



**TATA POWER-DDL**

Towards a *Greener* Tomorrow



# **TRUE-UP of FY 2023-24 & ARR of FY 2025-26 VOLUME - I**

October - 2024



TPDDL/REGULATORY/2024-25/03/278  
Oct 30, 2024

Office of the HoD (Regulatory & Legal)

*"Without Prejudice"*

**The Secretary**

Delhi Electricity Regulatory Commission,  
Viniyamak Bhawan, C-Block, Shivalik,  
Malviya Nagar,  
New Delhi -110 017.

**Subject: Filing of True Up of FY 2023-24 and ARR for FY 2025-26**

Dear Sir,

This is with reference to the captioned subject; we are pleased to submit our ARR petition of FY 2025-26 and True Up of FY 2023-24.

Please find enclosed herewith the following:

- (a) Six sets of ARR Petition for FY 2025-26 and True Up of FY 2023-24 (including Volumes I, II and III).
- (b) Pen drive containing scanned copy of the Petition.

Payment of One Lakh only done vide online transaction reference no. N299243353762945 on 25<sup>th</sup> Oct 2024 through HDFC Bank in favour of "The Secretary, Delhi Electricity Regulatory Commission".

Tata Power-DDL seeks liberty to file any supplementary, additional submissions, in the matter before finalization of the said Petition.

We hope that the Hon'ble Commission shall find the above in order. We would be glad to provide any other additional information, if required, by the Hon'ble Commission in this regard.

Thanking You.

Yours Sincerely,

For **Tata Power Delhi Distribution Ltd.**



**Anurag Bansal**

HoD (Regulatory & Legal)

**Encl:** As mentioned above.



# TATA POWER DELHI DISTRIBUTION LIMITED

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# INDIA NON JUDICIAL



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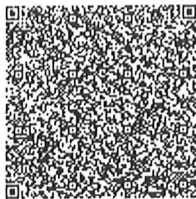
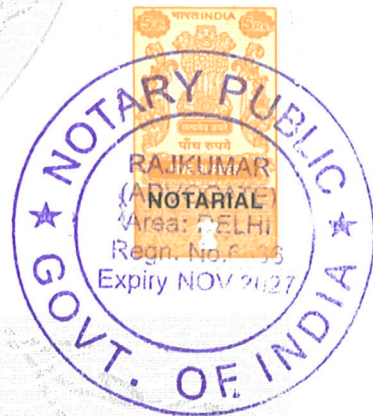
## Government of National Capital Territory of Delhi

₹10

e-Stamp

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Certificate Issued Date : 22-Oct-2024 02:18 PM  
Account Reference : IMPACC (IV)/dl1079703/ DELHI/ DL-DLH  
Unique Doc. Reference : SUBIN-DL75030108613415W  
Purchased by : TATA POWER DELHI DISTRIBUTION LIMITED  
Description of Document : Article 4 Affidavit  
Property Description : Not Applicable  
Consideration Price (Rs.) : 0  
(Zero)  
First Party : TATA POWER DELHI DISTRIBUTION LIMITED  
Second Party : Not Applicable  
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सत्यमेव जयते



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IN-DL75030108613415W

### BEFORE THE HON'BLE DELHI ELECTRICITY REGULATORY COMMISSION

FILE NO:  
CASE NO:

#### IN THE MATTER OF:

PETITION NO. \_\_\_\_\_ OF 2024

#### IN THE MATTER OF:

Petition for Approval of Annual Revenue Requirement (ARR)  
for the FY 2025-26 and True-Up for FY 2023-24

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#### Statutory Alert:

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- The onus of checking the legitimacy is on the users of the certificate.
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AND

**IN THE MATTER OF:**

In terms of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations 2017, the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017, Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019, Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011, extended for FY 2015-16 & 2016-17, and in terms of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 read with Electricity Act, 2003 & Delhi Electricity Reform Act, 2000 and DERC Comprehensive Conduct of Business Regulations, 2001 and direction issued by the Hon'ble Delhi Electricity Regulatory Commission from time to time.

AND

**IN THE MATTER OF:**

Tata Power Delhi Distribution Limited (Formerly known as North Delhi Power Limited) having its registered office at NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110 009

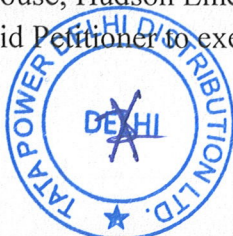
...Petitioner



**AFFIDAVIT ON BEHALF OF PETITIONER/ TATA POWER DELHI  
DISTRIBUTION LIMITED (TPDDL)**

I, **Anurag Bansal**, son of Sh. P.C Bansal, aged about 48 years, residing at C-160, Ashok Vihar, Phase- I, New Delhi-110052, do hereby solemnly affirm as stated hereunder:

1. I say that I am working as Head -Legal and Regulatory with Tata Power Delhi Distribution Limited, the Petitioner in the above matter, having its registered office at NDPL House, Hudson Lines, Kingsway Camp, Delhi-110009, and am duly authorised by the said Petitioner to execute the said affidavit on its behalf.



*(Signature)*



2. I say that the present Petition is being filed by the Petitioner in terms of the Electricity Act, 2003, Delhi Electricity Reform Act, 2000 read with the Hon'ble Commission's (Terms and Conditions for Determination of Tariff) Regulations 2017, DERC Business Plan Regulations 2017, DERC Business Plan Regulations 2019, DERC Business Plan Regulations 2023, DERC Comprehensive Conduct of Business Regulations, 2001 to seek approval of the Hon'ble Commission for undertaking determination of True up for FY 2023-24 and ARR for FY 2025-26.

That this Petition is being filed without prejudice to our rights and contentions made in WP (C) No. 3573 of 2020 titled 'Tata Power-DDL VS DERC' challenging the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 and WP (C) No. 6724 of 2023 titled 'Tata Power-DDL VS DERC' challenging the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 presently sub-judice before the Hon'ble Delhi High Court.

3. I say that the statements made and data presented in enclosed petition are true to the best of my knowledge and as per the records of the Petitioner Company and information, estimations received and believed to be true. Further, no material information has been concealed in this aforesaid Petition.

ANURAG BANSAL  
Addnl. GM-Corporate Legal  
Tata Power Delhi Distribution Ltd.  
NDPL House, Hudson Lines,  
Kingsway Camp, Delhi-110009

DEPONENT

**VERIFICATION:**

I, the Deponent above named, do hereby verify that the contents of my above affidavit are true to my knowledge and belief and no part of it is false and nothing material has been concealed there from.

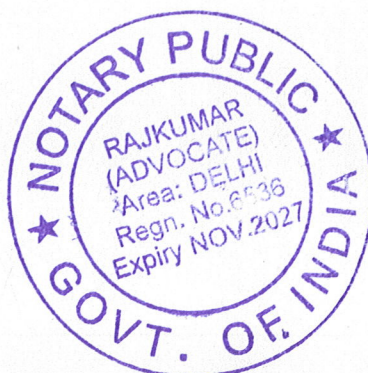
Verified at New Delhi on this **22 OCT 2024** day of \_\_\_\_\_, 2024.

ANURAG BANSAL  
Addnl. GM-Corporate Legal  
Tata Power Delhi Distribution Ltd.  
NDPL House, Hudson Lines,  
Kingsway Camp, Delhi-110009

DEPONENT

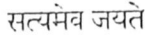
Delhi

Date:



**22 OCT 2024**  
**ATTESTED**  
NOTARY PUBLIC, DELHI





**Government of National Capital Territory of Delhi**

A circular red notary seal. The outer ring contains the text "NOTARY" at the top and "GOVT. OF INDIA" at the bottom, separated by two stars. The inner circle contains the text "SAURAJ SINGH" on the first line, "DELHI" on the second line, and "REGN. NO. 1556" on the third line.



**POWER OF ATTORNEY**



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'Executant'), being the Chief Executive Officer (CEO) of the company and holder of Power of Attorney given by the Company and adopted by its Board of Directors on 16.4.2024 hereby appoints **Sh. Anurag Bansal** son of Sh. P C Bansal, aged about 47 years, resident of C- 160 Ashok Vihar Phase-1 Delhi -110052 and working with the Company as Head – Legal & Regulatory vide Employee No. 91079 as the company's Attorney (hereinafter referred to as the '**Attorney**' and to exercise following powers and authorities and to do and perform all or any of the acts , deeds , matters and things herein under specified on behalf of company that is to say :

1. To institute, verify and submit before any court of law or judicial / *Quasi*-judicial forum; any pleadings, documents or information including but not limited to petitions, complaints, criminal complaints, plaints, applications, eviction proceedings, representations, memoranda, appeals, statements of claim, counter claims, set off, execution petitions, replies, written statements, rejoinders, replications, evidence, affidavits, cross objections, counters, review, revision, application for withdrawal of cases, statements of defence, notices, references for arbitration, petitions for setting aside arbitral award and/or to commence, defend and prosecute any legal proceedings or use any other lawful means in order to safeguard the interest or enforce the rights of the Company;
2. To act, appear, plead, argue, file cases, before any Courts, State Electricity Regulatory Commission, Appellate Tribunal for Electricity, Central Electricity Regulatory Commission, Metropolitan Magistrates, Appellate Authority(ies), Forums, Tribunals, Commissions, *Quasi*-judicial bodies, authorities, boards, bureaus and/or any conciliatory, pre-litigative dispute resolution bodies, mediation cells, Lok Adalats, public hearing forums or other alternate dispute resolution channels dealing with matters pertaining to the Company;
3. To compromise, settle, withdraw, make plea-bargaining applications or compound any cases on behalf of and in the interest of the Company;
4. To file and receive documents; to obtain copies of the documents and court orders, awards or the like;
5. To act, appear, plead, argue and lead evidence, settlements or seek enforcement thereof on behalf of the Company before any Arbitral Tribunal, mediator, settlement body or conciliator dealing with cases under Arbitration and Conciliation Act, 1996 and to examine and cross-examine witnesses therein and challenge awards;
6. To act, appear, plead and argue on behalf of the Company or its officers and employees before all Civil Courts dealing with matters pertaining to the Company or its officers or employee and to examine and cross-examine witnesses therein;



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7. To do all other lawful acts and deeds which may be necessary to be done in relation to the above and the Company doth undertake to ratify all such acts, deeds and things as may be lawfully and reasonably performed by the said Attorney in terms of the authorization herein contained;
8. To sign 'Vakalatnama' and appoint advocates or to represent the Company before the Courts as mentioned above;
9. To sign the appeal written statement or replies to the petitions / applications / complaints cross examine witnesses etc.
10. To do all other lawful acts and deeds which may be necessary to be done in the course of the proceedings before the Courts, and other authorities & Forums, tribunals as aforesaid and Company do hereby agrees that all the acts and deeds lawfully done and performed by the above said Attorney in that regard shall be constituted as the acts and deeds done by the Company itself. The Company again doth undertake to ratify and confirm whatsoever that the said Attorney shall lawfully do or cause to be done for the Company solely by virtue of the powers hereby vested.
11. This Power of Attorney shall supersede any previous attorney and/or authorization executed by the Company (Formerly, North Delhi Power Limited) in favour of the Attorney to do and perform any of the acts which are authorized under this Attorney. Anything done or any action taken or purported to have been done or taken under any such previous power of attorney and/or authorization, shall, in so far as it is not inconsistent with this Power of Attorney, be deemed to have been done under the provisions of this Power of Attorney.
12. The Company ratifies any past lawful act of the Attorney in his lawful capacity as the Employee of the Company and anything done or any such action taken or purported to have been done or taken, shall, in so far as it is not inconsistent with this Power of Attorney, shall be deemed to have been done under the provisions of this Power of Attorney.
13. This Power of Attorney shall remain in force until revoked or till the time said Attorney is in employment of the Company, however, any such revocation shall not affect, any act, thing or deed lawfully done by said Attorney till then in *bonafide* exercise of authority conferred herein.


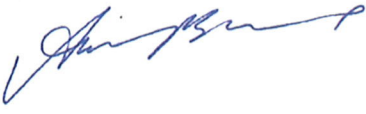


*[Signature]*

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IN WITNESS WHEREOF THE EXECUTANT HEREBY SCRIBES HIS HAND TO THE ABOVE PRESENTS AT DELHI ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024

28 MAY 2024

Executed by	Accepted by	Signatures of the Attorney are identified and attested by the Executant
		
MR. GAJANAN SAMPATRAO KALE	MR. ANURAG BANSAL	
Chief Executive Officer	Head – Legal & Regulatory	
Executant	Attorney	

In presence of :

Witness :

Signatures 

Name Sushli Soti

Address NDPL House, Kingsway Camp ND-9.

Witness :

Signatures 

Name Harshendu Kumar

Address NDPL House, Kingsway Camp ND-9.

668/024  
Sr. No. ....  
IN NOTARY REGISTER



ATTESTED  
  
NOTARY PUBLIC  
DELHI (INDIA)

28 MAY 2024



7



Notarial Authentication under Section 85 of Indian Evidence Act 1872

I Sauraj Singh s/o Sh. Delip Singh  
R/o S.32, T.S. Karamchand aged about 69 years, I am a licensed  
Notary Public of the Government of India under the Notaries Act, 1952, and at present operating in  
Delhi.

