1500	9.47	142	498.53	205.28
KOTESHWAR	400	9.86	39	114.70	33.47
Mejia Unit-6			170	691.63	212.38
Mejia Unit-7			119	789.32	
DVC Chandrapur (7&8)			230	2034.80	631.30
Haryana CLP Jhajjar			124	364.12	364.12
MPL DVC			281	2046.60	2046.60
TALA	1009.8	2.94	30	102.42	29.14
Sasan	3960	11.25	446	3179.74	380.43
Others Total				**10,010.57**	**3955.06**
NUCLEAR					
RAPS – 5 & 6	440	12.69	56	338.38	100.76
NPCIL – NAPS	440	10.68	47	323.03	98.57
Nuclear Total				**661.41**	**199.33**
State Generating Stations					

Source	Plant Capacity (MW)	Delhi`s Share %	Delhi`s Share (MW)	Projected Energy to be Scheduled by Delhi (MU)	Energy to be scheduled by TPDDL (MU)
GAS TURBINE	270	100	270	632.54	177.63
Pragati-I	330	100	330	1554.14	270.78
PRAGATI-III, BAWANA	1371.2	80	1097	1560.91	464.68
TOWMCL	16			111.25	50.55
SOLAR (SECI)	3.79			122.10	41.02
MSW Bawana				112.28	36.03
East Delhi MCW				5.35	0.00
Own Solar				4.12	2.14
SGS Total				**4102.69**	**1042.82**
TOTAL PURCHASE FROM LONG TERM				**33,328.33**	**10,351.50**

POWER PURCHASE COST

4.61 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2017-18:

(a) The Commission has considered Fixed Charges for generating stations as approved by Central Electricity Regulatory Commission (CERC) for various generating stations of NTPC, NHPC, THDC and DVC for FY 2017-18 as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

(b) The generating stations whose fixed charges were to be determined by CERC and as yet are not available for FY 2017-18, the Commission has considered the fixed charge per unit for those generating stations as approved in the Tariff Order dated 29/09/2015.

(c) The Energy charge Rate of Generating Stations other than State Generating Stations has been considered based weighted average of actual Energy charge Rate of respective Generating Stations for 1st. quarter of FY 2017-18.

(d) The cost of power purchase from Solar Energy Corporation of India (SECI) and own solar of the petitioner has been considered at Rs. 5.50/kWh and Rs. 5.90/kWh (as approved in Tariff Order of 29/09/2015) respectively.

(e) The Energy Charge Rate and Fixed Charges of State Generating Stations, TOWMCL and MSW Bawana has been considered as approved by the Commission in the respective Tariff Orders for FY 2017-18.

(f) The fixed and energy charges for the re-allocated generating stations has been computed on the basis of 5 months and 7 months as the cost pertaining to the period of five months has already been borne as per the earlier allocation and cost pertaining to the period of seven months shall be borne as per the revised allocation of power.

4.62 The total Power Purchase Cost projected by the Commission is summarized in the Table as follows:

Table 231: Total Power Purchase Cost projected by the Commission

Sr. No.	Particulars	Energy (MU)	Fixed Cost (Rs. Cr.)	F.C/Unit (Rs./kWh)	V.C/unit (Rs./kWh)	Variable Cost (Rs. Cr.)	Total Charges (Rs. Cr.)	Avg. Rate (Rs./kWh)
A	**NTPC**							
1	BTPS	316.84	42.40	1.34	3.78	119.87	162.26	5.12
2	FARAKKA	24.11	4.02	1.67	2.86	6.89	10.91	4.52
3	KAHALGAON - I	94.23	10.86	1.15	2.62	24.65	35.51	3.77
4	NCPP - DADRI	257.64	43.79	1.60	3.18	81.84	125.63	4.88
5	RIHAND – I	213.79	17.42	0.81	1.30	27.84	45.26	2.12
6	RIHAND – II	255.01	22.92	0.90	1.30	33.14	56.06	2.20
7	RIHAND – III	100.59	17.31	1.72	1.31	13.19	30.50	3.03
8	SINGRAULI	308.27	19.88	0.64	1.41	43.34	63.22	2.05
9	UNCHAHAR - I	28.88	4.75	1.64	2.97	8.58	13.33	4.62
10	UNCHAHAR - II	60.57	8.56	1.41	2.97	18.00	26.56	4.38
11	UNCHAHAR - III	37.70	7.57	2.01	2.96	11.15	18.72	4.96
12	KAHALGAON - II	220.64	37.19	1.69	2.52	55.62	92.81	4.21
13	DADRI EXTENSION	476.04	89.12	1.87	2.97	141.23	230.35	4.84
14	ARAVALI	2152.08	516.24	2.40	3.09	665.21	1181.45	5.49
	Sub-Total NTPC	**4546.39**	**842.02**			**1250.54**	**2092.57**	4.60
B	**NHPC**							
1	BAIRA SIUL	26.04	4.41	1.69	0.96	2.51	6.92	2.66
2	CHAMERA – I	52.54	7.78	1.48	1.11	5.83	13.61	2.59
3	CHAMERA – II	63.28	10.58	1.67	0.99	6.27	16.85	2.66
4	CHAMERA – III	44.06	9.34	2.12	2.12	9.35	18.69	4.24
5	DHAULIGANGA	47.10	12.09	2.57	1.51	7.12	19.20	4.08
6	DULHASTI	82.42	36.36	4.41	2.79	22.96	59.33	7.20
7	SALAL	79.55	4.65	0.58	0.58	4.64	9.29	1.17
8	TANAKPUR	16.81	4.86	2.89	1.57	2.64	7.49	4.46
9	URI	88.75	12.32	1.39	0.81	7.17	19.49	2.20
10	SEWA –II	26.59	5.74	2.16	2.16	5.75	11.50	4.32
11	Uri – II	48.75	19.25	3.95	2.41	11.77	31.02	6.36
12	Parbati – III	32.02	5.60	1.75	2.41	8.81	14.41	4.16
	Sub-Total NHPC	**607.90**	**132.98**	**2.19**		**94.81**	**227.79**	**3.75**
C	**NCPP**							

Sr. No.	Particulars	Energy (MU)	Fixed Cost (Rs. Cr.)	F.C/Unit (Rs./kWh)	V.C/unit (Rs./kWh)	Variable Cost (Rs. Cr.)	Total Charges (Rs. Cr.)	Avg. Rate (Rs./kWh)
1	RAPS – 5 & 6	100.76	0.00		3.54	35.64	35.64	3.54
2	NPCIL – NAPS	98.57	0.00		2.58	25.46	25.46	2.58
	Sub-Total Nuclear	**199.33**	**0.00**			**61.10**	**61.10**	
D	**Other Stations**							
1	TEHRI HEP	52.35	12.83	2.45	2.70	14.14	26.96	5.15
2	SJVNL	205.28	24.43	1.19	1.19	24.45	48.88	2.38
3	KOTESHWAR	33.47	5.69	1.70	1.95	6.54	12.23	3.65
4	Mejia unit - 6	212.38	39.50	1.86	2.29	48.57	88.07	4.15
5	DVC Chandrapur (Ext. 7 & 8)	631.30	104.16	1.65	1.93	122.09	226.26	3.58
6	Haryana CLP Jhajjar (LT-5)	364.12	88.48	2.43	3.63	132.02	220.50	6.06
7	MPL	2046.60	311.08	1.52	1.97	403.59	714.67	3.49
8	Tala HEP	29.14	0.01	0.00	2.02	5.89	5.89	2.02
9	Sasan UMPP	380.43	0.00	0.00	1.15	43.73	43.73	1.15
	Others Total	**3955.06**	**586.18**			**801.02**	**1387.20**	**3.51**
E	**State Generating Stations and Renewable Energy Plants**							
1	GTPS	177.63	38.49	2.17	2.66	47.25	85.74	4.83
2	Pragati – I	270.78	33.50	1.24	2.79	75.47	108.96	4.02
3	Pragati – III	464.68	230.02	4.95	2.28	106.09	336.11	7.23
4	TOWMCL	50.55	0.00	0.00	6.44	32.53	32.53	6.44
5	SOLAR (SECI)	41.02	0.00	0.00	5.50	22.56	22.56	5.50
6	MSW Bawana	36.03	0.00	0.00	7.03	25.33	25.33	7.03
7	Own Solar	2.14	0.00	0.00	5.90	1.26	1.26	5.90
8	**SGS Total**	**1042.82**	**302.00**			**310.49**	**612.49**	**5.87**
9	**Grand Total**	**10351.50**	**1863.18**			**2517.96**	**4381.15**	**4.23**

COST OF POWER PURCHASE FROM OTHER SOURCES (SHORT TERM PURCHASE)

PETITIONER'S SUBMISSION

4.63 The Petitioner has submitted that no short term power purchase has been considered, except the return of power banked units done/ or to be done in balance months of FY 2016-17. As the power banking is done on the normative rate of Rs. 4.00/unit therefore at the time of return the same normative price of Rs 4.00/unit considered by the Petitioner. It is assumed that 500 MU would be returned back in FY 2017-18. The Petitioner has projected short term power purchase for FY 2017-18 on the basis of above.

Table 232: Projected Short Term Power Purchase for FY 2017-18

Source	FY 2017-18
Short Term Power Purchase – MU	500
Short Term Power Purchase – Rs Cr	200
Per unit Rate- Rs/kWh	4.00

COMMISSION'S ANALYSIS

4.64 The Commission has not considered any power purchase cost from short term sources as the Petitioner has itself submitted that Short term power will be procured through Banking only and the Cost of Power Banking is already part of long term power purchase cost of the relevant year.

RENEWABLE POWER PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.65 The Petitioner has submitted that the Commission has notified the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) Regulations, 2012 with effect from October, 2012 wherein year wise solar and non-solar renewable obligations are indicated. Therefore, in order to comply with above Regulations, the Petitioner while projecting RPO compliance for next year has considered the same ratio i.e. for Solar RPO – 0.35% and Non Solar RPO – 8.65%, a total of 9.00%.

Table 233: RPO Compliance for FY 2017-18

Sl. No.	Particulars	UoM	FY 17-18	
			Solar	Non Solar
A	Energy sale for FY 2017-18	MU	8,549.81	
B	RPO target–Solar	%	0.35%	8.65%
C	RPO target –Solar	MU	29.92	739.56
D	RPO Compliance through	MU		
	Purchase from TPDDL Solar	MU	2.17	
	Purchase from SECI Solar	MU	40.30	
	Adjustment of Net Metering	MU	26.81	
	Purchase form Bawana W2E	MU		42.99
	Purchase from Small Hydro	MU		86.72
	Purchase from TOWMCL	MU		49.93
E	Excess/ (Shortfall)= (C-D)	MU	(39.36)	559.92
F	Inter head adjustment	MU	39.36	(39.36)
G	Requirement to be met through			520.56

Sl. No.	Particulars	UoM	FY 17-18	
			Solar	Non Solar
	purchase of REC			
H	REC rate	Rs/kWh		1.5
I	Cost for REC purchase	Rs Cr		78.09

Table 234: Power Purchase from solar and non-solar generating stations

Sl. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr.)	Variable Charge (Rs Cr.)	Total Charge (Rs Cr.)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	Solar					
	TPDDL Solar	2.17	0.00	3.10	3.10	14.32
	SECI Solar	40.30	0.00	22.16	22.16	5.50
	Sub-Total	42.47	0.00	25.26	25.26	5.95
B	Non-Solar					
	Bawana W2E	42.99	0.00	30.22	30.22	7.03
	TOWMCL	49.93	0.00	32.13	32.13	6.44
	Sub-Total	92.92	0.00	62.35	62.35	6.71
	Total	135.39	0.00	87.61	87.61	6.47

COMMISSION'S ANALYSIS

4.66 The Commission has notified the Business Plan Regulations, 2017 for the period of 3 years i.e., for FY 2017-18, FY 2018-19 and FY 2019-20. In the said Regulations, the Commission has specified RPO targets for the Petitioner indicated in the table as follows:

Table 235: Targets for Renewable Power Purchase Obligation

Sr. No.	Distribution Licensees	FY 2017-18
1	Solar Target (Minimum)	4.75%
2	Total	14.25%

4.67 As per the above said Business Plan Regulations, 2017, the Distribution Licensees have to purchase 14.25% of total energy sales approved by the Commission during FY 2017-18 from renewable energy sources including 4.75% from solar sources.

4.68 The Commission has approved the total energy sales of 8457 MU in FY 2017-18 for the Petitioner. Based on the sales approved, the Petitioner has to purchase from Renewable Energy Sources for FY 2017-18 indicated in the table as follows:

Table 236 : RPO projected by the Commission

Power Source	Approved Energy Sales	% of Total Energy Sales Approved in	Renewable Energy to be procured
Solar	8457.44	4.75%	401.73
Non Solar		9.50%	803.46
		14.25%	**1205.19**

4.69 The Commission has noted that the Petitioner has reconciled its purchase from various Renewable Energy Sources with SLDC which has been submitted by SLDC to the Commission vide its letter dated 21/07/2017. The total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy Sources.

4.70 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2017-18.

4.71 CERC has fixed Floor Price and Forbearance Price for Non-Solar and Solar RECs for FY 2017-18 vide its order dated 30/03/2017 indicated in the table as follows:

Table 237: Floor and Forbearance Price for Non-Solar and Solar RECs

Sl. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	Rs. 1000/MWh	Rs. 3000/MWh
2	Solar	Rs.1000/MWh	Rs. 2400/MWh

4.72 Further, Hon'ble Supreme Court of India has stayed the above mentioned Order of CERC vide its Order dated 08/05/2017 in Civil Appeal No. 6083/2017 and 6334/2017. Subsequently, Hon'ble Supreme Court of India in its Order dated 14/07/2017 has vacated the stay on trading of Non-Solar RECs at the Floor price prevalent earlier subject to pending Appeal No. 105/2017 before the Hon'ble APTEL. However, the obligated entities/Power Exchanges shall deposit the difference between Floor price prevalent earlier and Floor price as determined by CERC in its Order dtd. 30/03/2017 with the CERC. There is no vacation of stay on trading of Solar RECs.