I was this 28th May day of 2024 present at the Registered Office of the Company at  
NDPL House, Hudson Lines, Kingsway Camp, Delhi 110009 along with the Executant namely  
**Shri Gajanan Sampatrao Kale** who is working there as Chief Executive Officer, the Attorney  
namely **Mr. Anurag Bansal** and **Ms. Monica Mehra**, the Company Secretary of the Company.

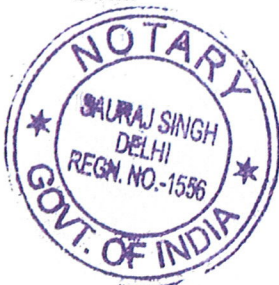
The Executant has produced before me his original Voter's Identity Card/Passport/Driving License,  
which bears his photograph, name, father's name, date of birth and present residential address.

The Executant has also produced before me the certified copy of **Power of Attorney dated 16.04.2024**  
issued by Board of Directors of the Company affirming that the Executant is at the time of execution  
of this Power of Attorney, duly authorized by the Board of Directors of the company to execute the  
same being its constituted attorney and CEO.

The present Power of Attorney, executed by the Executant herein, authorizing Attorney to do all the  
acts and deeds as recited therein was signed by the Executant and the rubber stamp of the Company  
was affixed on the instrument in my presence so described and in the presence of **Ms. Monica Mehra**,  
the Company Secretary of the Company and that the signatures purporting to be that of the  
Executant as subscribed at the foot of the foregoing Power of Attorney is in the proper handwriting  
of the said Executant.

I, therefore, certify and authenticate that this Power of Attorney is in due form of law, in witness  
whereof, I have hereunto set my hand and affixed my Seal on this 28 May day of 2024.

Notary Public  
Delhi



**ATTESTED**  
Sauraj Singh  
NOTARY PUBLIC  
DELHI (INDIA)

28 MAY 2024

Monica Mehra  
Ms. Monica Mehra  
Company Secretary  
Tata Power Delhi Distribution Limited



PETITION SEEKING (i) TRUE UP OF ARR for FY 2023-24, the FIRST YEAR of BUSINESS PLAN REGULATIONS 2023 (APPLICABLE FROM FY 2024 to 2026), IN TERMS OF THE DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS, 2017, THE DELHI ELECTRICITY REGULATORY COMMISSION (BUSINESS PLAN) REGULATIONS, 2023, THE DELHI ELECTRICITY REGULATORY COMMISSION (BUSINESS PLAN) REGULATIONS, 2019, DELHI ELECTRICITY REGULATORY COMMISSION (BUSINESS PLAN) REGULATIONS, 2017 DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF WHEELING TARIFF AND RETAIL SUPPLY TARIFF) REGULATIONS, 2011, EXTENDED FOR FY 2015-16 and 2016-17, AND IN TERMS OF THE DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF WHEELING TARIFF AND RETAIL SUPPLY TARIFF) REGULATIONS, 2007 (ii) APPROVAL OF ANNUAL REVENUE REQUIREMENT FOR FY 2025-26, THE THIRD YEAR of BUSINESS PLAN REGULATIONS 2023, IN TERMS OF THE DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS, 2017, READ WITH ELECTRICITY ACT, 2003 & THE DELHI ELECTRICITY REFORM ACT, 2000 AND DERC (COMPREHENSIVE CONDUCT OF BUSINESS REGULATIONS), 2001 AND DIRECTIONS ISSUED BY THE HON'BLE DELHI ELECTRICITY REGULATORY COMMISSION FROM TIME TO TIME.

**THE PETITIONER RESPECTFULLY SHOWETH:**

1. The Petitioner Tata Power Delhi Distribution Limited (formerly known as North Delhi Power Limited) was incorporated under the provisions of the Companies Act, 1956 with its corporate office at NDPL House, Hudson Lines, Kingsway Camp, Delhi - 110009. **During financial year 2011-12, the Company applied for change in its name from North Delhi Power Limited to Tata Power Delhi Distribution Limited. Subsequently, a fresh certificate of incorporation consequent to the change in name to Tata Power Delhi Distribution Limited (the "Company") was issued by the Registrar of Companies, N.C.T of Delhi & Haryana on 29 November, 2011 under section 23(1) of the Companies Act, 1956.**

The Company is primarily engaged in the business of distribution of electricity in North and North-West Delhi and was set up in terms of Delhi Electricity Reforms (Transfer



Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi together with the personnel employed therein were transferred to the Company with effect from 01.07.2002 which also marked the commencement of commercial operations for the Company.

The Company has been granted a License under section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The License is valid for a period of twenty five years.

2. The Company w.e.f. 01.07.2002 has been carrying out electricity distribution and retail supply in its Area of Supply as defined in schedule H, Part-III of the Delhi Electricity Reform (Transfer Scheme Rules), 2001 and in terms of the Distribution and retail supply license issued by the Hon'ble Commission. The Petitioner had also undertaken generation of electricity (solar and gas based) through its generation segment. The gas-based generation plant is currently not operational.
3. The Hon'ble Commission is a **statutory body** and is empowered to regulate the electricity distribution business and determine tariff under section 62 of the Electricity Act 2003.
4. After completion of 2<sup>nd</sup> MYT Control Period, the Hon'ble Commission enacted the new MYT Regulations, 2017 vide its gazette notification dated 31.01.2017 specifying Terms and Conditions for Determination of Tariff after undertaking the public hearing and stakeholder's consultation, to be effective from 01.04.2017.
5. For sake of convenience and brevity, the said regulations have been referred as the Regulations 2017 and subsequently the Hon'ble Commission has issued operational norms for Distribution Utilities vide Business Plan Regulations 2017, 2019 and 2023, issued for different control periods. The current ARR is being furnished in accordance with operational norms specified in Business Plan Regulations 2023 which was notified on 06.04.2023 being effective from 01.04.2023.

6. The Hon'ble Commission has issued order dated 19.07.2024 for True up of FY 2020-21 as per the Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2017 and Business Plan Regulations, 2019. Though the true up petition for FY21-22 and FY22-23 have been filed, the true up order for the same is yet to be issued.
7. In compliance with the directives, and without prejudice to the Petitioner's rights, remedies available to it under various laws, and pending provisional true up of various claims, review orders, implementation of various judgments before the Hon'ble Commission and pending adjudication of various matters before higher judicial forums, Tata Power Delhi Distribution Ltd. (the Petitioner) is filing this petition seeking for the True Up for FY 2023-24 and ARR for FY 2025-26 on the basis of Delhi Electricity Regulatory Commission (Terms and Conditions For Determination of Tariff) Regulations, 2017 read with Business Plan Regulations, 2023 and principles laid down in various judgments given by Appellate Tribunal of Electricity, judicial authorities, past practice etc.
8. **The following major matters are pending adjudication before the Hon'ble Commission/ Hon'ble APTEL/ Hon'ble Delhi High Court and Hon'ble Supreme Court against various petitions/ clarifications letters/writ/ appeals/Tariff Orders related to Tata Power - DDL for previous years (collectively referred to as Pending Matters).**

Forum	Number	Brief Description
DERC	P 29/2020	Petition regarding various issues/differences having arisen between TPDDL and the State Generating Utilities, i.e., IPGCL and PPCL on the reconciliation of the outstanding dues including the incorrect levy of Late Payment Surcharge
DERC	P 48/2024	Petition for seeking permission to PPAC pertaining to the period commencing from April'2024 and ending in June'2024 of FY 2024-25
DERC	Review Petition	Review Petition filed against the true up order for FY 2020-21
DERC	P 21/2023	Petition filed pursuant to APTEL order dated 15 <sup>th</sup> Nov' 2022 for determination of STOA charges and implementation thereof
APTEL	APL 301/2015	Appeal against the Tariff Order for FY 2015-16
APTEL	APL 168/2018	Appeal against the Tariff Order for FY 2017-18



Forum	Number	Brief Description
APTEL	APL 213/2018	Appeal against the Tariff Order for FY 2018-19
APTEL	APL 403/2019	Appeal against the Tariff Order for FY 2019-20
APTEL	APL 249/2021	Appeal against the Tariff Order for FY 2020-21
APTEL	APL 334/2021	Appeal against the Tariff Order for FY 2021-22
APTEL	DFR 449/2024	Appeal against the true up order for FY 2020-21
APTEL	APL 350/2019	Appeal against RPO obligation penalty u/ 142 EA 2003. The penalty is pertaining to FY 2013-14 & FY 2014-15. Hon'ble DERC's order dated 18 <sup>th</sup> Sept' 2019 has been challenged, wherein RPO penalty has been imposed on TPDDL for the FY 2012-13, 2013-14 and 2014-15, however the same was complied with in the year 2017.
APTEL	APL 33/2020	Challenging certain directions contained in the Order dated 11.11.2019 passed by this Hon'ble Commission in Petition No. 51 of 2017 for True up of expenditure for FY 2010-2011 to FY 2016-17 and for FY 2017-18 of its 94.8 MW Rithala Combined Cycle Power Plant.
APTEL	APL 363/2023	Appeal against DERC Order dated 21.07.2022 passed in compliance of Order of APTEL dated 24.05.2023 in APL 332/2021, 334/2021 213/2018 and RP 38/2022
APTEL	APL 446/2023	Appeal filed against order dated 16.12.2022 by DERC in Petition No. 64 of 2022 for disallowing the petition without even consideration to the losses incurred by TPDDL due to de-capitalization of its assets prior to its useful life.
APTEL	APL 315/2022	Appeal filed by TPDDL against DTL tariff order dated 28 <sup>th</sup> Aug' 2020. Interest on the delayed reimbursement of STOA charges was payable to TPDDL. DERC erroneously disbursed (socialized) the benefit of interest (carrying cost) with consumers whereas interest cost borne by TPDDL due to delay receipt/adj. of STOA.
APTEL	APL 524/2023	Appeal filed against DTL's Tariff Order dated 30 <sup>th</sup> Sept' 2021 in Petition No. 04 of 2021 (Issue related to carrying cost to be borne by DTL (on wrongfully withheld STOA Charges share of the Appellant) out of its pocket and not through the impugned treatment allowing reduction of Non-Tariff Income of DTL in its transmission Tariff methodology allowed by the Ld. DERC; retention of the carrying cost (on wrongfully withheld STOA Charges) by the Appellant)
High Court	WP 3573/2020	Petition filed challenging the legality and validity of Regulation 23 of the Delhi Electricity Regulatory Commission (Business Plan)

Forum	Number	Brief Description
		Regulations, 2019 framed by Ld. DERC in relation to legal, professional and O&M expenses.
High Court	WP 6724/2023	Writ Petition filed by TPDDL against DERC Business Plan Regulations 2023 against the issue of ROE (Reg 20 (1) and Reg 20 (2)), O&M (Reg 23(4), 23(5), 23(7), 23(10) and 23(11)) Expenses and Banking (Reg 29(3)).
High Court	WP 14299/2022	Petition filed challenging the demand raised by MCD to the tune of Rs. 15,06,00,000/- (Rupees Fifteen Crores Six Lakhs only) as alleged Late Payment Surcharge collected by TPDDL on delayed payment of E-Tax by TPDDL's consumers.
Supreme Court	C.A. 7910/2011	Appeal Against the Judgment of the Hon'ble APTEL in Appeal No. 52/2008
Supreme Court	C.A. 4343/2014	Appeal Against the Judgment of the Hon'ble APTEL in Appeal No. 14/2012
Supreme Court	C.A. 6169/2015	Appeal Against the Judgment of the Hon'ble APTEL in Appeal No. 171/2012
Supreme Court	C.A. 12287/2016	Appeal against the judgment of Hon'ble Delhi High Court in W.P. 203/2012 which challenged the 2nd MYT Regulations, 2011
Supreme Court	C.A. 12/2020	Appeal against the judgment of the Hon'ble APTEL in Appeal 246 of 2014
Supreme Court	C.A. 7987/2024 (TPDDL Vs GAIL)	Petition has been filed against the order of the Hon'ble Delhi High Court dated 11.09.2014 in HC WP C 3698/2013 regarding the challenge to the guidelines framed by PNGRB with respect to ship or pay charges.
Supreme Court	WP 1005/2021	Petition filed for recognition and liquidation of regulatory asset and road map by Hon'ble DERC.

Note: A demand letter has been received from one of the departments of MCD regarding recovery of License fee to the tune of Rs. 24.72 Cr for transformers installed in MCD Parks. The letter has been responded suitably but same is not challenged yet before any forum. The Liability may arise in future. Being a statutory charge, it will require pass through in Tariff as per regulations of the Hon'ble Commission. As and when demand is raised accordingly the same will be sought in future ARR's, true up.

In the event, any of the above pending matters are decided before the issuance of next Tariff order, the Hon'ble Commission is requested to consider/implement the outcome of the said judgment in the next Tariff Order.



**In the event of order/(s) being declared after the issuance of the tariff order, it is submitted that the impact of the same be allowed forthwith along with the carrying cost.** This suggested approach as stated above shall be in the Petitioner's and in the Consumer's interest since it will avoid any delays caused in giving timely effect to Judgments of the Superior courts and reducing the burden of carrying costs on the consumers.

**It is further submitted that since some of the issues were provisionally/partially/not allowed in various previous Tariff Orders, therefore in accordance with prevalent Regulations, the Petitioner is seeking true up of FY 2023-24 and further requesting to the Hon'ble Commission to allow the remaining impact of any such issues along with carrying cost [which is related to previous years i.e. before FY 2023-24] so that determination of Retail Tariff for upcoming years not only becomes cost reflective but also be able to liquidate past Revenue Gap of the Petitioner.**

It is submitted that the Hon'ble Commission has provisionally trued up the Revenue Gap up to FY 2020-21 and present petition is being filed for true up of FY 2023-24.

The Hon'ble Commission has provisionally recognized Revenue Gap of Rs. 5,787.70 Cr upto FY 2020-21. The Petitioner in this current Petition is seeking truing up of revenue gap on provisional basis of Rs. 7,764.84 Cr up to FY 2023-24, pending final True up of capitalisation for the period FY 2018-19 till FY 2023-24, implementation of various already decided issues by the Hon'ble Commission, APTEL and the Hon'ble Supreme Court, wherever there is no stay granted.

The Hon'ble Commission is cognizant of the fact that the aforesaid revenue gap has associated carrying cost liability, therefore, in larger consumer interest and to minimise the burden of such carrying cost on consumers, it is requested to the Hon'ble Commission to formulate realistic plan for early amortization of the accumulated Revenue Gap.

9. **In compliance with the direction of the Hon'ble Commission, the Petitioner is submitting in compliance with THE DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION TARIFF) REGULATIONS 2017, AND DERC (BUSINESS PLAN REGULATIONS), 2023 the present petition seeking:**

- (i) **Allowance of Impact of Judgment pronounced by the Hon'ble APTEL in favor of the Petitioner various Tariff appeals, other Appeals as per submissions of the Petitioner**
- (ii) **Allowance of Impact of Judgment pronounced by the Hon'ble Commission in its various Petitions in favor of the Petitioner**
- (iii) **Allowance of Impact of final True up of Capitalization for FY 2018-19 to FY 2022-23**
- (iv) **True up of ARR for FY 2023-24**
- (v) **Determination of ARR and Wheeling Tariff & Retail Supply Tariff for FY 2025-26**
- (vi) **True up of ARR FY 2023-24 for Rithala plant**
- (vii) **Recognition of Revenue Gap and a realistic and time bound amortization plan to liquidate Revenue Gap upto FY 2023-24**

10. The present Petition is subject to the outcome of various review/ appeal/ writ petitions pending adjudication before various judicial Forums. The Petitioner in this present Petition seeks the following reliefs from the Hon'ble Commission:

- i. Undertake final true up of pending issues which have been provisionally/partially approved in various previous tariff orders; and
- ii. Timely recovery of accumulated provisional Revenue Gap of Rs. 7,764.84 Cr, up to FY 2023-24, along with carrying cost in a time bound manner. The non-recognition or delay in recognition of the claims is against the true spirit of running the distribution utility on commercial principal where despite performing better than its target on all parameters, the Petitioner is still not able to realize assured RoE; and
- iii. Enhancement of deficit revenue recovery surcharge to 20% or such higher percentage as determined by the Hon'ble Commission for ensuring recovery of past Revenue Gaps in a time bound manner and assuming no fresh buildup of Revenue Gap i.e. cost reflective tariff from FY 2025-26; and
- iv. Implementation of the issues decided in various Appeals, and any other judgment, if rendered by the Hon'ble APTEL/ Hon'ble High Court/ Hon'ble Supreme Court, before issuance of True up Order for FY 2023-24, and
- v. Consider the new initiatives proposed and undertaken by the Petitioner and allow the same; and



- vi. Consider the actual and/or expected additional expenses including incremental expenses due to change in law/ statutory levies etc. undertaken by the Petitioner on account of O&M expenses which are beyond the control of Petitioner for the previous year & ensuing years respectively as per the clause 11(9) of Tariff Regulations 2017; and
- vii. Allowance of the given below Incentives in the true spirit to be read with statement of reasons elaborated while issuance of Regulations, 2017 & DERC Business Plan Regulation 2023
  - Reduction in Distribution Loss Level
  - Higher Collection Efficiency
  - Higher rate towards sale of short-term surplus power
  - Lower debt rate for capex loans/working capital
  - Lower debt rate for revenue gap loans
  - Incentive on saving of normative O&M expense
- viii. Allowance of expenses, if incurred, on arms-length price for the related party transactions for power purchase/trading or otherwise.
- ix. All expenses, fees incurred including filing, publication of ARR/True up petition in media, preparation of stakeholder responses etc. for current petition of True up of FY 2023-24 & ARR for FY 2025-26
- x. Any interest/ late payment charges borne by Petitioner for power purchase or other expenses not attributed to any fault of the Petitioner.
- xi. Allow full recovery of any interest accrued on delayed release of STOA charges by DTL for FY 2023-24, instead of passing on the same to other beneficiaries of DTL.

The control period for the DERC Business Plan Regulations 2019, was applicable up to FY 2022-23, the Hon'ble Commission issued draft Business Plan Regulations for 5<sup>th</sup> Control period (FY 2023-24 to 2025-26) stakeholder consultation. The Petitioner furnished its comments and views to the Hon'ble Commission on various parameters. However, the Hon'ble Commission while notifying the final Business Plan Regulations, 2023 has ignored the concerns, submissions and suggestions of the Petitioner on some provisions of Business Plan Regulations, 2023.

It is our submission that the Hon'ble Commission vide the said DERC Business Plan Regulations 2023 (hereinafter referred as BPR 2023) specifically on major provisions like Return on Equity, determination of O&M expenses, Legal Expenses, Power Banking etc. enacted Regulations which are not in accordance with the provisions of the Electricity Act, 2003, based on unwarranted benchmarking, models and violates the mandate of the provisions of National Tariff Policy. The said BPR 2023 Regulation further ignores certain factors, business realities, practical aspects which have direct bearing on certain ARR components which are not in control of the Petitioner.

The Petitioner, without prejudice to its rights, contentions is filing the True Up for FY 2023-24 & ARR for FY 2025-26 with the Hon'ble Commission. The said petition will be subject to the outcome of any proceedings initiated by the Petitioner, challenging the DERC Business Plan Regulations 2023 before the Competent Court, the Hon'ble Delhi High Court, based on legal advice [current challenge to the BPR 2023 has been preferred vide Writ Petition No.6724/2023 Tata Power Delhi Distribution Ltd. Vs DERC]. The Petitioner shall seek consequential orders, revision from the Hon'ble Commission based on the observations, findings, judgment of the Competent Court, the Hon'ble Delhi High Court, as the case may be pursuant to outcome of such Legal proceedings pending or to be filed against the DERC Business Plan Regulations 2023.

The Petitioner thus seeks, reserves its right to raise its claims in relation to the interpretation/mandate of Business Plan Regulations 2023, once the same is decided by the Hon'ble Delhi High Court, competent court.

**However, it is being specifically clarified by the Petitioner that by filing the current petition for true up FY 2023-24 & ARR petition for FY 2025-26, such methodology should not be construed as any waiver or concession, omission on the part of the Petitioner in later claiming any consequential orders, based on outcome of the Writ Petition or other Petitions to be instituted by the Petitioner against such DERC Business Plan Regulations 2019 & 2023, or other Regulations. It is the submission of the Petitioner that present Petition is being made in line with present DERC Business Plan Regulations 2019 & 2023 and subject to outcome of the proceedings, Writ matters ( Writ Petition No. 3573/2020 and No.6724/2023 Tata Power Delhi Distribution Ltd. Vs DERC)**



**filed or to be filed which have a direct bearing on the DERC Business Plan Regulations, 2019 & 2023, other Tariff Regulations in Force and ARR determination as well as on the principles enunciated for Wheeling, Retail Supply Tariff as may be decided by any Court, Tribunal or otherwise.**

11. This Petition includes the following documents:

- a. Affidavit verifying the Petition and the Power of Attorney for filing the same.
- b. Computation of True up of FY 2023-24
- c. Forms for FY 2023-24
- d. Computation of ARR for FY 2025-26 & determination of Tariff for FY 2025-26
- e. Forms for FY 2025-26

Payment of Rs. 1,00,000/- vide online transaction reference no. N299243353762945 on 25<sup>th</sup> Oct, 2024 through HDFC Bank made as Filing Fee for True up Petition.

12. It is submitted that apart from the other issues mentioned in this petition, the present petition is being filed with specific mention and consideration of the Hon'ble Commission on following issues:

**1) Amortization of Accumulated Revenue Gap**

It is submitted that there was negligible Revenue Gap up to 31.03.2009 amounting to Rs. 161.43 Cr but due to delay in release of tariff order and/or non-determination of cost reflective tariff, there has been a huge built up of Revenue Gap up to FY 2020-21 amounting to Rs. 5,787.70 Cr. as provisionally trued up by the Hon'ble Commission in its True Up Order of FY 20-21 released on 19<sup>th</sup> July 2024. However, the Petitioner in its True up Petition for FY 2023-24 has sought Revenue Gap (i.e. Rs. 7,764.84 Cr) upto FY 2023-24, excluding other litigative issues challenged by the Petitioner.

It's worth mentioning that the Petitioner has estimated an amount of Rs. 7,303.23 Cr as closing revenue gap of FY 2024-25. Thus, creation/addition in regulatory assets is a matter of grave concern for the Petitioner, its bankers, lenders and consumers also on which specific consideration of the Hon'ble Commission is required in line with the guidelines issued in **National Tariff Policy issued vide Gazette Notification**

**dated 28.01.2016. The relevant extracts of the relevant clause 8.2.2 has been reproduced below:**

*"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 done 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."*

**It may be appreciated that a major part of the regulatory asset has been hovering on the Petitioner for more than 10 years and recovery of the high accumulated gap continues to remain a concern for the financial health of the Petitioner and adds additional carrying cost burden on the consumer.**

In case, there is any further delay in amortization of such huge built up of Revenue Gap then it may also deteriorate the credit rating of the company, ultimately resulting into higher cost of debt and additional burden of the carrying cost on the consumers. Therefore, it is requested to the Hon'ble Commission to come up with a realistic Plan for liquidation of Regulatory Assets.

## **2) Cost Reflective Tariff to ensure liquidation of Revenue Gap**

Without prejudice to the rights, objections, contentions of the Petitioner, it is submitted that due to pending provisional true up of /various claims including capitalization, implementation of various judgments before the Hon'ble Commission, pending adjudication of various matters before higher judicial forums and considering the estimated Aggregate Revenue Requirement for FY 2025-26, the Petitioner has estimated provisional Revenue Gap of Rs 2,495.04 Cr during the FY 2025-26. Further, the Petitioner's claim of revenue gap in this petition is only provisional and shall be subject to revision, change as and when the Hon'ble Commission undertakes final truing up or in the event any judgment/order is passed in any sub judice matters and



its impact is to be given effect etc. Thus, Petitioner reserves its right to accordingly modify and claim the revenue gap after duly considering the legal or regulatory developments as the case may be.

The Petitioner has projected revenue deficit/gap of Rs. 9,798.27 Cr. up to FY 2025-26 which is expected to further go up on finalization of past year pending issues like true up of Capitalization and issues pending for adjudication before judicial authorities. Therefore, to meet this opening revenue deficit, a suitable tariff hike may be approved so that there will be no more addition in the Revenue Gap. It is further requested that the Hon'ble Commission may increase the Deficit revenue recovery surcharge (DRRS) for early liquidation of the accumulated Revenue Gap as proposed in the present Petition.

The Petitioner is filing the present Petition to ensure determination of cost reflective tariff. Though the Petitioner has made all efforts and has tried diligently to ensure a comprehensive Petition, it may be possible that some aspects/components/claims have not been dealt in detail and/or may have been inadvertently omitted. Such lack of detail/ omission, if any, is only inadvertent and ought not to be treated as a waiver of any entitlement/claim. The Petitioner craves leave of this Hon'ble Commission and reserves its rights to supplement the present Petition with additional facts, additional affidavits, additional submissions and claims, if any. Nothing presented in the Petition should be treated as restricting, estopping, waiving or limiting the rights of the Petitioner to claims and entitlements which it is permitted to recover under law.

The filing of the Petition shall not be treated as curtailment of any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, the Hon'ble APTEL, the Hon'ble High Court, the Hon'ble Supreme Court (including the principle of parity / equality in treatment of DISCOMs but excluding the matters where the Hon'ble Tribunal has exclusively granted relief to the Petitioner only) and or any other proceedings relevant to the entitlement of the Petitioner.