4.73 In view of above, the Commission has considered the Floor Price of Non-Solar REC as approved earlier by CERC i.e., Rs. 1500/MWh on provisional basis subject to the outcome of Appeal No. 105/2017 filed before the Hon'ble APTEL. Further, due to stay on Solar REC trading, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance based on the rate of SECI (Rs. 5.50/kWh).

4.74 It may be mentioned that the Forbearance price approved by CERC for Solar REC is Rs. 2400/MWh in its Order dtd. 30/03/2017 which is presently stayed by Hon'ble Supreme Court of India. Since, the Petitioner when procures power from Solar Energy sources to meet its RPO then it will have to back down the Generating stations which has highest variable cost i.e., APCPL. Accordingly, the Commission has allowed the rate of Solar Energy to the Petitioner at Rs. 5.50/kWh i.e., around Rs. 2.40/kWh over and above the variable cost of APCPL which is Rs. 3.09/kWh.

4.75 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 238: Approved Cost of Power purchase for RPO

Sr. No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	(Rs./kWh)	Total Cost (Rs. Crore)
SOLAR				
1	Own Solar	2.14	5.50	1.17
2	Solar (SECI)	41.02	5.50	22.56
3	Balance Solar Energy to be purchased	358.57	2.40	86.06
	Sub Total	**401.73**		**109.79**
NON SOLAR				
4	TOWMCL	50.55	6.44	32.53
5	MSW Bawana	36.03	7.03	25.33
6	East Delhi MSW	-	-	-
7	Balance Non Solar RECs to be purchased	716.88	1.50	107.53
8	**Sub Total**	**803.46**		**165.39**
9	**TOTAL RPO**	**1205.19**		**275.18**

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

4.76 The Petitioner has projected Intrastate (DTL) Transmission Losses of 0.85% has been considered for FY 2017-18, rest of the losses has been considered towards interstate transmission losses. The transmission charges for FY 2017-18 as projected by the Petitioner is as follows:

Table 239: Projected Transmission Charges (Rs Crore) for FY 2017-18

Source	FY 2017-18
PGCIL Charges	524.92
DTL & SLDC Charges	378.00
Other Transmission charges, LDC charges	19.34
STOA Charges	126.87
Total (excluding Pension Trust)	**1049.12**

COMMISSION'S ANALYSIS

4.77 The Commission has considered the Intra-state Transmission losses as 0.98% for FY 2016-17 as per the data available at SLDC website of Input Energy (30659.71 MU) and Output Energy (30359.58 MU) .

4.78 The Commission has considered the weighted average Inter-State Transmission loss in the Northern Region, Eastern Region and Western Region at 2.27% for FY

2017-18 based on the available actual Point of Connection (PoC) losses during November, 2016 at website of National Load Despatch Centre.

TRANSMISSION CHARGES

4.79 The Commission has considered the Transmission charges for Inter-state Transmission Licensee as projected by the Petitioner for FY 2017-18 in the Petition amounting to Rs. 524.92 Crore.

4.80 The Intra-State Transmission charges has been considered based on the DTL Order for FY 2017-18 in which the approved ARR for FY 2017-18 is Rs. 1262.50 Crore.

4.81 The Commission has considered the ratio of energy available to the Petitioner based on the energy projected by Delhi SLDC for FY 2017-18 for computation of share of intra-state Transmission Charges for FY 2017-18.

4.82 Secretary, Pension Trust has requested the Commission to allow Rs. 694 Crore in FY 2017-18 for funding of Pension of erstwhile DVB Employees/Pensioners which has also been recommended by GoNCTD vide it's letter dated 26/07/2017. Further, the Commission had allowed Rs. 573 Cr. in ARR of the Distribution Licensees for FY 2015-16 which continued till date.

4.83 The Commission has now decided to introduce additional surcharge of 3.70% for recovery of Pension Trust funding from September 2017 onwards. Accordingly, the Commission has considered the prorated amount of Rs. 91.55 Cr. towards Pension Trust funding from April 2017 to August 2017 in the ARR of the Petitioner. The mechanism of recovery and payment to Pension Trust is dealt up in Chapter 6 of this Tariff Order.

4.84 The Commission has considered SLDC charges of Rs. 3.10 Crore for the Petitioner for FY 2017-18 as that approved by the Commission in its Tariff Order dated 29/09/2015 because SLDC has not filed its ARR Petition for FY 2017-18.

4.85 In view of above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2017-18 are indicated in the table as follows:

Table 240: Transmission loss, charges approved by the Commission for FY 2017-18

Sr. No.	Particulars	FY 2017-18
A	**Transmission losses (%)**	

Sr. No.	Particulars	FY 2017-18
1	Inter-State Transmission	204.11
2	Intra-State Transmission (DTL)	91.36
	Total Transmission Losses (MU)	**295.47**
B	**Transmission Charges (Rs Crore)**	
1	Inter-State Transmission	524.92
2	Intra-State Transmission (DTL) (incl. SLDC)	357.11
3	Pension Trust	91.55
4	SLDC Charges	3.10
C	**Total Transmission Charges (Rs. Crore)**	**976.68**

NORMATIVE REBATE (REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES)

PETITIONER'S SUBMISSION

4.86 The Petitioner has projected normative rebate of Rs. 116.69 Cr for FY 2017-18 in line with Tariff Regulation, 2017 Tata-Power DDL while projecting the net power purchase cost considered maximum normative rebate of 2% towards power purchase cost & transmission charges as applicable.

COMMISSION'S ANALYSIS

4.87 With reference to rebate on power purchase and transmission charges, DERC Tariff Regulation, 2017 states as follows:

"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."

4.88 Accordingly, the Commission has considered power Purchase Rebate @ 2% of the Gross Power Purchase Cost and Transmission Rebate @ 2% of the total Transmission Charges for projection of the normative rebate on the power purchase cost for FY 2017-18

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.89 The energy balance submitted by the Petitioner for FY 2017-18 is summarized in the table as follows:

Table 241: Energy Balance for FY 17-18

Particulars	Energy MU	Amt Rs Cr	Rate Rs/unit
Power from CSGS	11134.87	4533.76	4.07
Power from SGS	695.54	758.18	10.90
Short Term Power Purchase	500.00	200.00	4.00
RPO obligation to be met through purchase from renewable sources	222.10	121.85	5.49
RPO obligation to be met through purchase of REC		78.09	
TOTAL Purchase	12552.52	5691.88	4.53
Transmission losses (Intra state & Interstate)	(531.37)		
Transmission charges		1049.12	
Transmission charges on towards Pension Trust Payment		200.00	
Total Purchase with Tx	12021.15	6941.00	5.77
Less: Short Term surplus power sale	(2,537.33)	(685.08)	2.70
Net Power Purchase Cost	9483.82	6255.92	6.60
Less- Normative Rebate		116.69	
Power Purchase Cost for the year	9483.82	6139.23	6.47
Add: RPO obligation for previous years		50.00	
Total Power Purchase Cost including RPO obligations		6189.23	

COMMISSION'S ANALYSIS

4.90 Based on the energy sales, distribution loss, intra-state and inter-state transmission losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized in the table as follows:

Table 242: Energy Balance approved by the Commission for FY 2017-18

Sr. No.	Particulars	Unit	FY 2017-18
	Energy Availability		
1	Total energy available (Excluding BTPS, SGS & RE Plants)	MU	8991.84
2	Inter-State Transmission Losses	%	2.27%
		MU	204.11
3	Energy available from BTPS, SGS & RE Plants	MU	1359.67
4	**Energy available at State Transmission Periphery (1-2+3)**	**MU**	**10147.39**

Sr. No.	Particulars	Unit	FY 2017-18
	Energy Requirement		
5	Energy sales	MU	8457.44
6	Distribution loss	%	8.38%
		MU	773.56
7	Energy requirement at distribution periphery	MU	9231.00
8	Intra-State transmission loss	%	0.98%
		MU	91.36
9	**Energy Requirement at State Transmission Periphery**	**MU**	**9322.36**
10	**Surplus energy (4-9)**	**MU**	**825.03**

SALE OF SURPLUS POWER

PETITIONER'S SUBMISSION

4.91 The Petitioner has proposed sale of estimated surplus power of 2537 MU at Rs. 2.70/kWh for FY 2017-18.

COMMISSION'S ANALYSIS

4.92 The Petitioner has Long term Power Purchase Agreement (PPA) with Central Generating Stations based on allocation made by the Ministry of Power, Government of India.

4.93 The rate of surplus power realised by the DISCOMs varies during the last 5 years indicated in the table as follows:

Table 243: Quantum of surplus energy sold and per unit price realized from FY 2011-12 to FY 2015-16

Sl. No.	Year	BRPL		BYPL		TPDDL		Wt. Avg. Rate (Rs./kWh)
		Energy Sold (MU)	Price Realised (Rs./kWh)	Energy Sold (MU)	Price Realised (Rs./kWh)	Energy Sold (MU)	Price Realised (Rs./kWh)	
1	FY 2011-12	2393	3.23	1708	3.19	1680	2.94	3.13
2	FY 2012-13	1867	3.31	2634	3.12	2535	2.91	3.09
3	FY 2013-14	2123	2.80	1572	2.31	2721	3.08	2.80
4	FY 2014-15	1057	3.22	1051	3.41	1605	3.20	3.27
5	FY 2015-16	957	3.15	1093	3.21	1965	3.39	3.28

4.94 It is observed from the above table that there is no definite trend (upward/downward) in the rate of Sale of Surplus Power realised by the DISCOMs.

4.95 The Commission observed during the true of FY 2014-15 and FY 2015-16 that there was scope for better management of the process for short term sale of the surplus power so as to significantly protect the interest of the consumers. The Commission is of the view that Petitioner should endeavour to maximise revenue from sale of surplus power and enter into more banking, intrastate and bilateral transactions. Therefore, the Commission has considered the rate of sale of surplus power at Rs. 3.00/kWh for FY 2017-18.

4.96 Accordingly, the Commission approves the total sale of Surplus Power of 825.03 MU at Rs.3.00/kWh as indicated in the table as below:

Table 244: Approved Sale of Surplus Power for FY 2017-18

Particulars	Surplus Energy (MU)	Average Sale Price (Rs./kWh)	Total Cost (Rs. Crore)
Sale of Surplus power	825.03	3.00	247.51

4.97 Further, the Commission directs the Petitioner to follow best possible practices as indicated in this Tariff Order so as to optimize its Power Purchase Cost, from Long term and Short term sources.

TOTAL POWER PURCHASE COST

4.98 Based on the analysis above the total power purchase cost approved by the Commission for FY 2017-18 is summarized in the Table as follows:

Table 245: Total Power Purchase Cost approved by the Commission for FY 2017-18

Sr. No.	Particulars	Approved		
		Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./kWh)
1	Power Purchase from CSGS except BTPS, SGS and RE Plants	8991.84	3606.40	**4.01**
2	PGCIL Losses & Charges	204.11	524.92	
3	Power Purchase from SGS including BTPS excluding RE Plants	1229.93	693.07	**5.64**
4	Renewable Energy Plants	129.74	81.68	**6.30**
5	Cost towards Renewable Energy Certificates		193.59	
6	**Power Available at Delhi Periphery (cost excluding RECs)**	**10,147.39**	**4906.07**	**4.83**
7	DTL Loss & Charges including Pension trust, SLDC charges	91.36	451.76	
8	Power Purchase Rebate @ 2%		87.62	
9	Rebate on Transmission Charges @ 2%		19.46	
10	**Power Available to DISCOM**	**10,056.03**	**5250.73**	**5.22**

Sr. No.	Particulars	Approved		
		Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./kWh)
11	Sales	8457.44		
12	Distribution Loss	**773.56**		
13	**Net Power Purchase cost including Transmission charges and REC**	**9231.00**	**5196.81**	**5.63**
14	**Net Surplus Power**	**825.03**	**247.51**	**3.00**

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.99 As per Regulation 135 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission has to specify the detailed formula for PPAC in the Tariff Order for the relevant year.

4.100 Further, as per Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 only Price of Fuel from long term sources of Generation, Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation and Variation in Transmission Charges shall be allowed to be recovered in PPAC. The relevant regulation is as follows:

" 134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

(a) Variation in Price of Fuel from long term sources of Generation;

(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges. "

4.101 Accordingly, the Commission has specified the PPAC formula for FY 2017-18 by considering the base Power Purchase Cost from various generating stations over which any increase has to be taken for the purpose of PPAC during FY 2017-18 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for } n^{th} \text{ Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in $(n-1)^{th}$ Qtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in $(n-1)^{th}$ Qtr (in kWh)

$$= \frac{\text{Total bulk sale in } (n-1)^{th} \text{ Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in } (n-1)^{th} \text{ Qtr (in kWh)}}$$

Total bulk sale and gross power purchase in $(n-1)^{th}$ Qtr to be taken from provisional accounts to be issued by SLDC by the 10^{th} of each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in $(n-1)^{th}$ Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)*(1 – $\frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{100}$) + Power from Delhi GENCOs including BTPS (in kWh)}*(1 – $\frac{\text{Intra state losses in \%}}{100}$) – B] in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

$$\text{INTER STATE TRANSMISSION LICENSEE Losses} = \frac{\text{100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)}}{}$$

›ved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)

(in %) DTL Losses (in %) = 100 * Approved DTL Losses (from the Tariff Order) Power

available at Delhi periphery (from energy balance table tariff order)

4.102 The Commission has specified the methodology for recovery of PPAC in its Business Plan Regulations, 2017 as follows:

" The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (Q4).