The filing of the present Petition is without prejudice to the rights, objections, contentions of the Petitioner with regard to Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, The DERC (Business Plan Regulations) 2017, 2019 & 2023. The filing, submission of the Petition shall not be treated as curtailment of any right or claim of the Petitioner, to challenge/

initiate appropriate legal action against any final order resulting from this Petition which has been filed on the basis of the 2<sup>nd</sup> MYT Regulations, 3<sup>rd</sup> MYT Regulations read with the DERC Business Plan regulation 2017 & 2019 and 2023 as well as any orders/judgments of the Hon'ble Appellate Tribunal of Electricity, the Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India as well as any other forum.

**3) Demand Raised by North DMC for charging Way Leave usage charges & license fee charges for assets installed in public parks**

TPDDL challenged the imposition of the Way Leave charges by way of the W.P. No. 5293 of 2016. Subsequently, MCD revised and lowered its demand but was still asking for the same from retrospective effect. TPDDL challenged this demand vide WP No. 1113 of 2017.

Thereafter, Secretary Power intervened and the Commissioner, North DMC in a meeting held on 03.02.2017 under the chairmanship of Chief Secretary, GoNCTD had consented to defer the imposition of Way-Leave Charges on TPDDL and allow the execution of works. Till date, there has been no variation in the decision recorded in the Minutes of Meeting 03.02.2017. However, the North DMC in defiance of the same has raised the Demand requiring TPDDL to deposit way leave charges from retrospective effect. Vide letter dated 26.05.2020, North DMC raised a fresh Demand seeking TPDDL to deposit Rs. 11.45 Cr towards Way-Leave charges.

TPDDL filed Applications seeking interim reliefs as the North Delhi Municipal Corporation had refused to grant road cutting permissions with respect to Applications/permissions sought by TPDDL to conduct electrical works required for continuity and reliability of supply. It linked the grant of permission to payment of Way Leave Charges and required TPDDL to deposit Way Leave Charges for various financial years by its Demand Letter/s.

The Hon'ble High Court vide order dated 20.07.2020 recorded contentions of MCD that it has not given up its claim for Way Leave Charges, which will be subject to the outcome of the case pending. However, the Hon'ble High Court directed that the same would not hold up the decision on the application for commencing of work.



Thus, matter will be decided on merits and the Hon'ble Commission is being apprised that the final liability may come in the event it is decided against TPDDL. Being a new levy, statutory charge it will require pass through in Tariff as per BPR regulations of the Hon'ble Commission.

Further, a demand letter has been received from one of the departments of MCD regarding recovery of the License fee to the tune of Rs. 24.72 Crores for transformers installed in MCD Parks. The company is evaluating the legal basis of the demand. The Liability may get crystalized in future and being a statutory charge, it will require pass through in Tariff as per regulations of the Hon'ble Commission.

Therefore, the Petitioner requests the Hon'ble Commission to take cognizance of the facts as above, and in case later on it is found/ decided that these demands are payable, the Hon'ble Commission is requested to allow in ARR as additional expense along with any interest or penalty if payable.

#### **4) Cost Reflective Tariff to avoid further addition of Revenue Gap**

In terms of Electricity Act, 2003, National Tariff Policy, 2016 and Tariff Regulations, 2017, Business Plan Regulations prescribed by this Hon'ble Commission during various control periods, the Hon'ble Commission had the potential for designing cost reflective tariff for Distribution licensees.

Besides above statutory provisions, in its various judgements the Hon'ble APTEL has also observed that Electricity Tariff must be cost reflective and True up & tariff order exercise should be completed in a time bound manner by respective state electricity regulatory commissions. It was also mandated by Hon'ble Tribunal that Regulatory Assets accumulation should not be there under business-as-usual conditions. Abstract of one of important judgement from APTEL in OP1 of 2011 given below:

*"a) Every State Commission has to ensure that Annual performance Review, **true up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis** as per time schedule specified in the regulations*

*b) It should be the endeavour of every State Commission to ensure that **the tariff for the financial year is decided before 1st April of the tariff year. Consider***

*making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*

c) .....

*d) In determination of ARR / tariff, the Revenue Gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.*

e) *Truing up should be carried out regularly.....*

*f) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62(4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula / mechanism in place must within 6 months of the date of this order must put in place such formula / mechanism.*

***Para 66: We direct all the State Commissions to follow these directions scrupulously, and send the periodical reports by 1st June of the relevant financial year about the compliance of these directions to the Secretary, Forum of Regulators, who in turn will send the status report to this Tribunal and also place it on its website."***

Further, the concern on creation of regulatory assets in future and the need for timely liquidation of the Regulatory assets has also been emphasized in the National Tariff Policy issued vide Gazette Notification dated 28<sup>th</sup> January, 2016. The relevant extracts of the relevant clause 8.2.2 has been reproduced below-



"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 done 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."

The observation of the Hon'ble Appellate Tribunal, in one of its judgment (Appeal No. 36 of 2008 where the Hon'ble Commission was the Respondent, is reproduced below:

"117) All projections and assessments have to be made as accurately as possible. Truing up is an exercise that is necessarily to be done as no projection can be so accurate as to equal the real situation. **Simply because the truing up exercise will be made on some day in future the Commission cannot take a casual approach in making its projections. We do appreciate that the Commission intends to keep the burden on the consumer as low as possible. At the same time one has to remember that the burden of the consumer is not ultimately reduced by under estimating the cost today and truing it up in future as such method also burdens the consumer with carrying cost.**" (Emphasis Supplied).

Contrary to the above binding directions, provisions and observations, since last few years, it has been witnessed that tariff fixation in respective tariff orders is not cost reflective apart from delay in release of annual tariff orders, true up orders etc. Due to this, there is unliquidated Regulatory Assets of Rs. 5,787.70 Cr at the end of FY 2020-21 as provisionally trued up in July 2024 True up order.

Further, on 10<sup>th</sup> Jan 2024, Ministry of Power, Government of India has notified the Electricity (Amendment) Rules, 2024 which provide that there shall not be any gap between approved Annual Revenue Requirement and estimated Annual Revenue from approved tariff revenue gap. The relevant clause are as follows:

**"23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff.–** The tariff shall be cost reflective and there shall not be any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff **except under natural calamity conditions:**

*Provided that such gap, created if any, shall **not be more than three percent** of the approved Annual Revenue Requirement:*

*Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum **three numbers of equal yearly instalments** from the next financial year:*

*Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff **existing on the date of notification** of these rules, along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in **maximum seven numbers of equal yearly instalments** starting from the next financial year."*

The Regulatory Assets as on 31<sup>st</sup> March' 2009 was mere Rs. 161.43 Cr. The year wise trajectory highlighting creation of Regulatory Assets as per respective tariff orders of the Hon'ble Commission is as under:

Financial Year	Provisional RA As per DERC (Rs./Cr)
2009-10	725
2010-11	1604
2011-12	3060
2012-13	3376
2013-14	3351
2014-15	3194



Financial Year	Provisional RA As per DERC (Rs./Cr)
2015-16	2454
2016-17	2395
2017-18	2255
2018-19	1890
2019-20	1763
2020-21	5788
2021-22	Yet to be trued up
2022-23	Yet to be trued up

It may be appreciated that the regulatory asset has been present for more than 15 years hence recovery of the high-accumulated revenue gap continues to remain a major concern, given that there is no clear roadmap stipulated for assured recovery of the same. This is the outcome of non-cost reflective in past and hence needs to be addressed immediately; as the situation has reached at alarming proportions making financial condition of the company fragile, which is evident from the following facts:

- a) **Maintaining financial creditworthiness, a challenge:** Credit rating agency ICRA in its latest rating has also expressed its concerns on the liquidation prospects of regulatory assets which can have a negative impact on the sustenance of the current rating of Tata Power-DDL. Even a one notch down in credit rating from existing level will affect our interest rate substantially, thereby affecting the customers with a higher cost burden. Relevant extract from Rating perspective is reproduced below which clearly depicts that rating may be downgraded in case the regulatory asset is not timely liquidated. This could severely affect availability of funds and pricing of debt, which will further add burden on consumers.

*Credit Challenges:*

- (A) Substantial quantum of provisional/unapproved regulatory gap
- (B) Uncertainty regarding timing/period of recovery of RAs
- (C) Meeting the Financial ratios, lender's covenants & profitability considering recently prescribed rules by Government of India

- b) **Mobilizing Financing a Challenge:** Seeking finance against Regulatory Assets from lenders has now become virtually difficult as Regulatory scrutiny before grant of loan at financial institutions end has been made more stringent and prudent. More importantly the public sector banks have started to not come forward for funding of RA loans given the uncertainties involved in it which is increasing the cost of long term debts the rates of PSB's being on lower side as compared to private banks. Rising trend of Regulatory Assets, uncertainty about its liquidation plan, absence of cost reflective tariff and non-resolution of distribution related important issues are eroding our capacity to borrow any loans against regulatory assets. The bankers and financial institutions are reluctant to extend any further finance against such assets which have uncertainties associated with timeline and extent of realization and are hence demanding rate enhancements on already financed funds due to increased risk owing to "Uncertainty" and its "Creations going against statutory Provisions". This is also evident from the fact that despite new revenue gap has been added in the financial books in last 3 years, no new RA loans have been funded by any Bank. Further, with the balance license period of around five (5) years, the situation may become more alarming as the financial institutions/banks may not be ready to fund the gap beyond 3-4 years. The situation is the same even for capex loans wherein the banks/FI's have started raising queries w.r.t the grant of loans for a period which falls beyond the licence expiry period.
- Further, some of the banks, including SBI has rejected the proposal of Tata Power-DDL to fund Regulatory Assets.
- c) **Uncertainty about liquidation:** The Hon'ble Commission in its Tariff Order dated July, 2012 introduced 8% Deficit Revenue Recovery Surcharge for the recovery of past cumulative Revenue Gap or Regulatory Assets and corresponding carrying cost and continued the same rate of 8% till now which (with passage of time and further accumulation of Regulatory assets) has become absolutely insufficient considering the accumulated Regulatory Assets quantum of Rs. 5,787.70 Cr as on 31.03.2021 as evident from the table given below:



Financial Year	Regulatory Assets (Rs Cr)	DRRS Projected by DERC (Rs Cr)	DRRS Actual Trued up by DERC (Rs Cr)	Carrying cost as per DERC* (Rs Cr)	Difference (Rs Cr)	Carrying Cost as per Books of Accounts (Rs Cr)
2012-13	3376	284	237	358	-121	460
2013-14	3351	416	391	377	13	507
2014-15	3194	453	446	367	79	610
2015-16	2154	499	473	316	157	542
2016-17	2394		499	260	238	467
2017-18	2255	534	516	226	289	413
2018-19	1890	547	540	201	339	417
2019-20	1763	559	535	171	364	441
2020-21	5788	480	477	510	-33	463
<b>Total</b>		<b>3772</b>	<b>4114</b>	<b>2786</b>	<b>1325</b>	<b>4320</b>

DRRS- Deficit Revenue Recovery Surcharge

\*Carrying Cost is subject to outcome of Appeal 301 of 2015

From the above table, it can be seen that from FY 2012-13 to FY 2020-21, Deficit Revenue Recovery Surcharge @ 8% collected and trued up was Rs 4,114 Cr, whereas Carrying cost as per books is Rs 4,320 Cr upto FY 2020-21. The year on year carrying cost of Rs 2,786 Cr as per DERC in above table is much lower figure due to provisional true up of prior period claims. Further, as per July' 24 True up order of FY 20-21, the revised carrying cost as per DERC should be Rs 4,327 Cr. which is much higher than Deficit Revenue Recovery Surcharge collected because carrying cost is not reflected in its original year of true up if any claim is allowed post its true up year.

Thus, the DRRS is not even enough to meet the carrying cost which was the main objective of introducing DRRS. Due to inadequate DRRS, no actual liquidation of regulatory asset is happening and it is just getting deferred putting carrying cost burden on the consumers.

The Hon'ble Commission hence needs to urgently revisit the determination and levy of current rate of 8% towards Deficit Revenue Recovery Surcharge which is only sufficient to service carrying cost obligation as per books of account and inadequate for liquidation of the principle amount. An upward revision of current DRRS @ 8% to at least 20% is required to address the real intent envisaged at the time of introduction of the same so

that DRRS is not only able to cover carrying cost but also liquidates some portion of principle amount every year.

It is reiterated that unless a certainty in the form of concrete liquidation plan is brought in the system, Bankers & financial Institutions are clearly showing reluctance to finance the regulatory assets of the Petitioner.

## **5) Tariff Structure related issue**

Based upon the guidelines set out in National Tariff Policy, 2016, the Hon'ble Commission's own tariff regulations and approach paper on Tariff Rationalization released in Feb'18, along with various research papers from renowned consulting firms like PWC. etc. had undertaken tariff rationalisation exercise in order to adopt prudent financial practices, during designing the electricity tariff announced by Hon'ble Commission on 28.03.2018. The Hon'ble Commission has rightly conceived at that point of time that (a) fixed cost of DISCOM be recovered from fixed charges (b) variable cost from energy charges (c) cross subsidy should be minimized. This was also extremely necessary from **business sustainability** point of view. Accordingly, fixed charges for all category of consumers were increased and energy charges were reduced.