(3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as

follows:

(a)in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.103 PPAC on quarterly basis shall be charged as per the following:

(a) The PPAC will be charged to all categories of consumers.

(b) The weighted average base cost as approved in this Tariff Rs shall be Rs. 4.23/kWh.

(c) The Distribution licensee shall submit to the Commission the details in respect of changes in power purchase cost of plants having long term PPAs, as listed above for (n-1)th quarter. Further, Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other charges and units purchased from each plant having long term PPAs, as listed above, for (n-1)th quarter and actual transmission charges for (n-1)th quarter shall be furnished along with the proposal of PPAC surcharge submitted for the Commission's approval. Further, similar information in respect of current bills shall also be furnished in the Auditor's certificate.

(d) The percentage of PPAC will be rounded off to two decimal places.

(e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC.

(f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

(g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION & MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

4.104 The Petitioner has estimated Rs. 486.71 Cr as an Employee's Expenses for FY 2017-18. Break- up of the same is as follows:

Table 246: Estimated Employee Expenses for FY 2017-18 (Rs Cr)

Particulars	FY 2017-18
FRSR Structure Employees	188.28
Non FRSR Structure Employees	269.95
Other Common Exp./ Reimbursement/ Staff Welfare	25.89
VSS Employee	1.00
Total	485.12
Less- Capitalization @ 10%	(48.41)
Employee Cost	436.71
Add- Adhoc provision for 7th Pay Commission	50.00
Total Employee Cost	486.71

4.105 Petitioner has estimated A&G expenses of Rs. 91.53 Cr for FY 17-18 which shall be subject to True up on actual basis, on account of new initiatives, change in statutory Levies (i.e. Impact of GST if any), change in tax rate, etc.

4.106 The Petitioner has estimated R&M expenses of Rs. 176.14 Cr for FY 17-18 which shall be further subject to True up on actual basis, on account of New initiatives, change in statutory Levies, tax, etc.

4.107 The Petitioner has sought the following O&M expenses for FY 2017-18 on the basis of above detailed methodology in business plan.

Table 247: O&M Expenses for FY 2017-18 (Rs Cr)

Particulars	FY 2017-18
Employees Expenses	486.71
A&G Expenses	91.53
R&M Expenses	176.14
Total	**754.39**

COMMISSION'S ANALYSIS

4.108 The Commission has notified Business Plan Regulations, 2017 wherein norms for Operation and Maintenance Expenses in terms of Regulation 4(3) has been determined for FY 2017-18.

4.109 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2017-18 indicated as follows:

Table 248: O&M Expenses approved by the Commission for FY 2017-18

Particulars	Capacity as on 31.03.2018	O&M Expenses Per Unit		O&M Expenses (Rs. Crore)
66 kV Line (kms)	925.80	Rs. Lakh/Ckt. Km	3.30	30.53
33 kV Line (kms)		Rs. Lakh/Ckt. Km	3.30	
11 kV Line (kms)	6004.40	Rs. Lakh/Ckt. Km	0.86	51.76
LT Lines system (kms.)	6959.90	Rs. Lakh/Ckt. Km	6.37	443.50
66/11 kV Grid sub-station (MVA)	4962.50	Rs. Lakh/MVA	0.93	45.99
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA	0.93	
11/0.4 kV DT (MVA)	5819.80	Rs. Lakh/MVA	1.33	77.15
Total				**648.92**

4.110 Impact of any Statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Petitioner and prudence check at the time of true up of ARR as specified in the Business Plan Regulations, 2017.

CAPITAL INVESTMENT PLAN

PETITIONER'S SUBMISSION

4.111 The Petitioner has submitted benefit centre wise capital investment plan to achieve the anticipated load growth and targeted distribution loss reduction.

4.112 The Petitioner has also submitted Capital Investment Plan for activities mentioned below:

1) Capex for quality improvement
2) System Average Interruption Frequency Index (SAIFI)
3) System Average Interruption Duration Index (SAIDI)
4) Automation Implementation
5) New Technology
6) Automatic Demand Response (ADR)
7) Programmed Implementation Strategy
8) Protection & Testing Instruments
9) Safety Related
10) Sick Cable Replacement
11) EHV System Improvement Schemes
12) 11 KV System Improvement
13) Capex for loadgrowth
14) EHV Network
15) 11 KV network & Distribution Transformers
16) New Grid Substations Excluding Deposit Works
17) 66 & 33 KV Addition/Augmentation Of Bays/Transformers
18) 66 & 33 KV Lines &Cables
19) 11 KV System Augmentation Works
20) New Meters (Distribution)
21) New Meters (Smart Meters)
22) Capex for creation of infrastructure facilities, buildings and related civil works
23) Administration Support
24) Civil Infrastructure
25) Information Technology
26) Augmentation of Office Automation Equipment like Projection system, IP phones, VC, etc.
27) Licenses for various software (.net, JDK, etc.) & misc. software, Microsoft visual source safe
28) Upgradation of existing network infrastructure for 10G at Data centers (switches with cabling)
29) Replacement of ACs older than 10 years at data centers
30) Printers & scanners
31) Storage for user's data

32) Automated tool for system hardening
33) Storage upgrade for enterprise data
34) Set up of Test & Development-evolvement for enterprise
35) Linux enterprise agreement
36) Replacement of Tape Device System
37) Cyber Security- Appliance based Reverse Proxy
38) Data Security & Safety
39) Investment Plan Master for FY 2017-18

4.113 The Petitioner has estimated that during the FY 2017-18, they would be able to incur capital expenditure of Rs. 369.50 Crore without considering IDC and Deposit work.

Table 249: Table 5.46(A): Capital Expenditure -Distribution (Rs Crore)

Sl. No.	Particulars	FY 17-18
A	Opening Balance	197.42
B	Addition during the year	477.91
B1	Proposed Capex-other than Deposit work	369.50
B2	Proposed Capex-Deposit work	50.00
B3	IDC	58.41
C	**Transfer for Capitalization***	**436.37**
D	Closing Balance	238.96
E	Details of IDC	
E1	Capitalization of Interest	10.00
E2	Capitalization of Salary	48.41

COMMISSION'S ANALYSIS

4.114 The Commission has considered capital investment for FY 2017-18 as per the approved tentative capital investment plan in the Business Plan Regulations, 2017 for the Petitioner for FY 2017-18 indicated in the table as follows:

Table 250: Approved Capitalisation for FY 2017-18

Particulars	Rs. Crore
Capitalisation	423
Smart Meter	66
Less: Deposit Work	50
Total	**439**

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

4.115 The Petitioner has submitted that the contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized. The Petitioner has estimated that Rs 50 Cr will be capitalized towards consumer contribution for FY 17-18 as follows:

Table 251: Estimated Consumer Contribution capitalized (Rs Cr)

Sl. No.	Consumer Contribution/Grant	FY 17-18	Remarks
A	Opening Balance	762.17	Table 4.14
B	Capitalized during the year	50.00	
C	Closing Balance	812.17	(A+B)
D	Average Cumulative Capitalized Consumer Cont.	787.17	(A+C)/2

COMMISSION'S ANALYSIS

4.116 The Commission has projected the capitalization of consumer contribution during FY 2017-18 as per the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance is as follows:

Table 252: Consumer Contribution Capitalized Approved by the Commission (Rs Cr)

Particulars	FY 2017-18
Opening balance of Consumer Contribution already capitalized	696.51
Consumer Contribution Capitalized out of Consumer Contribution received during MYT Period	50.00
Closing Consumer Contribution and Grants	746.51
Average Consumer Contribution and Grants	721.51

DEPRECIATION

PETITIONER'S SUBMISSION

4.117 The Petitioner has submitted that the Commission has allowed the depreciation on net fixed assets i.e. Gross Addition less Consumer Contribution/capital subsidy/grant. For the purpose of computation of final depreciation to be claimed as a part of Annual Revenue Requirement, depreciation rate as prescribed in MYT Regulations 2011 is applied on Opening Gross Block of Assets as on 1st April 2017 and Depreciation rate as prescribed in Tariff Regulation's, 2017 is considered on new assets addition in FY 2017-18 in order to compute the total depreciation. Thereafter based on such total depreciation and average Gross Block of Assets, average depreciation rate is worked out, which is further applied on Average Gross Fixed assets (net of consumer contribution) to compute the allowable depreciation for the year. Based on above methodology, the Petitioner has submitted the average depreciation rate is worked out as follow:

Table 253: Estimated Depreciation (without Consumer Cont.) (Rs Cr)

Sl. No.	Particulars	FY 17-18
A	Average of Gross Fixed Assets	5,897.06
B	Depreciation	235.85
C	Average Depreciation Rate	4.00%

4.118 By applying above average depreciation rate, depreciation has been worked out on GFA (Net of consumer contribution) as stated below:

Table 254: Depreciation on Net Fixed Assets (Rs Cr)

Sl. No.	Particulars	FY 17-18
A	Average GFA (Net of Consumer Contribution)	5,109.89
B	Average Depreciation Rate	4.00%
C	Depreciation (Net of Consumer Contribution)	204.37

4.119 The Petitioner has submitted the summary of addition in opening deprecation is given below:

Table 255: Estimated Depreciation (Net of Consumer Cont.) (Rs Cr)

Sl. No.	Particulars	FY 17-18	Remark
A	Opening Balance	2,079.40	Table 4.16(ii)
B	Addition during the year	204.37	Table 5.50(i)
C	Deletion during the year		
D	Closing Balance	2,283.77	(A+B-C)

COMMISSION'S ANALYSIS

4.120 The Commission has provisionally approved the closing GFA of Rs. 4270.35 Crore for FY 2015-16 in the truing up process for FY 2015-16. The Commission has considered capitalisation for FY 2016-17 at Rs. 346.65 Crore as projected by the Petitioner for the purpose of computation of depreciation of FY 2017-18. Further rate of depreciation has been considered as per the depreciation rate computed by the Petitioner for FY 2017-18 based on the depreciation schedule approved by the Commission. Based on GFA, Consumers contributions and rate of depreciation, the Commission has approved the depreciation for FY 2017-18 on provisional basis as follows:

Table 256: Depreciation approved for FY 2017-18 (Rs. Crore)

Particulars	Petitioner's Submission	Approved
Opening GFA	5678.87	4617.00
Net Additions to Asset during the year	436.37	439.00
Closing GFA	6115.24	5056.00
Average GFA	5897.06	4836.50
Less: Average Consumer Contribution	787.17	721.51
Average GFA net of CC	5109.89	4114.99
Average rate of depreciation	4%	3.91%
Depreciation	204.37	160.90
Accumulated Depreciation	2283.77	1929.47

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.121 The Petitioner has computed the working capital requirement as per the Regulation 84(4) of Tariff Regulations, 2017. Based on the above formula computation of working capital is given below:

Table 257: Computation for Change in Working Capital (Rs Cr)

Sl. No.	Particulars	Amount
		FY 17-18
A	Annual revenues requirement	7,679.85
B	Receivables equivalent to 2 months ARR	1,279.97
C	Power Purchase expenses	6,139.23
D	Add: 1/12th of power purchase expenses	511.60
E	Total working capital	768.37
F	Opening working capital	706.80
G	Change in working capital	61.57

COMMISSION'S ANALYSIS

4.122 The Commission has considered the ARR for FY 2016-17 at the same level as approved for FY 2015-16 because tariff approved for FY 2015-16 was also applicable for FY 2016-17. Therefore, working capital for FY 2016-17 has also been considered as determine for FY 2015-16. Thus, change in working capital for FY

2017-18 has been considered as change in working capital requirement with respect to working capital approved for FY 2015-16. The Commission has computed the working capital requirement for the Petitioner as per Regulation 84 (4) Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract of the Regulation is as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working Capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month: "

4.123 Accordingly working capital requirement computed for FY 2017-18 is as follows:

Table 258: Working Capital approved for FY 2017-18 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Approved
A	Annual Revenue	7679.85	6,252.97
B	Receivables equivalent to 2 months average billing	1279.97	1,042.16
C	Power Purchase expenses	6139.23	5,196.81
D	power purchase expenses for 1 Month	511.60	433.07
E	Total Working Capital	768.37	609.09
F	Opening Working capital	706.80	632.68
G	Change in WC (E-F)	61.57	-23.59

MEANS OF FINANCE

PETITIONER'S SUBMISSION

4.124 The Petitioner has submitted that the Regulation 63 of the Tariff Regulations 2017 provided that for determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30. Based on the said regulations financing of capitalization in Debt: Equity ratio of 70:30, after adjusting amount of corresponding capitalized consumer contribution is considered as given below:

Table 259: Financing of Capital Expenditure (Rs Cr)

Sl. No.	ars	FY 17-18	Remarks
A	Total Capitalization	436.37	Table 5.47
B	Less: Consumer Contribution	50.00	Table 5.48
C	Balance Capital Expenditure	386.37	(A-B)
D	Loan	270.46	C*70%
E		115.91	C*30%

COMMISSION'S ANALYSIS

4.125 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised each year after utilizing the consumer contribution as specified in Tariff Regulations 2017. The relevant extract is as follows:

"25. The Capital Cost of a new project or scheme shall include the following:

(1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;

(2) Interest during construction and financing charges, on the loans being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined in accordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. The Capital cost of an existing project or scheme shall include the following:

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by the Commission on case to case basis and shall include:

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

4.126 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization funding. The Petitioner has deployed equity at more than 30% for their capitalization funding requirement. Therefore the equity for the purpose of computation of Weighted Average Cost of Capital (WACC) has been considered at maximum 30% of net capital employed (GFA-Accumulated Depreciation-Consumer Contribution) subject to the actual equity available as per audited financial statement and debt has been considered at minimum 70% of net capital employed. Further, Regulation 70 of Tariff Regulations, 2017 specifies that the Working capital shall be considered 100% debt financed for the calculation of WACC. Accordingly, the requirement of debt and equity has been computed as follows:

Table 260: Debt and Equity approved by the Commission (Rs. Crore)

Particulars	Amount
Average GFA	4836.50
Average Consumer Contribution	721.51
Average Accumulated Depreciation	1,929.47
Net Capital Employed	2265.96
Equity limiting to 30% of Net Capitalization	679.79
Equity as per audited accounts for FY 2015-16	3134.06
Debt at 70% of Net Capitalization	1586.17
Debt for Working Capital Funding	608.85
Minimum Debt Requirement	2195.03
Equity now considered for WACC (min of normative equity and Equity as per audited accounts)	679.79
Debt for WACC	2195.27

REGULATED RATE BASE (RRB), WEIGHTED AVERAGE COST OF CAPITAL (WACC) AND RETURN ON CAPITAL EMPLOYED (ROCE)

PETITIONER'S SUBMISSION

4.127 The Petitioner has computed the RRB as per Regulations 68 of the Tariff Regulations, 2017 as follows:

Table 261: Computation of Regulated Rate Base (Rs Cr)

Sl. No.	Particulars	Amount
A	Opening Balance of OCFA	5,678.87
B	Opening Balance of Working Capital	706.80
C	Opening Balance of Accumulated Depreciation	2,079.40
D	Opening balance of Accumulated Consumer Contribution	762.17
E	RRB – Opening	3,544.10
F	Capitalization during the year	436.37
G	Depreciation for the year (Including AAD)	204.37
H	Consumer Contribution, Grants,	50.00
I	Change in Working Capital	61.57
J	ΔAB (Change in Regulated Base)	152.57
K	RRB – Closing	3,787.67
L	RRB(i)	3,696.67

4.128 The Petitioner has submitted that the Return on Capital Employed is computed by multiplying the weighted average cost of capital to average RRB for the respective year. The Petitioner has computed of the Return on Capital Employed as given below:

Table 262: Computation of Return on Capital Employed (Rs Cr)

Sl. No.	Particulars	FY 17-18	Reference
A	RRB (i)	3,696.67	
B	WACC	13.17%	
C	Return on Capital Employed	486.90	(A*B)

COMMISSION'S ANALYSIS

4.129 The Commission has approved Rate of Return on Equity computed at base rate of 14% on post tax basis for Wheeling Business and base rate of 2% on post tax basis for the retail business of the Petitioner in its Business Plan Regulations, 2017. Further, the Commission has approved the rate on interest on loan based on weighted average rate of interest (9.73%) of total loan portfolio of the Petitioner as on 1st April, 2017 subject to maximum of 14% as specified in Regulation 21 of Business Plan Regulations, 2017. Accordingly, Weighted Average Cost of Capital (WACC) has been computed by considering the equity and debt requirement for FY 2017-18 and Rate of Return on Equity and Interest on Loan with margin of 1.73% over one (1) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI approved by the Commission as follows:

Table 263: Weighted Average Cost of Capital (WACC) approved for FY 2017-18

Sr. No.	Particulars	Approved
A	Equity	679.79
B	Debt	2195.03
C	Return on Equity	16%
D	Income Tax Rate	33.99%
E	Grossed up Return on Equity	24.24%
F	Rate of Interest	9.73%
G	Weighted Average Cost of Capital	13.16%

4.130 The Commission has computed the opening RRB, RRB for the year and closing balance of the RRB as per the formula specified in Tariff Regulations, 2017 as follows:

Table 264: RRB approved for FY 2017-18 (Rs. Crore)

Sl. No.	Particulars	Petitioners submission	Approved

Sl. No.	Particulars	Petitioners submission	Approved
A	Opening GFA	5678.87	4617.00
B	Opening Accumulated Depreciation	2079.40	1,849.03
C	Opening Consumer Contribution	762.17	696.51
D	Opening Working Capital	706.80	632.68
E	Opening RRB	3544.10	2,784.59
F	Investment during the year	152.57	90.47
G	Net Capitalisation	436.37	439.00
H	Depreciation	204.37	160.90
I	Consumer Contribution	50.00	50.00
J	Change in Working Capital	61.57	(23.59)
K	Regulated Rate Base - Closing	3787.67	2,989.11
L	RRB(i)	3696.67	2,875.06

The Commission has approved RoCE based on RRB(i) and WACC computed as follows:

Table 265: Return on Capital Employed approved by the Commission

Sl. No.	Particulars	Now Approved	Remarks
A	WACC	13.20%	
B	RRB (i)	2,875.06	
C	RoCE	379.59	A*B

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.131 The Petitioner has estimated total Non-tariff income of Rs. 142.28 Cr for FY 17-18 at the same level as the actual NTI offered in the True up of FY 15-16.

Table 266: Non-Tariff Income (Rs Crore)

Sl. No.	Particulars	FY 17-18
A	Non-Tariff Income	71.14
B	Interest on Consumer Security Deposit	44.78
C	Impact of Open Access	26.36
	Total Non-Tariff Income including open access charges	142.28

COMMISSION'S ANALYSIS

4.132 The Commission has considered the Non-Tariff Income as approved during true up of FY 2015-16 for projecting Non-Tariff Income for FY 2017-18 of Rs. 133.25 Cr.

COMPUTATION OF CARRYING COST

PETITIONER'S SUBMISSION

4.133 The Petitioner has submitted that in line with the Tariff Regulation, 2017 Carrying cost rate is computed based on considering Cost of Debt @ 11% for 70% debt portion and rate of return @ 16% for 30% equity portion. Based on above, the carrying cost rate of 12.50% is computed for FY 17-18.

Table 267: Computations of carrying cost (Rs Crore)

Sl. No.	Particular	FY 17-18	Remarks
A	Opening Revenue Gap	(9,255.65)	
B	Revenue (Gap)/Surplus for the year	(1,355.57)	
C	Closing Revenue (Gap)	(10,611.23)	(A+B)
D	Carrying Cost Rate#	12.50%	Annexure A-8 of volume II of the Petition
E	Carrying Cost	(1,241.68)	(A+B/2)*D

COMMISSION'S ANALYSIS

4.134 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2017. Further, the rate of interest has been considered at 9.68% with margin of 1.68% over one (1) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI based weighted average rate of interest on actual portfolio of the Petitioner for funding of revenue gap.

4.135 Accordingly, the Commission has computed Carrying Cost as follows:

Table 268: Carrying Cost approved by the Commission for FY 2017-18

Sl. No.	Particulars	FY 2017-18
A	Rate of Return on Equity	14.00%
B	Rate of Interest on Loan	9.68%
C	Rate of Carrying Cost	10.98%
D	Opening Revenue Gap	(2,223.23)
E	Surcharge @ 8%	527.27
F	Carrying Cost	(196.54)

AGGREGATE REVENUE REQUIREMENT (ARR)

4.136 The ARR based on various component as submitted by the Petitioner and as approved by the Commission for FY 2017-18 is summarised as follows:

Table 269: Approved ARR for Wheeling Business for FY 2017-18 (Rs. Crore)

Particulars	Petitioner's Submission	Approved FY 2017-18
Power Purchase Cost including Transmission Charges	6189.23	5,196.81
O&M Expenses	789.66	648.92
Depreciation	204.27	160.90
Return on Capital Employed (RoCE)	638.88	379.59
Less: Non-Tariff income	142.28	133.25
Aggregate Revenue Requirement	7679.85	6,252.97
Carrying Cost	1241.68	196.54
Aggregate Revenue Requirement with Carrying Cost	**8921.44**	**6,449.51**
Revenue at Existing Tariff	6324.98	6590.85
Surplus for the year with Carrying Cost	(2596.46)	141.34

ALLOCATION OF ARR INTO WHEELING AND RETAIL SUPPLY

4.137 Based on the allocation of different expenses in accordance with the methodology followed in the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Business Plan Regulations, 2017, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 270: Approved ARR for Wheeling Business for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
O&M Expenses	402.33
Depreciation	123.89
Return on Capital Employed (RoCE)	273.31
Less: Non-tariff income	53.30
Aggregate Revenue Requirement	**746.23**

Table 271: Approved ARR for Retail Business for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
Cost of Power Procurement	5,196.81
Operation and Maintenance expenses	246.59
Return on Capital Employed	106.29
Depreciation	37.01
Carrying Cost on Revenue Gap/Regulatory asset	196.54
Less: Non-Tariff Income	79.95

Aggregate Revenue Requirement	**5,703.28**

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Sector Revenue (Gap)/Surplus.

b. Cost of service

c. Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS FOR THE SECTOR

REVENUE (GAP)/SURPLUS TILL FY 2015-16

5.2 The Commission has approved the Revenue (Gap)/Surplus for the Petitioner for FY 2014-15 & FY 2015-16 as discussed in detail in Chapter A3 of this Order. The Revenue (Gap)/Surplus upto FY 2015-16 is summarised in the table as follows:

Table 272: Revenue (Gap)/Surplus of BYPL till FY 2015-16 (Rs Cr)

Sr. No.	Particulars	Approved in Tariff Order dated Sep 29, 2015 upto FY 2013-14	FY 2014-15	FY 2015-16	Remarks
A	Opening level of (Gap) / Surplus	(2,831.92)	(3,051.19)	(3,090.56)	
B	Revenue Requirement for the year	3,999.39	**4,262.58**	**3,674.77**	
C	Revenue realised	3,800.63	4,235.66	4,478.95	
D	(Gap) / Surplus for the year	(198.76)	(26.93)	804.18	C-B
E	8% Surcharge for the year	280.00	306.09	332.68	
F	Net (Gap)/Surplus	81.24	279.16	1,136.86	D+E
G	Rate of Carrying Cost	10.77%	10.94%	10.96%	
H	Amount of carrying cost	(300.53)	(318.54)	(276.32)	
I	Additional Impact of past period True up	-	-	(431.92)	
J	Closing Balance of (Gap)/Surplus	(3,051.19)	(3,090.56)	(2,661.95)	A+F+H+I

5.3 The summary of Revenue (Gap)/Surplus approved for BRPL and TPDDL till FY 2015-16 is summarised in the table as follows:

Table 273: Revenue (Gap)/Surplus of BRPL till FY 2015-16 (Rs Cr)

Sr. No.	Particulars	Approved in Tariff Order dated Sept 29, 2015 upto FY 2013-14	FY 2014-15	FY 2015-16	Remarks
a	Opening level of (Gap) / Surplus	(5,384.23)	(5,105.28)	(5,121.56)	
B	Revenue Requirement for the year	6,572.94	7,653.40	7,064.30	
C	Revenue realised	6,877.19	7,598.77	8,147.22	
D	(Gap) / Surplus for the year	304.25	(54.63)	1,082.92	C-B
E	8% Surcharge for the year	507.45	579.57	619.16	
F	Net (Gap)/Surplus	811.70	524.94	1,702.08	D+E
G	Rate of Carrying Cost	10.80%	11.18%	11.23%	
H	Amount of carrying cost	(537.54)	(541.21)	(479.50)	
I	Additional Impact of past period True up	4.79*	-	(333.70)	A+F+H+I
J	Net Closing Balance of (Gap)/Surplus	(5,105.28)	(5,121.56)	(4,232.68)	

*penalty due to GIS mapping

Table 274: Revenue (Gap)/Surplus of TPDDL till FY 2015-16 (Rs Cr)

Sr. No.	Particulars	Approved in Tariff Order dated September 29, 2015 upto FY 2013-14	FY 2014-15	FY 2015-16	Remarks
a	Opening level of (Gap) / Surplus	(3,375.83)	(3,351.48)	(3,194.01)	
b	Revenue Requirement for the year	4,976.41	5,601.83	5,377.54	
c	Revenue realised	4,987.37	5,680.52	6,063.70	
d	(Gap) / Surplus for the year	10.96	78.69	686.16	C-B
e	8% Surcharge for the year	390.70	445.90	472.89	
f	Net (Gap)/Surplus	401.66	524.59	1159.05	D+E
g	Rate of Carrying Cost	11.88%	11.88%	12.08%	
h	Amount of carrying cost	(377.32)	(367.12)	(315.83)	
i	Additional Impact of past period True up	-	-	(103.31)	
j	Closing Balance of (Gap)/Surplus	(3,351.48)	(3,194.01)	(2,454.10)	A+F+H+I

5.4 The Revenue Gap upto FY 2015-16 as determined by the Commission is indicated as follows:

Table 275: Revenue (Gap)/Surplus of the three DISCOMS till FY 2015-16 (Rs. Crore)

Particulars	Up to FY 2015-16	Remarks

Particulars	Up to FY 2015-16	Remarks
BYPL	(2,661.95)	Table 275
BRPL	(4,232.68)	Table 276
TPDDL	(2,454.10)	Table 277
Total	**(9,348.73)**	

5.5 It can be seen from the above that the accumulated Revenue Gap till FY 2015-16 for all the three DISCOMs is Rs. 9,348.73 Crore.