While increasing the fixed charges in FY 2018-19 tariff order, it was thought prudent in line with the sector requirement that the rate of fixed charges be brought to the close of fixed charges of Discoms like O&M Expenses, Network creation to meet the energy demand supply, Fixed charge/capacity charges paid to Gencos/Transcos etc and energy charges should be close to variable expenses of Discoms i.e. fuel charges etc. This progressive step taken by Hon'ble Commission was an endeavour towards matching the cashflow of the distribution licensee with the monthly liability. Distribution licensee has to pay capacity charges and transmission charges to generation companies and transmission licensee based on the capacity contracted. This has no linkage with the actual power scheduled during any time period. The Hon'ble DERC had published an approach paper on the subject matter before the finalisation of increase in fixed charges to match the liability of the distribution licensee with the cashflow from tariff. Relevant extract from the approach paper is as follows:



*"Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively. However, the present retail tariff applicable in most of the states in India includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRANSCO's irrespective of the quantum of power procured besides their own fixed cost liabilities.*

*As the major part of fixed cost is recovered through energy charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through tariff.*

.....

*the Commission has analyzed the present cost and revenue component of the distribution licensees prevalent in the state of Delhi and it is observed from the ARR that total fixed cost in the ARR is 45% to 55% against revenue from fixed charges of 8% to 10% only. Whereas variable cost component in ARR is 45% to 55% against revenue from variable charges of 90% to 92%."*

Contrary to this, while announcing the tariff order dated 31.07.2019 the aforesaid revision was rolled back/ reversed for large category of domestic consumers but corresponding energy charges in that category was kept low as against the energy charges fixed for tariff order FY 2017-18 without assigning any reason for the rollback of increased fixed charges. However, in order to narrow the revenue gap there was marginal increase given in the energy charges applicable to high-end domestic consumers, commercial, industrial and public utility consumers etc. Such reduction in the fixed charges again in FY 2019-20 and FY 2021-22 tariff order is not in line with the principles published in the approach paper as well as the intent of tariff policy for determination of tariff and has resulted into further burden on the consumer with carrying cost on the increase in revenue gap during FY 2023-24.

This reversal in fixed charges is now creating serious financial trouble to the Discom. This lowering of revenue from Commercial & Industrial consumers will further dent our financial

position, as there would be less fixed cost recovery resulting into increase in Regulatory Assets. Consequently, it is requested to increase the fixed charges in order to match the fixed costs towards power purchase costs, fixed assets etc. being paid by the distribution licensee on an annual basis.

## **6) Cross-Subsidisation In Tariff Structure**

Cross subsidization is the practice of charging higher prices from one type of consumers to artificially lower prices for another group. A product is receiving a cross-subsidy if it is priced below its average incremental cost, and a product is generating a cross-subsidy if it is priced above its per unit stand-alone costs.

In context of electricity, it is the difference between the applicable average tariff of a consumer category and the cost of supply to that consumer category. It is said that the domestic consumers are cross-subsidised by industrial consumers. Cross subsidy for a particular category of customer can be computed as:

**Cross-subsidy = Cost to Serve - Average Tariff Realisation**

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.



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  $\pm 20\%$  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.

Following is the table depicting ABR, ACoS and Approved Power purchase cost for domestic category from FY 2017-18 onwards:

As per Tariff Order					
Financial year	PPC per kwh	ACOS per kwh	ABR - Domestic	ABR / PPC	ABR / ACOS
2017-18	5.63	7.63	5.87	104%	77%
2018-19	5.19	7.34	5.42	104%	74%
2019-20	5.44	7.32	4.96	91%	68%
2020-21	5.34	7.40	4.73	89%	64%
2021-22	5.55	7.64	4.35	78%	57%

From the above table it is evident that ABR to ACoS has reduced from 77% in FY 2017-18 to 57% in FY 2021-22 (i.e. cross subsidy is increasing from 23% to 43%). Moreover, projected ABR in FY 2021-22 is Rs 4.35/unit which is not even sufficient to meet projected power purchase cost at Rs. 5.55/unit by the Hon'ble Commission.

Thus, it is requested to the Hon'ble Commission to revise the tariff structure among different category of consumers to be within  $\pm 20\%$  of the average cost of supply for the particular consumer category in line with Tariff Policy.

## 7) GAIL – Ship or Pay charges

After 31<sup>st</sup> March' 2007, the obligation to procure power and, make suitable arrangements for the same was to be fulfilled by the Petitioner and the other Discoms in Delhi, in terms of this Hon'ble Delhi Commission's reassignment order dated 31<sup>st</sup> March' 2007.

As a result of the same, Long-Term demand-supply gap analysis was carried out. It was projected in the analysis that NCT of Delhi would continue to have significant demand supply deficits (shortfall) over the entire LT projection period.

Therefore, on 11.06.2007, the Petitioner issued a communication to GoNCTD requesting the latter to grant approval to temporarily use 6 acres of land lying vacant with it at CENPEID, Sector 11, Rohini to set up Rithala CCPP.

On 08.01.2008, Hon'ble Supreme Court issued an Order in Writ Petition (Civil) No. 328 of 1999 titled as Power Crises in the NCT of Delhi vs. Union of India & Ors directing Discoms to take all necessary steps to ensure adequate supply of power. Thereafter, GoNCTD forwarded to the Petitioner NOC dated 23.11.2007 issued by DDA for establishment of Rithala CCPP in Sector 11, Rohini. The NOC noted that ownership of the land will continue to be that of GoNCTD.

On 09.05.2008, GoNCTD by its letter recommended that the Petitioner may be allowed to import the 108 MW second hand Gas Combine Cycle Power Plant along with associated equipment from China.

On 17.05.2008, the Petitioner issued a letter to Ld. Delhi Commission and intimated its intention to establish and operate the Rithala CCPP in terms of the relevant provisions of its Distribution License, Electricity Act, relevant regulations etc. The Petitioner also informed the Ld. Delhi Commission that necessary land use clearance from DDA was obtained and the environmental clearances from the competent authority was under process.

On 29.08.2008, the Petitioner issued a letter to MoP regarding gas allocation for 108 MW Combined Cycle Power Plant at Rithala.

Thereafter, necessary agreements for gas supply, transportation were executed including the Gas Transmission Agreement (GTA) dated 08.09.2008 with GAIL for transportation of KG D6 basin gas to the Petitioner's Generation Rithala Plant in Delhi.

The Ministry of Petroleum and Natural Gas (Ministry) issued a communication on 12.07.2010 wherein it directed that 'on the days that KG D6 production is not sufficient to cater to all the customers with firm allocations, pro rata cuts should be imposed on all firm customers. On 30.03.2011 Ministry issued another communication wherein it referred to its earlier letter dated 12.07.2010 and observed that there has been significant reduction in the production of natural gas from KG D6 fields, which has led to substantial cuts being imposed on customers. Hence, the Ministry applied pro rata cuts on the allocation.



Meanwhile On 04.09.2011, the Petitioner declared COD of the Rithala CCPP in combined cycle mode and on 24.10.2011, the Petitioner also filed Petition before the Ld. Delhi Commission seeking determination of provisional Generation Tariff for Rithala CCPP.

However, since the end of 2011, disputes arose between the Petitioner and GAIL since the Supply of gas to the Petitioner had been dwindling on account of Low production and Governmental intervention under Gas Utilization Policy of Government of India which gives less priority to power sector companies.

On 05.03.2012, the Petitioner issued separate letters, regarding additional gas allocation for the Petitioner's Rithala CCPP, to Ministry of Petroleum and Natural Gas, CEA and RIL.

The reduction in supply against the allocation had almost reached 45-50% and with those levels of gas supply, the Petitioner was not able to operate even one of the gas turbines at full load. Any further reduction in volumes could have led to further deterioration in the Plant Heat Rate and would make it impossible to operate the plant in an efficient manner. Due to the constraints, the Petitioner wrote several letters dated 09.12.2011, 08.08.2012 & 06.09.2012 to GAIL for exemption from payment of 'Ship or Pay charges' On account of factors beyond the control of the Petitioner.

The Petitioner under the circumstances had no other alternative gas pipeline to transport the gas allocated to it except using the existing pipeline of GAIL. The said Gas Transportation Agreement mandates for imposition of fortnightly 'Ship-or-Pay Payment'.

The Hon'ble PNGRB on 15.11.2012, took note of the substantial reduction in gas supplies and the consequential penalties being imposed by the transporters on the shippers / consumers, framed the PNGRB (Development of Model GTA) Guidelines, 2012 (Model GTA Guidelines) to address the situation. Clause 1(c)(v) of Schedule-A to the Guidelines specifically exclude Ship or Pay charges on account of 'quantities which have been reduced due to directions of Central / State Government or any Government agency which is beyond the control of shipper and transporter'.

In view of the Model GTA Guidelines, the Petitioner on 26.11.2012 requested GAIL not to charge Ship or Pay charges from the date of issuance of the said Guidelines, i.e. 15.11.2012. However, GAIL on 30.11.2012 refused the Petitioner's request and raised an invoice of Rs. 0.80 Cr in violation of the Model GTA Guidelines. Being constrained by this, the Petitioner challenged the demand raised by GAIL by filing a Complaint under Section 25 read with Section 12(b) of the PNGRB Act, 2006.

**The GTA has a 'Force Majeure' clause which provides that an event arising on account of acts of the Government or compliance with such acts, directly affecting the ability of the shipper or the Transporter to perform its obligations under the Agreement shall be treated as a Force Majeure event and any failure or omission. The agreement, under clause 6.1 further deals with the transmission charges including ship or pay charges determination.**

**Despite specific request of the Petitioner through various communications to comply with the guidelines of the PNGRB, GAIL failed to take appropriate measures. The GAIL kept on demanding ship-or-pay charges without considering any requests of THE PETITIONER and neither amended GTA nor complied with the Model GTA Guidelines, 2012 formulated by PNGRB.**

On 08.04.2013, the Petitioner filed a complaint case before PNGRB (PNGRB 42/2013) against GAIL for the illegal invoices raised on the Petitioner. GAIL issued a 'Default Notice' on 13.04.2013 to the Petitioner and claimed an amount of Rs. 3.04 crores under the GTA and stated that the failure of payment would enable GAIL to invoke the letter of credit issued by the Petitioner.

The Petitioner's Complaint was heard by the PNGRB and on hearing both the parties, the PNGRB directed GAIL via order dated 23.04.2013 to not take any coercive or precipitate steps to enforce payment for invoices which are raised and outstanding after 15.11.2012.

At this juncture, in order to wriggle out of the interim orders passed by the PNGRB, GAIL filed Writ Petition (Civil) No. 3698/2013 before the High Court of Delhi on 22.05.2013 challenging the exercise of power by the PNGRB in framing the Model GTA Guidelines and



other Guidelines. As a result, notice was issued on the Writ Petition and interim order was passed restraining PNGRB from passing any final orders on the Complaints against GAIL.

Impugned Order dated 11.09.2014 was passed by the Hon'ble High Court of Delhi in W.P. (C) No.3698/2013 inter alia holding that the provisions of the Model GTA Guidelines in as far as affecting the Ship or Pay charges which GAIL is entitled to collect from shippers under the Agreements entered into with the shippers and insofar as varying the Force Majeure clause in the said Agreements, has an impact on the transportation tariff and is in the nature of fixing the transportation rate and/or regulating the transportation rate and/or laying down the transportation tariff and the manner of determining such tariff. Hence, the High Court held the provisions of the Model GTA Guidelines, though issued by PNGRB but otherwise than by way of Regulations, to be bad. The Hon'ble Delhi High Court also directed that the Complaints filed against GAIL be disposed of by the PNGRB in terms of the findings in the impugned Order.

The Petitioner on 17.11.2014 challenged the judgment dated 11.09.2014 of the Hon'ble Delhi High Court before the Hon'ble Supreme Court in SLP (C) 31434/2014. Pursuant to the directions issued by the Hon'ble Supreme Court, the recovery of the ship or pay charges at the moment is stayed. The matter is at the stage of final hearing before the Hon'ble Supreme Court.

Meanwhile on 31.08.2017 this Hon'ble Commission passed an Order disposing of the Petitions for determination of various costs of Rithala Plant such as Capital cost, depreciation etc.