Revenue (Gap)/Surplus for FY 2017-18 at Existing & Revised Tariffs for BYPL

5.6 The summary of net revenue (gap)/surplus approved for BYPL at Existing Tariff for the current year, FY 2017-18 is as follows:

Table 276: Revenue (Gap)/Surplus of BYPL at Existing Tariffs for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
Revenue requirement for the year (including Carrying Cost)	4441.51
Revenue at existing tariff	4483.19
Revenue (Gap)/Surplus for the year	**41.68**

5.7 The summary of net revenue (gap)/surplus for BRPL and TPDDL at Existing Tariff for the current year, FY 2017-18 is as follows:

Table 277: Revenue (Gap)/Surplus of BRPL at Existing Tariffs for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
Revenue requirement for the year (including Carrying Cost) (A)	**8,414.41**
Revenue at Existing tariff @ 99.50% Collection Efficiency (B)	8374.33
Revenue (Gap)/Surplus for the year (C)	**(40.08)**

Table 278: Revenue (Gap)/Surplus of TPDDL at Existing Tariffs for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
Revenue requirement for the year (including Carrying Cost)	6,449.51
Revenue at existing tariff	6590.85
Revenue (Gap)/Surplus for the year	**141.34**

Table 279: Revenue (Gap)/Surplus of all the three DISCOMs at Existing Tariff for FY 2017-18 (Rs. Crore)

Particulars	FY 2017-18
BYPL (A)	41.68
BRPL (B)	(40.08)
TPDDL (C)	141.34
Total	**142.94**

5.8 The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution licensees as per the earlier tariff schedule.

5.9 The summary of revenue billed at revised tariffs (Apr'17-Aug'17 Revenue at Existing Tariff & Sept'17-Mar'18 Revenue at Revised Tariff), excluding 8% surcharge, for FY 2017-18 is shown as follows:

Table 280: Revenue at Revised Tariffs for FY 2017-18 (Rs. Crore)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	86.58	2187.81	2274.39
2	Non-Domestic	236.10	1366.48	1602.58
3	Industrial	223.21	1971.19	2194.41
4	Agriculture & Mushroom	0.60	3.66	4.26
5	Public Lighting	0.00	108.04	108.04
6	DJB	12.64	217.31	229.95
7	Railway Traction	4.30	37.10	41.40
9	DMRC	5.22	103.61	108.83
10	Others	5.16	111.71	116.86
11	**Total**	**573.81**	**6,106.91**	**6680.72**
12	**Revenue @ 99.50% Collection Efficiency**			**6647.32**

5.10 The revenue for FY 2017-18 projected by Commission at Revised tariff with Collection efficiency of 99.50% is Rs. 6647.32 Crore (excluding 8% surcharge) resulting into additional Surplus of Rs. 198.09 Cr.

5.11 The Commission has also decided to continue with the existing surcharge at 8% over the revised tariff for liquidating the regulatory assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional inflow of Rs. 534.46 Crore.

COST OF SERVICE MODEL

5.12 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;

(b) Power factor;

(c) Load factor;

(d) Time of use of electricity;

(e) Quantity of electricity consumed,

(f) Distribution Loss

(g) Collection Efficiency etc.

5.13 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.14 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level (detailed methodology discussed ahead).

ALLOCATION OF WHEELING ARR

5.15 The Commission has considered the gross energy sales (MU) approved for the DISCOM for the year and has allocated the same to different voltage levels in the proportion of energy sales (MU) to these voltages to total sales in that year as submitted by the respective DISCOMs. Both BYPL and BRPL have not indicated any energy sales above 66 kV level in their distribution areas and therefore, no energy sales has been considered above 66 kV level while computing the cost of supply. The voltage wise energy sales approved for FY 2017-18 is as shown in the following table:

Table 281: Approved Energy Sales for FY 2017-18 (MU)

Particulars	BRPL	BYPL	TPDDL
Sales above 66 kV level	0.00	0.00	90.89

Particulars	BRPL	BYPL	TPDDL
Sales at 33/66 kV level	633.15	270.95	103.98
Sales at 11 kV level	1043.72	638.52	885.71
Sales at LT level	9774.12	5224.71	7376.86
Total	**11450.99**	**6134.18**	**8457.44**

5.16 The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU) for that level. The Commission has considered the distribution losses at various voltage levels as projected by the Distribution Licensees in their Business Plan. Keeping the overall distribution losses same as approved by the Commission and considering the losses at 33/66 kV and at 11 kV as projected, the LT voltage level losses are derived. The summary of the voltage wise distribution losses considered by the Commission are as follows.

Table 282: Distribution Loss for FY 2017-18 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00%	0.00%	0.00%
Loss at 33/66 kV level	1.23%	0.84%	0.79%
Loss at 11 kV level	2.95%	1.94%	2.94%
Loss at LT level	8.35%	12.20%	5.60%

5.17 The Commission would like to reiterate that the voltage wise distribution losses considered above are estimates and may not reflect the actual picture. The Commission, in this regard directed the three DISCOMs (BYPL, BRPL and TPDDL) earlier to carry out energy audit so that the actual data of distribution losses at different voltage levels could be used to calculate the cost of supply. A study made to assess the technical losses and commercial losses segregated voltage wise is yet to be submitted by the Petitioner. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 283: Approved Energy Input for FY 2017-18 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	0	0	90.89
Input for 33/66 kV level	641.04	273.24	104.81
Input for 11 kV level	1088.84	656.67	919.81
Input for LT level	11125.63	6119.83	8115.29

Particulars	BRPL	BYPL	TPDDL
Total	**12856.17**	**7050.78**	**9231.00**

5.18 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 284: Wheeling cost for different voltages for FY 2017-18 (Rs. Crore)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0	0	7.35
At 33/66 kV level	50.59	27.69	8.47
At 11 kV level	85.93	66.54	74.36
At LT level	878.05	620.09	656.03
Total	**1014.62**	**714.42**	**746.23**

5.19 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2017-18 as follows:

Table 285: Wheeling Charges for FY 2017-18 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0	0	0.81
At 33/66 kV level	0.80	1.02	0.81
At 11 kV level	0.82	1.04	0.84
At LT level	0.90	1.19	0.89
Average	**0.89**	**1.16**	**0.88**

ALLOCATION OF RETAIL SUPPLY ARR

5.20 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2017-18 is given as follows:

Table 286: Retail Supply cost for different voltages for FY 2017-18 (Rs. Crore)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0.00	0.00	56.16
At 33/66 kV level	368.97	144.44	64.76
At 11 kV level	626.71	347.12	568.29
At LT level	6403.72	3234.98	5013.95

Particulars	BRPL	BYPL	TPDDL
Total	**7399.78**	**3727.09**	**5703.28**

5.21 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2017-18 as follows:

Table 287: Retail Supply Charges at different voltages for FY 2017-18 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0.00	0.00	6.18
At 33/66 kV level	5.83	5.33	6.23
At 11 kV level	6.00	5.44	6.42
At LT level	6.55	6.19	6.80
Average	**6.46**	**6.08**	**6.74**

5.22 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 288: Cost of Supply for BYPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.00	0.00	0.00
At 33/66 kV level	1.02	5.33	6.35
At 11 kV level	1.04	5.44	6.48
At LT level	1.19	6.19	7.38
Average	**1.16**	**6.08**	**7.24**

Table 289: Cost of Supply for BRPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.00	0.00	0.00
At 33/66 kV level	0.80	5.83	6.63
At 11 kV level	0.82	6.00	6.83
At LT level	0.90	6.55	7.45
Average	**0.89**	**6.46**	**7.35**

Table 290: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.81	6.18	6.99
At 33/66 kV level	0.81	6.23	7.04
At 11 kV level	0.84	6.42	7.26
At LT level	0.89	6.80	7.69

Particulars	Wheeling	Retail Supply	Total
Average	0.88	6.74	7.63

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.23 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

5.24 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition *to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.*

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

5.25 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.

5.26 At present, there are number of consumer classes e.g. some slabs of domestic consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other consumers.

5.27 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.

5.28 The Commission has computed category wise revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The Ratio of ABR to Average Cost of Supply and category-wise tariff hike approved for FY 2017-18 is indicated in the table as follows:

Table 291: Ratio of ABR to ACOS and category-wise approved for FY 2017-18

Sr. No.	Category	Existing Tariff	Revised Tariff	ACoS	Revised Tariff to ACoS (%)
1	**Domestic**	5.84	5.87	7.63	77%
2	**Non-Domestic**	10.72	10.80	7.63	142%
3	**Industrial**	9.27	9.42	7.63	123%
4	**Agriculture**	3.20	3.20	7.63	42%
5	**Public Lighting**	7.30	7.30	7.63	96%
6	**Railway Traction**	8.62	8.62	7.63	113%
7	**DMRC**	6.53	6.54	7.63	86%
8	**DJB**	8.99	9.00	7.63	118%

TARIFF STRUCTURE

DOMESTIC TARIFF

5.29 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.

5.30 All the Cattle/ Dairy Farms and Dhobi Ghat across Delhi with a total consumption of not more than 400 units in a month. However, in case the consumption in a month exceeds 400 units, the total consumption including the first 400 units shall be charged non- domestic rates as applicable to the consumers falling under the Non Domestic category.

5.31 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e., fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

5.32 The Commission has considered the views expressed by the stakeholders and after considering various options, the Commission has changed the existing methodology of levying fixed charges as per slab upto 5kW from Rs./month basis to Rs/kW/month basis.

DOMESTIC SINGLE DELIVERY POINT FOR GROUP HOUSING SOCIETIES (GHS)

5.33 In this Tariff Order, the Tariff for Group Housing Societies (GHS) for supply at 11kV has been rationalized as follows:

a) Energy charges for GHS has been retained at Rs.6.00/kWh as per last tariff schedule.

b) Individual Consumers availing the supply at single delivery point through Group Housing Society may claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claims for subsidy on behalf of individual members from DISCOMs

c) The definition of GHS has been broadened to cover all the GHS including residential complex developed by a developer as follows:

"Group Housing Society(GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority "

d) The Single Point Delivery Supplier (GHS) shall charge the Domestic tariff as per slab rate of Tariff Schedule 1.1 to its Individual Members. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of Tariff Schedule 1.1 and the billing as per the Tariff Schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

NON-DOMESTIC TARIFF

5.34 Non-domestic category of consumers comprises two sub-categories viz., Supply on low Tension and Supply on High Tension (11 kV and above).

NON-DOMESTIC LOW TENSION (NDLT)

5.35 This category covers LT Non-Domestic consumers having contract demand or sanctioned load (whichever is applicable) up to 140 kW/150 kVA.

5.36 For the consumers with sanctioned load up to 10 kW in this category, the Commission had specified the kWh based tariff only. The Commission has decided to continue with the existing practice.

5.37 For Non-domestic consumers having contract demand or sanctioned load more than 10 kW (11 kVA) and up to 140 kW (150 kVA), the Commission has specified kVAh based energy charges.

5.38 The Commission believes that with gradual movement towards voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be lower than that for lower voltages, which will encourage consumers to opt for HT connections particularly for loads higher than 140 kW.

5.39 For existing consumers having sanctioned load/contract demand, whichever is applicable, in kW, the actual power factor of the consumer in the relevant billing cycle shall be considered for converting kW to kVA for computing the fixed charges. For new consumers, the sanctioned load/contract demand shall be in terms of kVA only.

NON-DOMESTIC HIGH TENSION (NDHT)

5.40 Non-domestic consumers with contract demand or sanctioned load more than 100 kW/108 kVA can also avail supply at 11 kV or above.

5.41 Non domestic consumers availing supply on 33 kV/66 kV or 220 kV will be entitled for rebate of 2.5% and 4% respectively on the applicable energy charges on 11 kV tariff.

5.42 For existing consumers having sanctioned load/contract demand, whichever is applicable, in kW, the actual power factor of the consumer in the relevant billing cycle shall be considered for converting kW to kVA for computing the fixed charges. For new consumers, the sanctioned load/contract demand shall be in terms of kVA only.

INDUSTRIAL TARIFF

5.43 Industrial category of consumers consists of two sub-categories, viz., Small Industrial Power (SIP) and Large Industrial Power (LIP).

SMALL INDUSTRIAL POWER (SIP)

5.44 This category covers industrial consumers having contract demand or sanctioned load, whichever is applicable, up to 200kW/215kVA.

5.45 For the consumers with sanctioned load up to 10 kW in this category, the Commission had specified the kWh based tariff only. The Commission has decided to continue with the existing practice.

5.46 For Small Industrial Power (SIP less than 200 kW/215 kVA) category, the slab between 10 kW (11 kVA) up to 140 kW (150 kVA), the Commission has specified the kVAh based tariff.

5.47 For existing consumers of 10 kW and above having sanctioned load/contract demand, whichever is applicable, in kW, the actual power factor of the consumer in the relevant billing cycle shall be considered for converting kW to kVA for computing the fixed charges. For new consumers, the sanctioned load/contract demand shall be in terms of kVA only.

LARGE INDUSTRIAL POWER (LIP)

5.48 Industrial consumers with contract demand or sanctioned load more than 108 kVA shall avail supply on 11 kV.

5.49 The Commission believes that with gradual movement towards voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be lower than that for lower voltages, which will discourage consumers to opt for LT connections particularly for loads higher than 100 kW.

5.50 For supply at 33/66 kV, consumers will get a rebate of 2.5% on the energy charges applicable for supply at 11 kV and a rebate of 4% for supply at 220 kV.

5.51 For existing consumers having sanctioned load/contract demand, whichever is applicable, in kW, the actual power factor of the consumer in the relevant billing cycle shall be considered for converting kW to kVA for computing the fixed charges. For new consumers, the sanctioned load/contract demand shall be in terms of kVA only.

AGRICULTURE

5.52 Agriculture connections are available for tube wells for irrigation, threshers and kutty cutting in conjunction with pumping load for irrigation purpose for loads up to 20 kW and lighting load for bonafide use in “kothra”.

MUSHROOM CULTIVATION

5.53 This category is applicable to the consumers who are engaged in mushroom cultivation/processing.

PUBLIC LIGHTING

5.54 Tariff for this category is applicable to all street light consumers including MCD, DDA, PWD/CPWD, CGHS, Slums, DSIIDC and certain civilian pockets of MES. The share of MCD, however is dominating as most of the street lights in the city are owned by the MCD.

5.55 The Commission has decided that tariff for public lighting which is metered will be lower than tariff for public lighting which is unmetered. Therefore, the Commission has prescribed different tariff for metered and unmetered public lighting.

5.56 The maintenance charges and other conditions of maintenance of street lights, as approved in the Commission’s Order dated September 22, 2009, will continue till such time it is amended. These maintenance charges are exclusive of applicable taxes and duties.

RAILWAY TRACTION

5.57 This category is applicable to Indian Railways for traction purposes for loads more than 100 kW/108 kVA.

DELHI METRO RAIL CORPORATION (DMRC)

5.58 This category is available to DMRC to run its operations (other than construction projects). The commercial load at DMRC stations shall be metered and billed separately as per the relevant tariff category.

DELHI JAL BOARD (DJB)

5.59 In the Tariff Order dated July 13, 2012, the Commission has added DJB supply under LT also in this category.

5.60 For the purpose of conversion of kW to kVA, the actual power factor of the relevant billing cycle shall be considered for the computation of fixed charges.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.61 The Commission has continued the prevailing practice to give DIAL a tariff which shall be higher than that of DJB as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic HT consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.62 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings‟ category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

TEMPORARY SUPPLY

5.63 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule. The 10 days restriction for availing temporary supply for religious functions under clause 12.3 of the other terms and conditions of the Tariff Schedule has been withdrawn.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.64 The Commission has introduced a new Tariff Category for charging of batteries of E-Rickshaw / E-Vehicle at Charging Stations. However, the tariff for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

TIME OF DAY (TOD) TARIFF

5.65 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.66 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.

5.67 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.68 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.69 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours has decided to lower the applicability limit for ToD Tariff.

5.70 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.71 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.72 In this Tariff Order, the Commission has decided to retain existing Time of Day (ToD) Tariff as follows:

a. TOD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 25kW/27kVA and above.
b. Option of TOD tariff shall also be available for all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 11kW/12kVA to 25kW/27kVA. If the consumer who has opted for TOD of sanctioned load

between 11kW/12kVA to 25kW/27kVA, the charges for up-gradation of meters , if any, shall be borne by respective consumers.

c. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.

d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

Months	Peak Hours	Surcharge on Energy Charges	Off-Peak Hours	Rebate on Energy Charges
May-September	1300-1700 hrs and 2100-2400 hrs	20%	0300-0900 hrs	20%

***#** For other than peak and off-peak hours, normal energy charges will be applicable.*

Note: The additional impact due to ToD tariff on the bill received by the management of commercial complexes may be recovered by the SPD manager by spreading this component of tariff on pro-rata basis on the users of the complex.

TARIFF SCHEDULE

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES				
1	**DOMESTIC**						
1.1	**INDIVIDUAL CONNECTIONS**		**0-200 Units**	**201-400 Units**	**401-800 Units**	**801-1200 Units**	**>1200 Units**
A	Upto 2 kW	20 Rs./kW/month	4.00 Rs./kWh	5.95 Rs./kWh	7.30 Rs./kWh	8.10 Rs./kWh	8.75 Rs./kWh
B	> 2kW and ≤ 5 kW	35 Rs./kW/month					
C	> 5kW and ≤ 15 kW	45 Rs./kW/month					
D	>15kW and ≤ 25 kW	60 Rs./kW/month					
E	> 25kW	100 Rs./kW/month					
1.2	**Single Delivery Point Supply at 11kV for GHS**	40 Rs./kW/month	6.00 Rs./kWh				
2	**NON-DOMESTIC**						
2.1	**NON- DOMESTIC LOW TENSION (NDLT)**						
A	Up to 10 kW	115 Rs./kW/month	8.80 Rs./kWh				
B	>10 kW/11kVA & ≤ 140 kW/150 kVA	130 Rs./kVA/month	8.50 Rs./kVAh				
C	>140 kW / 150 kVA (400 volts) (No Supply on LT for load > 200kW/215 kVA)	160 Rs./kVA/month	9.95 Rs./kVAh				
2.2	**NON-DOMESTIC HIGH TENSION (NDHT)**						
A	For supply at 11 kV and above (for load > 100kW/108 kVA)	130 Rs./kVA/month	8.40 Rs./kVAh				
3	**INDUSTRIAL**						
3.1	**Small Industrial Power (SIP) [less than 200kW/215 kVA]**						
A	Up to 10 kW	100 Rs./kW/month	8.45 Rs./kWh				
B	>10 kW/11kVA & ≤ 140 kW/150 kVA	125 Rs./kVA/month	7.90 Rs./kVAh				
C	>140 kW / 150 kVA (400 volts) (No Supply on LT for load > 200kW/215 kVA)	160 Rs./kVA/month	9.50 Rs./kVAh				
3.2	**Industrial Power on 11 kV Single Point Delivery for Group of SIP Consumers.**	110 Rs./kVA/month	7.10 Rs./kVAh				
3.3	**Large Industrial Power (LIP) (Supply at 11 kV and above)**	130 Rs./kVA/month	7.40 Rs./kVAh				
4	**AGRICULTURE**	20 Rs./kW/month	2.75 Rs./kWh				
5	**MUSHROOM CULTIVATION**	40 Rs./kW/month	5.50 Rs./kWh				
6	**PUBLIC LIGHTING**						
6.1	**Metered**						

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES
	Street Lighting, Signals and Blinkers.	-	7.30 Rs./kWh
6.2	**Unmetered**		
	Street Lighting Signals and Blinkers.	-	7.80 Rs./kWh
7	**DELHI JAL BOARD (DJB)**		
7.1	**Supply at LT**		
A	Up to 10 kW	100 Rs./kW/month	8.00 Rs./kWh
B	>10 kW/11kVA & <= 140 kW/150 kVA	115 Rs./kVA/month	7.80 Rs./kVAh
C	>140 kW / 150 kVA (400 volts) (No Supply on LT for load > 200kW/215 kVA)	160 Rs./kVA/month	9.30 Rs./kVAh
7.2	**Supply at 11 kV and above**	130 Rs./kVA/month	7.20 Rs./kVAh
8	**DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)**	160 Rs./kVA/month	7.90 Rs./kVAh
9	**RAILWAY TRACTION**	160 Rs./kVA/month	6.80 Rs./kVAh
10	**DELHI METRO RAIL CORPORATION (DMRC)**	130 Rs./kVA/month	6.10 Rs./kVAh
11	**ADVERTISEMENTS AND HOARDINGS**	600 Rs./month/hoarding	11.20 Rs./kVAh
12	**TEMPORARY SUPPLY**		
12.1	Domestic Connections including Group Housing Societies	Same rate as that of relevant category	Same as that of relevant category without any temporary surcharge
12.2	For threshers during the threshing season	Electricity Tax of MCD : Rs. 270 per connection per month	Flat rate of Rs. 5,400 per month
12.3	All other connections including construction projects	Same rate as that of the relevant category	1.30 times of the relevant category of tariff
13	**Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point**		
13.1	**Supply at LT**	-	5.50 Rs./kWh
13.2	**Supply at HT**	-	5.00 Rs./kVAh

Notes:

1. For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in *DERC (Supply Code and Performance Standards) Regulations, 2017*, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the

consumer, for the relevant billing cycle.

2. **Time of Day (TOD) Tariff**
    a. TOD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 25kW/27kVA and above as shown in the table below.
    b. Option of TOD tariff shall also be available for all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 11kW/12kVA to 25kW/27kVA. If the consumer who has opted for TOD of sanctioned load between 11kW/12kVA to 25kW/27kVA, the charges for up-gradation of meters , if any, shall be borne by respective consumers.
    c. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.
    d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

Months	Peak Hours	Surcharge on Energy Charges	Off-Peak Hours	Rebate on Energy Charges
May-September	1300-1700 hrs and 2100-2400 hrs	20%	0300-0900 hrs	20%

3. Additional rebate of 2.5% on the Energy Charges for supply at 33/66 kV and 4% for supply at 220 kV shall be admissible.
4. Maintenance Charges on street lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per the Commission's Order dated 22 September 2009 in addition to the specified tariff. These charges are exclusive of applicable taxes and duties.
5. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:
   Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;
   Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.
6. The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears., Electricity Tax/Duty, PPAC, load violation surcharge, etc.:
    i. 8% towards recovery of past accumulated deficit to the consumers, and,
    ii. 3.70% towards recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD.
7. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges available to the consumers.

8. For prepaid consumers, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the tariff applicable.

9. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.
10. Individual Domestic Consumers availing the supply at single delivery point through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
11. The Single Point Delivery Supplier availing supply at NDHT shall charge the NDHT tariff to its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount at NDHT tariff to cover losses and all it's expenses.
12. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA but served at LT (415 Volts) such consumers shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).
13. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
14. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a surcharge @ 1.5% per month shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.
15. No payment shall be accepted by the Petitioner from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total Cash collection exceeding the limit.
16. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

Other Terms and Conditions

1. DOMESTIC CATEGORY

1.1 Domestic Lighting, Fan and Power (Single Delivery Point and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers
b. Hostels of recognized/ aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].
c. Staircase lighting in residential flats separately metered.
d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.
e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single delivery point for combined lighting/fan & power.
f. Dispensary/Hospitals/Public Libraries/School/College/ Working Women's Hostel/ Orphanage/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.
g. Small Health Centre's approved by the Department of Health, Government of NCT of Delhi for providing Charitable Services only.
h. Recognized Centre's for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.
i. Public parks except temporary use for any other purpose.
j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.
k. Paying Guests/Students' Hostel registered under any scheme approved by GoNCTD.
l. Places of worship.
m. Cheshire homes/orphanage.
n. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.
o. Electric crematoriums.
p. Gaushala Registered under GoNCTD.
q. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed

the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.

r. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.

s. The consumers running small commercial establishments from their households having sanctioned load upto 5kW shall be charged domestic tariff.

t. Cattle Farms / Dairy Farms / Dhobi Ghat with a total consumption of not more than 400 units/month.

1.2 Domestic Connection on 11 kV single delivery point

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA

Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. NON-DOMESTIC

2.1 **Non-Domestic (Low Tension) – NDLT**

Available to all consumers having load (other than the industrial load) up to 200 kW/215 kVA for lighting, fan & heating/cooling power appliances in all non-domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests
b. Auditoriums, Lawyer Chambers in Court Complexes, Hospitals, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than those covered under domestic category).
c. Railway's (other than traction), Hotels and restaurants
d. Cinemas
e. Banks/Petrol pumps
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Any other category of consumers not specified/covered in any other category in this Schedule

2.2 **Non-Domestic High Tension (NDHT)**: Non-Domestic Power at 11 kV or above at Single Delivery Point for Commercial Complexes

a. Available to consumers having load (other than industrial load) above 100 kW/108 kVA for Non- Domestic establishments including pumping loads of DDA/MCD and supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than traction.

b. Available to commercial complexes having load more than 100kW/108kVA for group of consumers for non-domestic use.

3. INDUSTRIAL

3.1 **Small Industrial Power (SIP)**: Available to Industrial consumers with load up to 200kW/210kVA including lighting, heating and cooling load.

3.2 **Industrial Power (SIP) at 11 kV or above** : On single delivery point for group of SIP consumers provided load of any individual consumer does not exceed 100 kW/108kVA.

3.3 **Large Industrial Power (LIP) for Supply at 11 kV or above**: Available as primary power to large industrial consumers having load above 100 kW/108kVA including lighting load.

4. **AGRICULTURE:** Available for load up to 20 kW for tube wells for irrigation, threshing, and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. **MUSHROOM CULTIVATION:** Available for mushroom growing/cultivation up to 140 kW/150 kVA.

6. **PUBLIC LIGHTING:** Street lighting, Signals & Blinkers

a. All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.

b. Traffic signals and blinkers of Traffic Police

7. **DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.

8. **DELHI INTERNATIONAL AIRPORT LIMITED:** Available to DIAL for aviation activities.

9. **RAILWAY TRACTION (other than DMRC):** Available for railway traction for sanctioned load above 100 kW/108 kVA.

10. **DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load

11. Advertisement/ Hoardings

Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for “Advertisements and Hoardings‟

category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

12. TEMPORARY SUPPLY

a. Available as temporary connection under the respective category

b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

13. CHARGING OF E-RICKSHAW/ E-VEHICLE

a. **Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point**: Available to charging stations as per the provisions of DERC SOP Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commissions decision thereon shall be final and binding.

A6: DIRECTIVES

6.1. The Commission directs the Petitioner to make timely payment of bills to all the generating companies and transmission utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

6.2. A total amount of Rs. 235 Cr. has to be paid to the Pension Trust in FY 2017-18 by the Petitioner. The Petitioner shall submit reconciliation of payment which has already been made to Pension Trust during FY 2017-18 and the balance amount to be paid within one month of the issuance of this Tariff Order. Based on the reconciliation statement the Petitioner is directed to pay the balance amount out of (Rs. 235 Cr. – already paid during FY 2017-18) in 7 (seven) equal monthly instalments to pension trust. Any under / over recovery on account of payment to the Pension Trust shall be trued up by the Commission at the time of True Up of ARR of FY 2017-18.