On 03.10.2017, the Petitioner in view of the aforesaid Order, filed Petition No. 51 of 2017 before DERC seeking True Up for FY 2010-11 to FY 2016-17 and ARR for FY 2017-18. On 11.11.2019, DERC passed Order disposing of Petition No. 51 of 2017

Further it is noteworthy that in Petition 51/2017 before Hon'ble DERC for Rithala True-up, Petitioner categorically disclosed about the fact of aforesaid pending litigation before Hon'ble Supreme Court on liability qua Ship-or-Pay charges levied by GAIL on the Petitioner, which are reproduced herein below:

***"3.57. It is worthwhile to bring to the notice of the Hon'ble Commission that the gas based generating stations of Delhi like Bawana (PPCL-III) have been claiming the full ship-or-pay charges including the taxes as per actuals from the distribution licensees. The Hon'ble commission is requested to allow the Ship-or-Pay charges based on the same principle. The Hon'ble Commission is further apprised that the Petitioner has filed a case in the Hon'ble Supreme Court against GAIL for the Ship-or-Pay charges claimed for the period Nov 2012 to Mar 2014. Based on the actual decision, the Petitioner shall claim charges for the remaining period based on actual liability incurred.***

***3.58. In view of the above, the petitioner requests the Hon'ble Commission to allow the Ship-or-Pay charges for the Petition FY 2012-2013 on actuals. The details of Ship-or-Pay charges as per above table. "***

Further, it is submitted that the Petitioner has already made a payment of Rs. 12 Crores in FY 2012-13 to GAIL towards ship or pay charges under protest.

Therefore, the Petitioner requests this Hon'ble Commission to take cognizance of the sub-judice matter and the aforementioned facts. It is pertinent to mention that in case the matter is decided against the Petitioner and these demands become payable, the Hon'ble Commission is requested to allow the same in upcoming ARR/tariff proceedings under the generation tariff fuel cost along with carrying cost/ interest, if payable.

#### **8) Retrospective Amendment of Trued-Up Methodology**

The Petitioner would also like to mention about the Order dated 18<sup>th</sup> Oct'2022, passed by the Hon'ble Supreme Court in Civil Appeal No 4324 of 2015 & 43423 of 2015 of BSES Rajdhani/Yamuna Power Ltd Vs the Hon'ble Commission, wherein the Hon'ble Supreme Court has emphasised on the concept of truing up.

Relevant extract from the order reproduced below for reference:

*52. 'Truing up' has been held by APTEL in SLDC v. GERC [2015 SCC Online APTEL (Para. 17)] to mean the adjustment of actual amounts incurred by the Licensee against the estimated/projected amounts determined under the ARR. Concept of 'truing up' has been*



dealt with in much detail by the APTEL in its judgment in NDPL v. DERC [2007 ELR (APTEL) 193] wherein it was held as under:

"60. Before parting with the judgment we are constrained to remark that the Commission has not properly understood the concept of truing up. While considering the Tariff Petition of the utility the Commission has to reasonably anticipate the Revenue required by a particular utility and such assessment should be based on practical considerations. ... The truing up exercise is meant (sic) to fill the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of the year. When the utility gives its own statement of anticipated expenditure, the Commission has to accept the same except where the Commission has reasons to differ with the statement of the utility and records reasons thereof or where the Commission is able to suggest some method of reducing the anticipated expenditure. This process of restricting the claim of the utility by not allowing the reasonably anticipated expenditure and offering to do the needful in the truing up exercise is not prudence."

**53. This view has been consistently followed by the APTEL in its subsequent judgments and we are in complete agreement with the above view of the APTEL. In our opinion, 'truing up' stage is not an opportunity for the DERC to rethink de novo on the basic principles, premises and issues involved in the initial projections of the revenue requirement of the licensee. 'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to naught at 'trueup' stage.**

**55. Revision or redetermination of the tariff already determined by DERC on the pretext of prudence check and truing up would amount to amendment of the tariff order, which can be done only as per the provisions of subsection (6) of Section 64 of the 2003 Act within the period for which the Tariff Order was applicable. In our view, DERC cannot amend the tariff order for the period 01.04.2008 to 31.03.2010 in the guise of 'trueup' after the relevant financial year is over and the same is replaced by a subsequent tariff Order. This would amount to a retrospective revision of tariff when the relevant period for such tariff order is already over. Therefore, we hold that it is not permissible to amend**

**the tariff order made under Section 64 of the 2003 Act during the 'trueing up' exercise.**

Though the Petitioner has made all efforts and has tried diligently to ensure a comprehensive Petition, it may be possible that some aspects/components/claims have not been dealt with in detail and/or may have been inadvertently omitted. Such lack of detail/omission, if any, is only inadvertent and ought not to be treated as a waiver of any entitlement/claim. The Petitioner craves leave of this Hon'ble Commission and reserves its rights to supplement the present Petition with additional facts, additional affidavits, additional submissions and claims, if any. Nothing presented in the Petition should be treated as restricting, estopping, waiving or limiting the rights of the Petitioner to claims and entitlements which it is permitted to recover under law.

The filing of the Petition shall not be treated as curtailment of any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, the Hon'ble APTEL, the Hon'ble High Court, the Hon'ble Supreme Court (including the principle of parity / equality in treatment of DISCOMs but excluding the matters where the Hon'ble Tribunal has exclusively granted relief to the Petitioner only) and or any other proceedings relevant to the entitlement of the Petitioner;

The filing of the present Petition is without prejudice to the rights, objections, contentions of the Petitioner with regard to Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017; The DERC (Business Plan Regulations) 2019 & 2023. The filing , submission of the Petition shall not be treated as curtailment of any right or claim of the Petitioner, to challenge/ initiate appropriate legal action against any final order resulting from this Petition which has been filed on the basis of the 2<sup>nd</sup> MYT Regulations, 3<sup>rd</sup> MYT Regulations read with the DERC Business Plan Regulation, 2017, and DERC Business Plan Regulation, 2019 & 2023 as well as any orders/judgments of the Hon'ble Appellate Tribunal of Electricity, the Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India as well as any other forum.

It is submitted that ARR has been computed on an estimated basis and any variation on account of eligible claims in accordance with the regulations and orders of judicial/statutory authorities as issued from time to time in respect of Power purchase costs, Incentives, O&M expenses, Depreciation, Return on capital employed along with carrying costs on regulatory gap, etc., will be permitted during the true-up process.

In light of the recent accounting rules for Discoms issued by the Ministry of Power, the Petitioner respectfully request the Hon'ble Commission to include a suitable provision in the upcoming tariff order to address the recoverability of the differential claims/amount in future tariffs, in accordance with the regulations.

**Prayer**

In view of the above, the Petitioner respectfully prays that the Hon'ble Commission may be pleased to:

- a) **Admit the Petition:** Tata Power-DDL requests the Hon'ble Commission to kindly admit the petition for True up of FY 2023-24. Any clarifications, additional information, details sought by the Hon'ble Commission shall be provided as and when directed by the Hon'ble Commission; and/or
- b) **Undertake prudence check and approve the** True up of FY 2023-24
- c) **Approve the ARR for the FY 2025-26**, based on the submissions made in this Petition and determine the cost reflective tariff for the same period apart from trajectory to recover past accumulated Revenue Gap; and/or
- d) To device, a concrete plan for liquidation of Regulatory Assets of Rs. 7,764.84 Cr up to FY 2023-24 preferably aimed to be liquidated by giving suitable increase in Deficit Revenue Recovery Surcharge (DRRS). For assistance TPDDL have suggested various level of DRRS % is given below for meeting the said objective:



Particulars	DRRS Billed	DRRS at difference % Level (Rs/Cr)	
		@ 15%	@ 20%
For FY 2023-24 at existing Tariff	583.00		
DRRS at proposed level		1093.13	1457.50
Incremental amount in comparison to 8% DRRS		510.13	874.50
Expected years to liquidate the entire RA of <b>Rs. 7,764.84 Cr</b>	Present surcharge has not been able to liquidate accumulated revenue gap in last 6 years	Expected liquidation in 7 years which is not in line with National Tariff Policy guidelines	Expected liquidation in 5 years and in line with National Tariff Policy guidelines

From the above, it is very clear that liquidation of Regulatory Assets well within 7 years as laid down in National Tariff Policy, 2016 is possible only if DRRS rate increased to 20%.

- e) To restore fixed charges as announced in the Tariff Order dated 28.03.2018 or else, increase energy charges in domestic category and make it equivalent to tariff order of FY 2017-18 so that revenue gap could be reduced to some extent. This correction shall be the compliance of National Tariff Policy, 2016 and the Hon'ble Commission's own Approach Paper issued in Feb'2018. Further, this shall also reduce cross subsidy to some extent.
- f) **Implement the orders, directions/issues decided in favour of the Petitioner,** in Appeals disposed by Hon'ble APTEL and the Hon'ble Commission, notwithstanding the fact that further appeal against the order has been preferred unless there is a specific stay against such implementation.
- g) In the event of any issues raised by the Petitioner in Appeal or Petitions referred above get adjudicated prior to issuance of the Tariff Order, by the Hon'ble APTEL/ Hon'ble High Court/ Hon'ble Supreme Court and the Hon'ble Commission, the impact of the

same may be taken into consideration along with carrying cost while effecting Truing Up exercise; and/or

- h)** Exercise its inherent powers or powers of relaxation if any sought by the Petitioner or in cases where so deemed fit suo-moto by the Hon'ble Commission in the interest of determination of Tariff; and/or
- i)** To give due consideration to the issues enumerated above which have been represented through various letters, communications from time to time; and/or
- j)** To allow any benefit of reduction from the Tariff determination/revision carried out by the Hon'ble Commission for Delhi Gencos, and Delhi Transco Limited; and/or
- k)** To approve Green Tariff, modify the TOD mechanism and notify the same for winter months etc. and other proposed Tariff Rationalization measures; and/or
- l)** Approve cost reflective tariff to prevent further accumulation of Regulatory Asset; and/or
- m)** Recognition of Revenue Gap for the differential claims/amounts as per the tariff order & tariff regulation; and/or
- n)** Any other order(s) it may deem fit.

**Tata Power Delhi Distribution Limited**



**Petitioner**

New Delhi

## **A1. Actual Performance Review**

### **A1. 1. Operational Review**

A snapshot of the Operation Review of the Petitioner is given below:

#### **A) Technical Improvements**

##### **i. Peak Demand**

**Table 1: Unrestricted Peak Demand (MW) From FY 19-20 to FY 23-24**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Unrestricted Peak Demand	2069	1854	2106	2228	2218

##### **ii. Transformer failure**

**Table 2: Transformer failure rate w.r.t numbers**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Transformer failure rate	0.71%	1.02%	1.64%	1.86%	0.91%

##### **iii. Augmentation /Maintenance of Network**

Comparative information in relation to Augmentation & Maintenance of Network is given below:

**Table 3: Augmentation & Maintenance details from FY 19-20 to FY 23-24**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	No. of Power Transformer	205	212	215	217	219
2	EHV Capacity (MVA)	4,747	4,916	5,087	5,253	5,316
3	Number of Distribution Transformer	30,775	31,171	30,926	30,251	30,414
4	DT (MVA)	5,682	5,829	6,369	6,452	6,587

##### **iv. Reliability Index**

Month-wise reliability indices as per methodology approved by the Hon'ble Commission are tabulated as below:

#### **a) SAIFI (Nos./annum): System Average Interruption Frequency Index is given below:**

Tata Power-DDL has been continuously improving the reliability of power supply by upgrading the network and deploying international best practices for maintenance. The effective network planning, construction & maintenance practices have resulted



in drastic reduction of faults in the system thereby reducing the average interruptions experienced by a customer.

**Table 4: Month wise System Average Interruption frequency index (Nos./annum)**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	April	0.252	0.140	0.148	0.130	0.119
2	May	0.233	0.251	0.185	0.209	0.143
3	June	0.330	0.167	0.264	0.139	0.124
4	July	0.239	0.149	0.179	0.126	0.081
5	August	0.253	0.206	0.194	0.164	0.125
6	September	0.196	0.131	0.123	0.104	0.102
7	October	0.164	0.115	0.128	0.094	0.097
8	November	0.097	0.105	0.079	0.088	0.056
9	December	0.119	0.134	0.112	0.099	0.058
10	January	0.127	0.146	0.126	0.120	0.092
11	February	0.097	0.131	0.105	0.086	0.076
12	March	0.159	0.162	0.111	0.158	0.081
	<b>For the year</b>	<b>2.267</b>	<b>1.837</b>	<b>1.754</b>	<b>1.517</b>	<b>1.152</b>

*\*Interruptions are taken only for 11 KV BREAKDOWN DATA Excluding Force Majeure.*

**b) SAIDI (Hours/annum): System Average Interruption Duration Index is given below:**

Tata Power-DDL has been continuously improving the reliability of power supply through state-of-the-art operational technologies such as ADMS, GIS, DA, GSAS, process improvements and trainings.

The effective utilization of Operational Technologies has helped in reducing the time for restoration of power supply and thus improving the average duration of interruption experienced by a customer.