6.3. The Petitioner shall directly deposit the amount as per the aforesaid directive (6.2) in the following bank account, of Pension trust:

1	A/C No.	10021675545
2	MICR No.	110002103
3	Bank	State Bank of India
4	IFSC Code	SBIN0004281
5	Name	DVB-ETBF-2002
6	Branch	Rajghat Power House, New Delhi - 110002

6.4. If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5. In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6. The Commission directs the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner.

6.7. It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

6.8. The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.

6.9. The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit a compliance report within three months of the date of issuance of this order.

6.10. The Commission further directs the Petitioner :

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

c. To conduct a safety audit and submit a compliance report within three months;

d. To carry out preventive maintenance as per schedule;

e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;

f. To submit the annual energy audit report in respect of their network at HT level and above.

g. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

h. To incorporate the following information in the annual audited financial statements:-

i. Category-wise Revenue billed and Collected,
ii. Category-wise breakup of 8% and 3.70% Surcharge billed and Collected,
iii. Category-wise PPAC billed and collected,
iv. Category- wise Electricity Duty billed and collected,
v. Category-wise subsidy passed on to the consumers during the financial year, if any,
vi. Category-wise details of the surcharge billed on account of ToD,
vii. Category-wise details of the rebate given on account of ToD,
viii. Street light incentive and material charges for street light maintenance,
ix. Direct expenses of other business,
x. Revenue billed on account of Own Consumption,
xi. Revenue collected on account of enforcement/theft cases,

i. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year.

j. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/ Transmission companies;

k. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts at Rs.5 per kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5 per kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa /kWh during the financial year.

l. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self consumption approved by the Commission and exceeding the normative limit of self consumption at Non-Domestic tariff for actual consumption recorded every month.

m. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

n. To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable.

6.11. Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

ANNEXURE – I

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1384)/DERC/2016-17/

Petition No. 17/2017

In the matter of: Petition for Annual Revenue Requirement (ARR) for the FY 2016-17, Revised ARR for FY 2015-16, True up expenses for FY 2014-15 and final True Up for Control Period up to FY 2013-14.

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

...Petitioner/Licensee

Coram:

Sh. B.P. Singh, Member

ORDER

(Date of Order 26.05.2017)

1. M/s. Tata Power Delhi Distribution Limited (TPDDL) has filed the instant Petition for Annual Revenue Requirement (ARR) for the FY 2016-17, Revised ARR for FY 2015-16, True up expenses for FY 2014-15 and final True Up for Control Period up to FY 2013-14. The said Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. Clarifications/additional information, if and when required would be sought from the Petitioner.

2. The Petition is admitted

Sd/-
(B. P. Singh)
Member

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1457)/DERC/2016-17/

Petition No. 24/2017

In the matter of: Petition for Annual Revenue Requirements (ARR) for FY 2017-18, revised ARR for FY 2016-17, True up of expenses for FY 2015-16 and Final True up for control period up to FY 2014-15.

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

...Petitioner/Licensee

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2. The Petition is admitted.

Sd/-
(B. P. Singh)
Member

ANNEXURE - II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE TRUE UP OF EXPENSES UP TO FY 2014-15 & FY 2015-16, AND ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2017-18

S. No.	R. No.	Name	Address	Date of Receipt
1.	1 1A 1B	Sh. B.S. Vohra	East Delhi RWAs Joint FrontF-19/10, Krishna Nagar, Delhi 110 051 rwabhagidari@yahoo.in	09.06.2017 12.06.2017 18.07.2017
2.	2	Sh. O.P. Gupta	Advopgupta95@rediffmail.com	14.06.2017
3.	3 3A	Sh. B.S. Sachdev President	45, North Avenue, New Delhi 110 001 grahakevraja@rediffmail.com , grahakevraja@gmail.com	12.06.2017 29.06.2017
4.	4 4A 4B 4C	Sh. A.K. Dutta	222, Pocket E, Mayur Vihar II Delhi 110 091 Mmathur2001@yahoo.com	15.06.2017 20.06.2017 20.06.2017 17.07.2017
5.	5	Sh. S.K. Juneja	sudershankumarjuneja@gmail.com	20.06.2017
6.	6	Sh. Gulshan Desh	gulshanadesh@gmail.com	20.06.2017
7.	7	Sh. Jagjeet Singh	coolmanjagga@gmail.com	20.06.2017
8.	8	Smartjain.vikas	Smartjain.vikas@gmail.com	18.06.2017
9.	9	Sh. Sumit Jaswanil	Sumitjava2008@gmail.com	20.06.2017
10.	10 10A	Sh. Sat Goel Sh. Sat Goel	satgoel1947@gmail.com satgoel1947@gmail.com	20.06.2017 27.06.2017
11.	11 11A 11B	Sh. Saurabh Gandhi General Secretary	urdrwas@gmail.com	20.06.2017 18.07.2017 18.07.2017
12.	12 12A	Sh. B.B. Tiwari	sarwasharpan@gmail.com	21.06.2016 22.06.2017
13.	13 13A	Sh. Pankaj Sharma	pankaj.sharma@iitb.ac.in	27.06.2017 27.06.2017
14.	14 14A	Sh. Manmohan Verma	Rohini EWS Flats Residents Welfare Association, C-1/128, Sec.-5, Rohini, Delhi 110 085 mmverma.rwc@gmail.com	27.06.2017 18.07.2017
15.	15 15A 15B	Sh. Ashok Bhasin	North Delhi Resident Welfare Federation 1618, Main Chandrawal Road, Delhi 110 017 Ashok.bhasin2015@gmail.com	27.06.2017 28.06.2017 29.06.2017
16.	16	Sh. Anil Kumar Jha	Jan Chetna Sangam (Regd.) A-4, Gali No. 13, Mandawali Unchepar, Delhi 110 092	27.06.2017

S. No.	R. No.	Name	Address	Date of Receipt
17.	17	Sh. Rajiv Kakria	E-230, Greater kailash, New Delhi 110 048	27.06.2017
18.	18 18A	Sh. Sudhir Aggarwal	C-3/2, Model Town III, Delhi 110 009	22.06.2017 18.07.2017
19.	19 19A 19B 19C	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	27.06.2017 27.06.2017 27.06.2017 19.07.2017
20.	20	Sh. Anil Grover President	Resident's Welfare Society (Regd.) Pocket-C, Mayur Vihar Phase II, Delhi 110 091	27.06.2017
21.	21	Sh. P.S. Tomar Secretary	Resident's Welfare Association C-7/89, Yamuna Vihar, Delhi	27.06.2017
22.	22	Sh. Kailash Katyal Patron President	Senior Citizens Welfare Association 49-B Pocket-1, Mayur Vihar, Phase-1, Delhi 110 091	27.06.2017
23.	23	Sh. Kulwant Singh President	Dilshad Colony Residents Welfare Association (Regd.) G-87, List Floor, Dilshad Colony, Delhi 110 095	27.06.2017
24.	24	Sh. Sarvesh Kumar Verma	Resident Welfare Association A-2/219, New Kondli, Delhi 110 096	27.06.2017
25.	25	Rohit Arora President	Resident's Welfare Association 12A, Gyan Park Chander Nagar, Near Krishna Nagar, Delhi 110051 gyanparkwelfaresociety@gmail.com	27.06.2017
26.	26	Sh. S. Hassan Retired Officer Ministry of Defence	F-172, Dilshad Colony, Delhi 110095 shassanrwa@gmail.com	29.06.2017
27.	27	Ms. Ritu Bhatia	Mahila Pragatisheel Association (Regd.) B-186, Vivek Vihar Phase-I, Delhi 110095	28.06.2017
28.	28	Sh. D.M. Narang President	Joint RWAs, R-Block & Double Storey New Rajinder Nagar, New Delhi	28.06.2017
29.	29	Sh. Kunwar Pratap Singh General Secretary	Bhajan Pura Jan Sahyog Sabha D-10, Dispensary Chowk, Bhajan Pura, Delhi 110053	29.06.2017

S. No.	R. No.	Name	Address	Date of Receipt
30.	30	Sh. Umardin Gen. Secretary	The Consortium An Alliance of the Registered RWA's of the Walled City 1570, Ground Floor, Pataudi House, Darya Ganj, New Delhi 110002	28.06.2017
31.	31	Sh. Haji Mohd. Rais President	Resident's Welfare Association 3199, Kucha Tara Chand, Darya Ganj, New Delhi 110002	28.06.2017
32.	32	Sh. Farooq Engineer	Rehayeshi Welfare Anjuman Shivaji Road, Azad Market, Delhi 110006	28.06.2017
33.	33	Sh. Sudhir Kalra Addl. Secretary	E-93, Greater Kailash-I New Delhi 110048 kalrasudhir@gmail.com	28.06.2017
34.	34	Sh. Rajan Gupta	355, Udhyan, Narela, Delhi 110040	27.06.2017
35.	35	Sh. Rajesh Agarwal	Shahdara Resident Welfare Association , 356, Farsh Bazar, Shahdara, Delhi 110032 shahdararwa@gmail.com	29.06.2017
36.	36	Sh. Sanjeev Bhatnagar	Resident's Welfare Association New MIG Flats, Prasad Nagar, New Delhi 110005	28.06.2017
37.	37	Sh. Naeem Bhartee Vice President	Nai Subah Welfare Society 3731, Chowk Shah Ganj, Ajmeri Gate, Delhi 110006	28.06.2017
38.	38	Sh. Mohammad Shadab Qureshi President	Resident's Welfare Association 7642, Al-quresh Library, Near Badi Masjid, Qasab Pura, Delhi 110006	28.06.2017
39.	39	Haveli Azam Khan Welfare Society	849, Gali Godowali, Haweli Azam Khan, Chitli Qubar, Jama Masjid, Delhi 110006	28.06.2017
40.	40	Sh. Dayaram Dwivedi Vice President	Nidhi Fabrics, 262, Katra Pyarelal, Chandni Chowk New Delhi 110006	29.06.2017
41.	41	Sh. Arvind Mehta	Joint RWAs, R-Block & Double Storey, New Rajinder Nagar, New Delhi	30.06.2017
42.	42	Sh. Balkishan	Sudhar Smiti Durgapuri (Regd.) 1449/22, Gali No. 9, Durgapuri, Shahdra, Delhi 110093	30.06.2017

S. No.	R. No.	Name	Address	Date of Receipt
43.	43	Sh. M.P. Singh President	Jan-Hit Residents Welfare Association, Pocket-I, 47a, Dilshad Garden, Delhi 110095	30.06.2017
44.	44.	Sh. Kamal Kiran Seth Addl. Secretary General	Apex Chamber of Commerce & Industry of NCT of Delhi A-8, Naraina Industrial Area, Phase-II New Delhi 110028 delhichamber@airtelmail.in	30.06.2017
45.	45	Sh Samson Frederick General Secretary	All India Minorities Fundamental Rights Protection Committee 2109/18, Turkman Gate, New Delhi 110092	28.06.2017
46.	46	Sh. Shashi Goyal Sr. Manager-Regulatory Affairs	BSES Rajdhani Power Ltd. NSES BHawan, Nehru Place New Delhi 110019	29.06.2017
47.	47	Sh. Satya Narain Rohtagi Sr. Citizen	618F-2/2/1, Shankar Gali Vishwas Nagar, Delhi – 110032	29.06.2017
48.	48	Sh. Shiv Kumar Sharma	Brijpuri Resident Welfare Association (Regd.) D-8/154, Brij Puri, Delhi 110094	03.07.2017
49.	49	Sh. Chaman Singh Gen. Secretary	DDA Janta Flats Residents Welfare Association (Regd.) Pocket D-2, Mayur Vihar Phase III, Delhi 110096	05.07.2017
50.	50	Sh. Sanjay Dhingra	Jama Masjid Citizen Welfare Society dr.sanjay.dhingra007@gmail.com	11.07.2017
51.	51	Dr. Faheem Benoj Gen. Secretary	Jafrabad Resident Welfare Association (RWA) 1202, Street No. 39/4, Jafrabad, Delhi 110053 Jafrabadrwa2006@gmail.com	14.07.2017
52.	52	Sh. Jagadish Prasad	A-129, Pul Prahalad New Delhi 110044	17.07.2017
53.	53	Sh. V.S. Mahindra	H3/45, Vikaspuri, New Delhi 110018	17.07.2017
54.	54	Sh. Rajeshwar Kapoor	A-35, Nizamuddin East, New Delhi	17.07.2017
55.	55	Sh. J.N. Bagehi	F-1152, C.R. Park, New Delhi 110019	17.07.2017
56.	56	Sh. J.B. Sahdev Area Representative	Qutab Enclave MIG Residents Welfare Association, Qutab Enclave, Phase-I New Delhi 110016	17.07.2017