**Table 5: Month wise System Average Interruption Duration Index (Hours/annum)**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	April	0.219	0.073	0.089	0.075	0.068
2	May	0.158	0.172	0.089	0.138	0.104
3	June	0.235	0.107	0.163	0.091	0.067
4	July	0.166	0.070	0.088	0.088	0.043
5	August	0.193	0.105	0.103	0.094	0.065
6	September	0.133	0.071	0.059	0.068	0.063
7	October	0.137	0.062	0.078	0.054	0.043
8	November	0.067	0.066	0.036	0.048	0.030
9	December	0.072	0.084	0.074	0.057	0.034
10	January	0.083	0.082	0.075	0.067	0.073
11	February	0.064	0.072	0.059	0.050	0.047
12	March	0.111	0.090	0.064	0.100	0.045
	<b>For the year</b>	<b>1.638</b>	<b>1.054</b>	<b>0.977</b>	<b>0.929</b>	<b>0.681</b>

\* Interruptions are taken only for 11 KV BREAKDOWN DATA Excluding Force Majeure.

**c) MAIFI: Month wise information in respect to Momentary Average Interruption Frequency Index is given below:**

**Table 6: Month wise information is given below:**

S No.	Particular	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	April	0.003	0.003	0.002	0.001	0.001
2	May	0.010	0.001	0.002	0.004	0.005
3	June	0.006	0.001	0.003	0.011	0.001
4	July	0.002	0.004	0.009	0.003	0.002
5	August	0.004	0.002	0.004	0.005	0.004
6	September	0.002	0.001	0.002	0.003	0.007
7	October	0.007	0.005	0.003	0.001	0.007
8	November	-	0.004	-	-	0.000
9	December	-	0.001	0.002	0.002	0.000
10	January	0.001	0.006	0.004	0.005	0.002
11	February	-	-	0.002	0.000	0.003
12	March	0.008	0.001	0.001	-	0.000
	<b>For the year</b>	<b>0.043</b>	<b>0.029</b>	<b>0.035</b>	<b>0.035</b>	<b>0.032</b>

\* Interruptions are taken only for 11 KV BREAKDOWN DATA Excluding Force Majeure.

**v. Performance Parameters** - A snapshot of other performance parameters as per DERC Performance Standard Regulation, 2017 is given below:

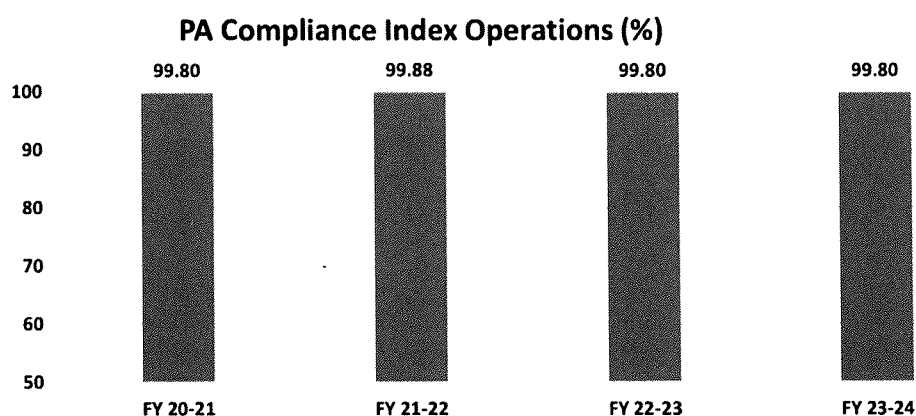
Sl.No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (%) (FY 23-24) (C)
				Within Specified Time	Beyond specified time	
1	Power Supply Failure					
(i)	Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply, excluding the failure where distribution transformer requires replacement.	At least 95% calls received should be rectified within prescribed time limits under Schedule-1	228111	228010	101	99.96
(ii)	Continuous power failure affecting more than 100 consumers connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		56371	56019	352	99.38
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		470	465	5	98.94
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above		105541	105469	72	99.93
(v)	Continuous scheduled power outages		4001	3994	7	99.83
(vi)	Replacement of burnt meter or stolen meter		3394	3392	2	99.94
Period of scheduled outage						
2	Maximum duration in a single stretch	At least 95% of cases resolved within time limit	8421	8416	5	99.94
	Restoration of supply by 6:00 PM		8421	8357	64	99.24
3	Faults in street light maintained by the Licensee	At least 90% cases should be complied within prescribed time limits	146768	146693	75	99.95
		Reliability	Indices			



Sl.No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)			Standard of Performance achieved (%) (FY 23-24) (C)
4	SAIFI	To be laid down by the Commission based on the targets proposed by the Licensees	1.152				
	SAIDI		0.681				
	CAIDI		0.591				
5	Frequency variation	To maintain supply frequency within range as per IEGC	0	0	0	–	
6	Voltage imbalance	Maximum of 3% at point of commencement of supply	0	0	0	–	
7	Percentage billing mistakes	Shall not exceeding 0.2%	8485	8492	5	0.04	

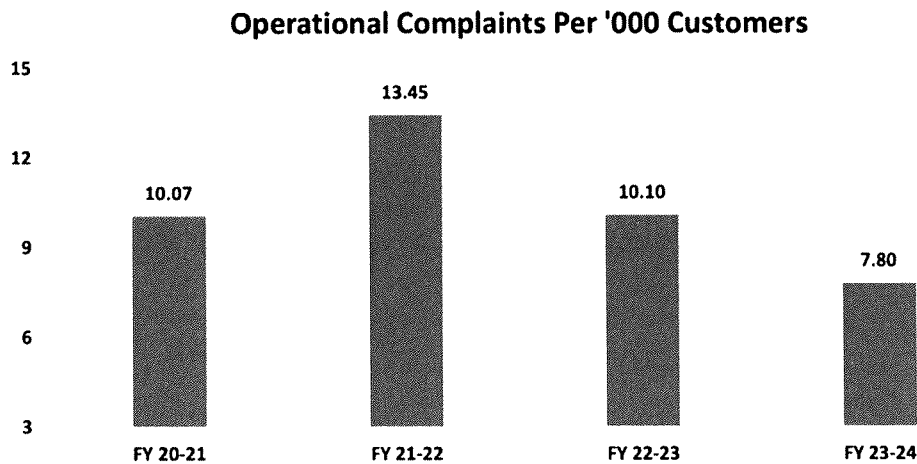
# There are opening cases being attended during the year. Similarly, cases exist being received /reported during the year but carried forward to next year

**PA Compliance Index Operations** – Performance Assurance (PA) index is the compliance to the timelines defined by DERC for rectification of the technical faults affecting power supply. Tata Power-DDL has consistently over achieved the DERC Performance Standards for supply of Power. Introduction of operational technologies such as ADMS, GIS, DA, GSAS, FFA has enabled in sustaining the performance by bringing process integration and enhancing overall efficiency.



**Operational Complaints per '000 Customer** represents the average technical complaints (related to power supply) received per month for every 1000 customers.

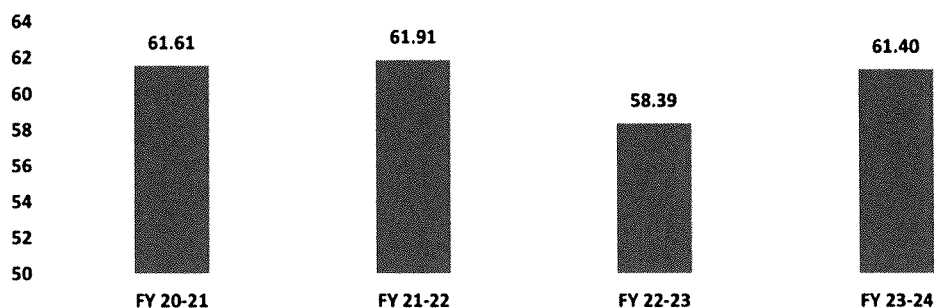
These complaints can be due to localized or individual faults. Regular maintenance at the 11 kV & LT network (including revamping of service lines & distribution boxes) is done for improving last mile connectivity due to which there has been a continuous reduction in the fault.



**No Current Complaint MTTR (Mean Time to Repair)** reflects the average time taken for restoration of power supply.

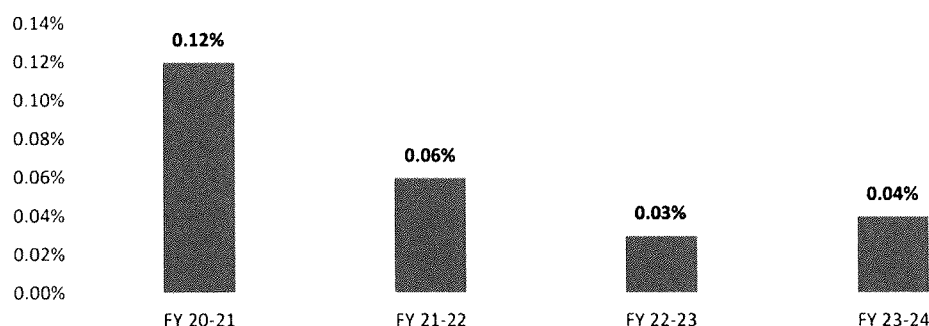
No Current Complaints (NCC) are the customer complaints related to Power Supply received at the call center. There has been a continuous reduction in the time for attending NCC with the utilization of Innovative Operational technologies such as FFA, ADMS, DA, RTCFI.

### No. Current Complaints (Minutes)



**Defective Bills** With stringent Reading Quality and Billing Check available in the Reading & Billing process, it is ensured that the Bills being sent to customers are error free. The error is also on account of manual reading process and the same shall get addressed with installation of Smart Meters.

### Defective bill (%)

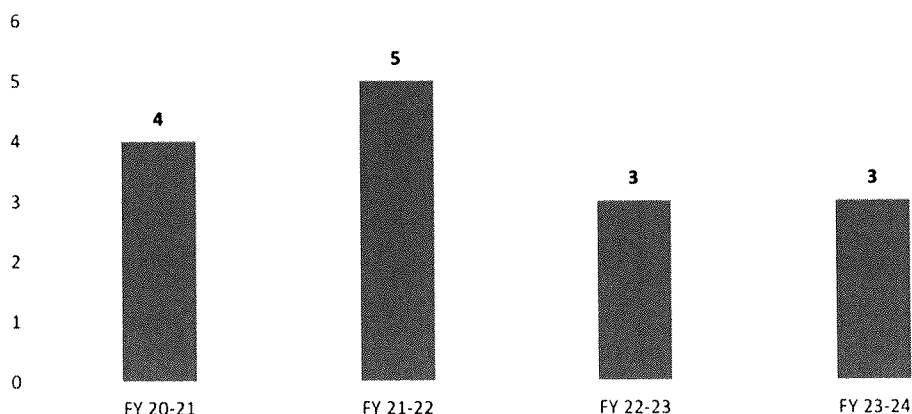


### LT New Connection Cycle Time (Days)

There has been continuous reduction in time taken for releasing the connection after completion of commercial formalities due to various process improvement initiative been taken like Online New Connection, Introduction of FFA, and introduction of two document scenario.



### LT New Connection Cycle Time (Days)



### Customer Satisfaction relative to Comparators

While operating in a licensed area, customers of Tata Power-DDL do not have access to any other DISCOM. However, in CSAT Survey (external), customers are asked to provide feedback on services provided by other utilities (Gas, Water and Telecom) operating in our area. Based on the feedback provided, customers have rated Tata Power-DDL services as the best amongst other utilities.

### CARE FOR OUR COMMUNITY/ COMMUNITY RELATIONS (FY 2023-24)

#### CORPORATE SOCIAL RESPONSIBILITY

The philosophy of Corporate Social Responsibility as practiced by Tata Group is a legacy of its founders. At Tata Power-DDL, rich heritage and the unmatched legacy of Tata Group for holistic development of underprivileged communities, societies & nation becomes the guiding force for adoption of community development initiatives. The community outreach programs, working on the lines of triple bottom line approach, aim to serve key communities in a systematic & planned way. The initiatives undertaken by the Social Impact Group at Tata Power-DDL are categorized into heads (5E wise) namely: Education, Employment, Employability, Entrepreneurship and Essential Enablers. For Tata Power-DDL, improving the living conditions of the downtrodden, empowering the economically weaker and emancipating

the socially underprivileged sections of society are the very foundation of its success. One of the unique selling points of the CSR initiatives at Tata Power DDL is the strong culture of employee volunteerism and participation in its initiatives and programs. The synergy between top level management, employees and volunteers make for a holistic team focused on the development of society and the community it serves. **Sustainability is an integral part of Tata Power-DDL Lakshya 2026 which focusses on CSR Effectiveness Index >90%.**

### **TARGET COMMUNITIES**

The target communities of Tata Power-DDL's CSR Wing are all the inhabitants residing in 220+ JJ clusters and resettlement colonies, unauthorized colonies and villages falling under Tata Power-DDL's area of operation (North and North West Delhi) and other business development locations. These are inhabited by 2,00,000 households/Jhuggi Jhopris which form the key community. These clusters are scattered and have minimal civic amenities. Majority of the residents are migrants who drifted from their native place to Delhi in search of better living and employment opportunities. The individuals residing in these clusters face basic problems of employment, health, hygiene, education and infrastructure. The analysis of poverty levels of these areas reveals that majority of the population is from the Below Poverty Line (BPL) category, which reflect the deprivation and vulnerability of these people. These clusters also have a very high representation of SC/ST communities that further emphasizes on the need for inducing various developmental initiatives for underserved communities.