S. No.	R. No.	Name	Address	Date of Receipt
57.	57	Sh. Sushil	Sofia Education and Welfare Society 73, Street No. 9, Main Brijpur Road, Old Mustafabad, Delhi ngosofia@gmail.com	17.07.2017
58.	58	Sh. A.K. Jain	DDA Flats, Kalkaji, New Delhi 110019	17.07.2017
59.	59	Sh. V.P. Garg	B-2/48/A, Keshav Puram New Delhi 110035	17.07.2017
60.	60	Sh. P.S. Gupta	C-5A/209, Janakpuri, New Delhi	17.07.2017
61.	61	Sh. S.K. Bhatia	3/102, Subhash Nagar, New Delhi 110027	17.07.2017
62.	62	Sh. Anil Sharma	V.T. Enterprises, 1124-E-1/46, Molarband, Extn. Badarpur, Delhi	17.07.2017
63.	63 63A	Sh. B.P. Agarwal	Delhi Bar Association Through its Secretary Sh. Jaiveer SinghChauhan, Tis Hazari Courts Delhi 110054	17.07.2017 19.07.2017
64.	64	Ms. Asha Uniyal	B-20, Street Nagar, New Delhi 110092	18.07.2017
65.	65	Sh. Manmohan Verma Chairman	Rohini EWS Flats Residents Welfare Association, C-1/128, Sector-5, Rohini, Delhi 110085 Urdrwas@gmail.com	18.07.2017
66.	66	Sh. Ashok Sharma	House No. A-87, Gali #, Brahmpuri, New Delhi 110 053	18.07.2017
67.	67	Sh. Sanjeev Tyagi	House No. A-96 Ashok Nagar, Gali # 4 Shahdara, New Delhi 110093	18.07.2017
68.	68	Sh. Ishwar Dutt	V-1150, Vijay Park, Maujpur, New Delhi -53	18.07.2017
69.	69	Sh. Deepak Kumar,	A Block, 387 Gokal Puri, Delhi 110094	18.07.2017
70.	70	Sh. Ram Udgar	House No. 27/103, Bajar Gali, Vishwas Nagar, Delhi 110003	18.07.2017
71.	71	Sh. Sanjay Sharma	House No. 298,Gali No. 1, Chanderlok, Durgapuri, Delhi 110032	18.07.2017
72.	72	Sh. Umesh	House No. WS 33, Sudamapuri, Babarpur, Delhi 110032	18.07.2017
73.	73	Sh. Karan	House No. 8/242 Khichdipur, Delhi 110091	18.07.2017

S. No.	R. No.	Name	Address	Date of Receipt
74.	74	Sh. Vimal	House No. 495, Jwala Nagar, Badi Ramleela Ground Shahdara, Delhi 110032	18.07.2017
75.	75	Sh. Dushyant Kumar	RWA Nagar Market, Harsh Vihar Hari Nagar, Part III, Welfare Society Badarpur, New Delhi 110044	18.07.2017
76.	76	Sh. K.K. Singh President	Shakti Vihar , A Block Rahaysi Welfare Association (Regd.) Office No. 15, Street No. 5/2 A Block, Shakti Vihar, Badarpur, New Delhi 110044	18.07.2017
77.	77	Sh. S.P. Rana President	Woman Exploit Grievance Federation I-Block, H.O. 456/12B, Harnagar, Jaitpur, New Delhi 110044	18.07.2017
78.	78	Nilothi Extention Kalyan Sangthan	C-2/2 Himgiri Enclave, Gali No. 6, Nilothi Extension, Delhi 110041	18.07.2017
79.	79	Sh. Anil Chandi Gen. Secretary	Maharana Pratap Bagh, RWA, C-Block, C-8/1 Rana Pratap Bagh, Delhi 110007	18.07.2017
80.	80	Sh. Tej. B. Khattar Vice President	Mother.decghs@gmail.com	18.07.2017
81.	81	Sh. Vivek Aggarwal General Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110001	18.07.2017
82.	82	Sh. G. S. Kohli	C-6/6468, Vasant Kunj New Delhi 110 070	18.07.2017
83.	83	Sh. Ram Babu Gupta	Jan Nyaya Bhomi 227, Nilgiri Apartment Alaknanda New Delhi -110019	18.07.2017
84.	84	Sh. Gulshan Bawa	E-14/8 Vasant Vihar, New Delhi	18.07.2017
85.	85	Sh. Vivek Goel	C-2/66 Janak Puri, Delhi	18.07.2017
86.	86	Sh. D.N Gopal	C-2/167 Janakpuri, New Delhi	18.07.2017
87.	87	Sh. S.C. Dua	R/o 21, Kailash Hills New Delhi 110065	18.07.2017
88.	88	Sh. N.G. Dagar President	RWA Gopal Nagar, D-Block Najafgarh, New Delhi	18.07.2017
89.	89	Sh. S.D Bhatt	Mahavir Enclave Residents Welfare Society, H-2/109, Mahavir Enclave-I New Dlhi 110045	18.07.2017

S. No.	R. No.	Name	Address	Date of Receipt
90.	90	Sh. Yugul Kishore Dwivedi Chairman	RZ-935, St. No. 14/3 Sadh Nagar, Palam Colony New Delhi 110045	18.07.2017
91.	91	Sh. Satvir Singh	Shri Ganga Vihar Resident's Welfare Association, Village Dindar Pur, Najafgarh, New Delhi 110043	18.07.2017
92.	92	Sh. Manoj Mautiyal	Shri Ganga Vihar Resident's Welfare Association, Village Dindar Pur, Najafgarh, New Delhi 110043	18.07.2017
93.	93	Sh. Gurpreet Singh President	Residents welfare Association WZ-958, Shop No. 2, Gali No. 10, Guru Nanak Nagar, New delhi 110018	18.07.2017
94.	94	Sh. Muni Raj Chairman	Residents welfare Association WZ-958, Shop No. 2, Gali No. 10, Guru Nanak Nagar, New delhi 110018	18.07.2017
95.	95	Ms. Sushma Sharma	sushmayanv@gmail.com	20.07.2017
96.	96	Sh. Jitender Agarwal	bawanacri@gmail.com	20.07.2017
97.	97	Smt. Huma Vice President	Jan Kalyan Mahila Samiti Community Centre DDA Flats Turkman Gate, Asaf Ali Road, Delhi 110006	20.07.2017
98.	98	Sh. A.K. Singh	Plot No. 669, Near Shahadr Metro, Sahadar, Delhi	20.07.2017
99.	99	Sh. Yog Raj Goswami	Resident Welfare Association GH-1/231, Archna Apartments Paschim Vihar, New Delhi-63	18.07.2017
100.	100	Sh. B.D. Sharma	H. No. 69, Extn. -1 B, Nangloi New Delhi-110041	18.07.2017
101.	101	Sh. Ompal Singh Ahlawat President	Resident Welfare Association Kh. No. 826, VIII Chhattarpur, The.: Mehrauli, New Delhi	18.07.2017
102.	102	Sh. Krishan Kumar	Resident Welfare Society 455, Kakrola Housing Complex, Najafgarh Road, Near Metro Pillar No. 796, New Delhi 110059.	18.07.2017
103.	103	Sh. Veerpal Singh President	F-2 Block Residential Welfare Association, F-2/544A, Sangam Vihar, New Delhi 110062	18.07.2017

S. No.	R. No.	Name	Address	Date of Receipt
104.	104 104A	Jyotish Kumar Sinha, HoD Regulatory	Tata Power Delhi Distribution Ltd. NDPL House, Hudson Lines Kingsway Camp Delhi 110009	18.07.2017 18.07.2017
105.	105	Sh. Rajeev Chowdhury Head Regulatory Affarirs	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110019	18.07.2017
106.	106 106A	Sh. Sunil Kakkar Addl. Vice President	BSES Yamuna Power Ltd. 2nd Floor, B-Block, Shakti Kiran Building, Karkardooma, New Delhi 110092	18.07.2017 18.07.2017
107.	107	Sh. Ved Kumar Arya	Samaj Sudhar Simiti Islam Colony, 895A/ Ward No. 06, Mahrauli, New Deli 110 030	18.07.2017
108.	108	Sh. Brij Mohan Mehta	Chamber No. 3 Lawyers Chamber Block Rohini Courts Complex Delhi 110086	20.07.2017
109.	109 109A	Flt. Lt. I.D. Sharma General Secretary	Arjun Nagar House Owners Welfare Association, 150, Arjun Nagar, New Delhi 110029	21.07.2017 21.07.2017
110.	110	Sh. Rajeev Goel Coordinator	Confederation of Relocated Industries Bawana G-1, Sector-5 DSIIDC Bawana Industrial Complex, Bawana, Delhi 110039 bawanacri@gmail.com	21.07.2017
111.	111	Sh. Satish Nabardar	H. No. 760, Panna Mojan, Bawan,Delhi 110039	21.07.2017
112.	112	Sh. Dharmendra Kumar	Federation of VIkas Nagar Residents Welfare Association (Regd.), F-126, Shiva Enclave (Shiv Mandir Road), Vikas Nagar, New Delhi – 59	21.07.2017

ANNEXURE-III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS FOR TRUE UP OF EXPENSES UP TO FY 2014-15 & FY 2015-16, AND ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2017-18

S. No.	Name	Organization
1	Sh. Sharad Sharma	DMRC
2	Sh. Subodh Pandey	DMRC
3	Sh. Vivek Aggarwal	DMRC
4	Sh. Ved Parkash Arya	Consumer
5	Ms. Manuj Singhal	DMRC
6	Mr. Pawan Kumar	DMRC
7	Ms. Savita Swami	Consumer
8	Sh. G. S. Kohli	Consumer
9	Sh. Dr. S. P. Rana	Consumer
10	Sh. Shubham Kumar	DMRC
11	Sh. R. S. Jarout	DMRC
12	Sh. Vivek Bhandari	DMRC
13	Flt. Lt. I.D. Sharma	RWA
14	Sh. Om Pal Singh	RWA
15	Sh. S. R. Abrol	Consumer
16	Sh. K. K. Singh	RWA
17	Sh. Iqbal Ahmed	RWA
18	Sh. Farooq Engineer	Consumer
19	Sh. M. Shadab Qureshi	Consumer
20	Sh. Yograj Goswami	RWA
21	Sh. Sat Goel	RWA
22	Sh. Rajeev Kakaria	RWA
23	Sh. B. S. Vohra	RWA
24	Sh. Anil Kumar Khanna	RWA
25	Sh. Vinay Kumar	RWA
26	Sh. V.K. Malhotra	Pension Trust, DVB
27	Sh. R.K. Khurana	RWA
28	Sh. Anil Wadhera	RWA
29	Dr. Faheem BIG	RAW
30	Sh. Sohail Khan	Sophia NGO
31	Sh. Daya Ram Diwedi	Daily Passengers Association
32	Sh. Saurabh Gandhi	RWA
33	Sh. Dilip Chadha	RWA
34	Sh. Atul Gola	RWA
35	Sh. Tej B Khattar	Mother Dairy
36	Dr. M.K. Aggarwal	URD
37	Sh. Bal Krishan Gupta	RWA
38	Sh. Ram Pal Saini	RWA
39	Sh. Balbir Singh	RWA
40	Sh. M.C. Sharma	RWA
41	Sh. Damodar Keshyap	RWA

S. No.	Name	Organization
42	Kusum Sharma	Consumer
43	Sh. Rajeev Sharma	Consumer
44	Naeem Bharti	RWA
45	Satyaveer Singh	RWA
46	Sh. Manoj Nautiyal	RWA
47	Ms. Sushila Bansal	RWA
48	Sh. Manmohan Verma	RWA
49	Sh. P.S. Tomar	RWA
50	Sh. Jitender Aggarwal	CRI
51	Sh. Ashok Bhasin	NDRWF
52	Sh. Sanjay Gupta	CRI
53	Sh. Prem Kumar Sharma	NBCC
54	Sh. Lal Keshwar Shah	NBCC
55	Sh. Anil Kumar Jha	RWA
56	Sh. S.K. Sharma	RWA
57	Sh. Shabhonath Thakur	RWA
58	Sh. Shushil Kumar	RWA
59	Sh. Harish Kumar	RWA
60	Sh. Sanjay Gupta	IWA
61	Ms. Reena Kori	IDAM
62	Sh. P.K. Singhal	RWA
63	Sh. Shiv Kumar Sharma	NBCC
64	Sh. S.L. Gosain	RWA
65	Sh. Jitender Tyagi	URD
66	Sh. Jawed	URD
67	Smt. Sarla Rani	RWA
68	Ms. Arti	RWA
69	Sh. Sunil Kumar	RWA
70	Sh. Pramod Kapoor	RWA
71	Sh. Om Prakash Ahuja	RWA
72	Sh. Sandeep Bhatnagar	RWA
73	Sh. Surender Tomar	URD
74	Ms. Poonam Taneja	MMTC
75	Ms. Anita Guptrishi	MMTC
76	Ms. Radha Bhardwaj	RWA
77	Ms. Geeta Mahour	RWA
78	Sh. D.M. Narang	RWA
79	Sh. Arvind Mehta	RWA
80	Sh. Sukhveer Singh	RWA
81	Sh. Satish Nambardar	RWA
82	Sh. Sukhveer Singh	RWA
83	Sh. Sunny	RWA
84	Sh. Satveer Singh Fauji	RWA
85	Sh. Karanvir Singh	Delhi Pradesh
86	Sh. Rajan Gupta	Consumer
87	Sh. Balram	Consumer

S. No.	Name	Organization
88	Sh. Shiv Kumar Sharma	Consumer
89	Sh. Parvinder	Consumer
90	Dr. Ompal Singh Dhingan	RWA
91	Sh. Balvinder Singh Thappar	RWA
92	Ms. Jyoti Nanda	IERS
93	Ms. Priya Diwedi	IERS
94	Ms. Sushma Sharma	RWA
95	Sh. Vineet Goel	RWA
96	Sh. V. K. Sharma	RWA
97	Sh. Bhudev Sharma	RWA
98	Sh. Krishan Kumar	RWA
99	Sh. R. P. Sharma	RWA
100	Sh. S. C. Dua	Consumer
101	Sh. J. S. Marwah	Consumer
102	Sh. Subash Goel	Consumer
103	Sh. Basant Somani	Consumer
104	Sh. Ashish Garg	Consumer
105	Sh. A.K. Dutta	Consumer
106	Ms. Roshni	Consumer
107	Sh. H.R. Bhardwaj	DVB Pensioner
108	Sh. B. M. Mehta	Advocate