### **INITIATIVES**



### **UNNATI**

#### **Women Literacy Centres**

Tata Power-DDL established Women Literacy Centres to impart Functional Literacy to the female populace residing in North and Northwest Delhi. Under this program, an educated woman from the community is identified as an instructor and her house serves as the classroom. The classroom is equipped with a computer having a built-in speech-based

learning software provided by Tata Consultancy Services (TCS), a Hindi newspaper, small library facility, a blackboard, display charts and stationary items to support the instructor. Financial Literacy Modules are also an integral part of WLCs since FY 23. Apart from this, beneficiaries are made aware on nutrition, health issues, sanitation, safety and various other topics from time to time. The timeline of the module is six months, and the duration of classes is 1.5 to 2 hours each day, six days a week. The program has seen great success over the years. They can now read, write, travel on their own, make their own signatures instead of a thumbprint, operate their bank account and can even help their children in studies. This program also empowers these women financially as many choose to become instructors after completing the functional literacy course. Exams are conducted to measure the competency and efficiency of the WLC beneficiaries after which a certificate is provided to each beneficiary in which their grades are declared. Therefore, it creates a sense of achievement and satisfaction to beneficiaries within their community.

#### **ABHA Program**

ABHAs are female brand ambassadors in their respective communities wherein they promote and sensitize communities about various CSR programs like Women Literacy Centres, vocational training centres, free health services through mobile dispensaries, Arogya Program, Eye Camps, Cancer Screening Camps, scholarship program for school and professional institutes etc. ABHAs assist the community in availing benefits of Tata Power-DDL's CSR initiatives and work as first consumer-contact points. 841 women are designated as ABHAs and are working dedicatedly in the community. Monthly sessions are organized for regular monitoring and capacity building of associated ABHAs. ABHAs conduct various field surveys such as household surveys, socio-economic survey and also support in conducting Community Reach Out Programs (CROP) wherein they conduct sessions on numerous topics whose beneficiaries are people living in the communities where Tata Power-DDL operates in.

#### **Entrepreneurship Development Program**

The Entrepreneurship Development Program (EDP) was started to provide avenues of financial autonomy to our female beneficiaries. The objective of the program was to develop a community platform for women by forming their Self-Help Groups (SHGs), link them to financial institutions like banks and explore different livelihood opportunities for them based on their skills and interests. Till FY 24, more than 220+ SHGs have been trained in various trades like face mask preparation, Hand sanitizers packaging, Jute-based products, sanitary napkins packaging, Macramé work, home décor items, soft toys making, etc. 3000 women have been trained annually in such work. Through these small ventures, women have started



earning in the range of Rs.5000 to Rs. 10000/- per month. At the expansion stage, these women are also being given knowledge and skills regarding marketing strategies. In order to promote their products on the external platform, various exhibition-cum-sale units have been organized by SHG Women and as a result, a lot of orders for various SHG products were received from different corporates. In FY 23-24, SHG Products were displayed and sold at various internal as well as external forums such as Vistara, Tata Power-Mumbai, Aga Khan Exhibition etc.

### **Vocational Training Centres**

Vocational Training Centres (VTCs) were set up to provide livelihood opportunities to unemployed youth & school drop- outs enabling them to become employable and earn a living. Tata Power-DDL runs 22 such centres and 1 special centre for Persons with Disability known as Shad Training Centre. All these VTCs are in proximity to the communities to ensure ease of access to the beneficiaries, especially women. Training in various vocations like computers, digital marketing, stitching, tailoring, beautician, retail chain, office assistant, hospitality. All the vocations provide high placement prospects to the beneficiaries and enables them to start their own ventures. In FY 23-24, groundwork has been laid for developing a new vocational training centre at Palla Majra.

### **Tutorial Program**

The socio-economic status of the families residing in our JJ clusters proves to be an obstacle in imparting quality education to their wards. Poor quality education, lack of infrastructure within schools and a disorganized evaluation system, all lead to loss of interest in studies adding to the dropout rate. After voluntarily dropping out of mainstream education system, these wards who are still in their teenage or pre-teenage, either get entrapped in anti-social activities or start working in order to support their families. This aggravates the problem of child labour leading to exploitation at their workplaces. Tutorial classes are provided to school going students of standard I-X wherein they receive free supplementary education. A qualified teacher is appointed who helps the students complete their homework and solve general queries regarding various subjects like Mathematics, English, Science, etc.

### **Community Library (Sarvajanik Library)**

Tata Power-DDL, in collaboration with NGO Read India, launched the Sarvajanik Library at Jahangirpuri VTC in FY 23-24. Currently, the library is home to more than 3000 books from

different sources such as NBT, DPS and many more and is equipped with computers to facilitate E-learning, making it a cornerstone for educational growth and curiosity. 200 beneficiaries are registered at the Sarvajanic Library. In alignment with Read India's commitment to fostering literacy and learning from an early age, approximately 35 children have been registered for the Early Childhood Development program. This initiative underscores our dedication to promoting literacy and educational development among the youth within our community. We had also started doing the activities like; Story Telling, Poem Recitation and Reading etc.



### **UJJWAL**

#### **Soft Skill Development Training Program**

The Soft Skill Development Training Program is designed specifically for adolescent girls belonging to underserved communities. The Roshni Foundation & Academic support program focus extensively on Life Skills Training, Personality Development, Interpersonal Skills and English-Speaking Abilities. A significant number of Roshni beneficiaries are now pursuing higher education from University of Delhi and other colleges across India. Some of them have also been employed in various organisations. The Soft Skill Development Training Program is currently being conducted in 18 Government TAAP associated schools of Delhi. In FY 23-24, 7470 beneficiaries have benefitted from the program.

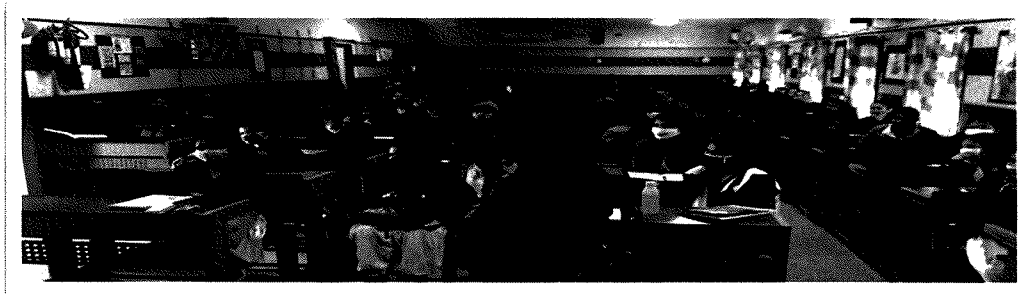
#### **Professional Scholarship Program & Industrial Training**

Under the ambit of Employability, Tata Power-DDL awards scholarships to students pursuing various professional courses. The AA students are selected on means-cum-need basis after accepting recommendations from the principals of respective Government Institutions. They are provided financial assistance to meet their annual tuition fee. 716 students have been supported in the last financial year through scholarship program.

Tata Power-DDL also offers Internship/ Industrial Training to these students to meet their subject curriculum which gives them some practical exposure in various departments of the company and increases their chances of employability after completion of their respective

degree course. In FY 23-24, 510 students were provided Industrial Training in Electrical Engineering.

### **Lakshya Coaching Classes**



With the aim to give young minds a competitive edge, make them equipped for future challenges and to help them in achieving good ranks in competitive exams to qualify for IIT-JEE & NEET, Tata Power-DDL started special coaching classes in Financial Year 2022-2023 under the name of Lakshya Classes for 100 meritorious students of Class-XI of TAAP associated government schools. Under this initiative, a coaching center was established at Tata Power-DDL's premises in RU Nagar, Shalimar Bagh, Delhi. The Lakshya Classes Center was inaugurated in March 2023. Lakshya Coaching Classes intends to encourage and support meritorious students interested in pursuing competitive examinations to secure a bright and better future. Tata Power-DDL collaborated with Ex Navodayan Foundation to fulfill this aspiration. In FY 23-24, TATA Power-DDL provided coaching facilities to 200 beneficiaries.

### **School Scholarship Program**

Tata Power Delhi Distribution Limited organized the Tata Affirmative Action Program (TAAP) Annual Scholarship Distribution Ceremony under its Ujjwal Program at Tata Power-DDL Learning Centre - CENPEID in December 2023. During the event, a total of 427 students from 30+ government senior secondary schools were felicitated with scholarships in the form of reference books, stationery items and school bags.

### **Meri Paatshala**

Tata Power-DDL started the "Meri Pathshala" program with the objective to bring every underprivileged out-of-school child into formal schooling. Under the program, Tata Power-DDL has supported 20 STCs in 17 government schools by converting them into Gyan Loks. In FY 23-24, 640 were enrolled and upgraded into formal education. These Gyan Loks have been



equipped with Digital Class Rooms and further support to students are provided in the form of Education & Stationery Kits, School Uniforms & Shoes, Indoor and Outdoor Sports Items. To motivate students to attend school regularly, classrooms have been decorated with graffiti depicting the importance of education.

### **Career Counselling Program**

Under the Career Counselling program, scholarship recipients received one-on-one counseling, and open workshops were conducted for all Class X and XII students to help them identify prospective career and educational paths based on their interests and preferences. Over 3400 students benefitted from the program in FY 23-24.

## **SANJEEVANI**

### **Mobile Dispensaries**



Lack of sanitation and unhygienic living conditions of the residents of JJ Clusters have always resulted in poor health indices. This adds to their already fragile age and inability to travel alone to hospitals/clinics. To overcome the challenges, Tata Power-DDL under its Sanjeevani program, has been running 6 Mobile Dispensaries for the benefit of the inhabitants residing in 220+ JJ clusters, resettlement, unauthorized colonies and villages at their doorsteps by providing basic healthcare facilities, where there are no permanent health facilities / Mohalla clinics available nearby. The services include free consultation, medication and sensitization on various topics related to health and hygiene. The activities of Mobile Health Dispensaries covered two times a week and there are diversions to cover the aforesaid activities due to its wider approach and flexibility in terms of spatial area and population. More than 165000 beneficiaries benefitted from MDUs in FY 23-24.

### **RO Plants/ Ultra Filtration Units**

In order to address the challenges faced by JJ Cluster which were its neighbourhood community as well as low-end customers Tata Power-DDL has installed 101 Industrial Ultra Filtration Plants in the JJ clusters (slums), resettlement colonies, Government Educational Institutions and Delhi Metro stations for the benefit of the inhabitants, students and metro commuters. Also, 16 SHG Women are engaged for the day-to-day operations of the Ultra Filtration Plants installed in the JJ clusters & Delhi Metro stations at multiple locations. The Plants having water purifying capacity of 500 LPH (Litre per Hour) directly benefits 4.20 Lakh people every day. The initiative also provides two-prolonged solutions. Firstly, it addresses the drinking water issue for the communities (slum dwellers from disadvantaged sections of society). Secondly, it provides a sustainable livelihood option for the Women Self Help Group Members engaged for the day-to-day operations of the RO sites in JJ Clusters & Metro stations, earning their additional household income from each UF Unit.

### **Project Arogya**

Malnutrition is one of the critical areas of focus under Project Arogya. Pregnant women and children between the age group of 0-5 are the target groups. Keeping the above aspect in thought, Social Impact Group launched the Arogya Project in 2019 at one of our JJ Clusters namely Udham Singh Park, Wazirpur Industrial Area in association with the NGO Eduquest and with the support of ABHAs of the area. Under this initiative, health check-up camps at regular intervals are organised wherein vitals like HB, Blood Pressure, Weight and Height etc are measured and medicines/ supplements are given on doctors' advice. Further, beneficiaries are sensitized on balance- diet and nutrition. In FY 23-24, 1364 women and children benefitted from the program.

### **Blood Donation Camps**

Tata Power-DDL in association with Indian Red Cross Society (IRCS) and Lions Blood Centre organizes blood donation camps wherein employees, family members and consumers contribute towards saving lives in distress. Being a corporate donor, Tata Power-DDL employee can avail facilities from these blood banks for Thalassemia afflicted children, employees and their first relatives. Tata Power- DDL has received many awards by The Indian Red Cross Society for its contributions. In FY 23-24, 252 units of Blood were collected on account of the Blood Donation Camps for patients in need. A total of 5 Blood Donation Camps were held in Financial Year 23-24.

### **Eye Camps**

The focus of this initiative is to include the Elderly community by providing eye checkup facilities. The associated institution, Parmanand Hospital provides doctor and equipment free of cost and are conducting free Eye Check-Up Camps in communities. In FY 23-24, under the "Free Eye Check-up" initiative, 6 camps were organized in association with Sant Parmanand Hospital across different location, where we have been able to reach out to more than 580 beneficiaries. Out of the screened beneficiaries, 41 were operated for cataract surgery in FY 23-24.

### **Cancer Screening Camps**

Tata Power-DDL conducts regular cancer screening camps in the communities in our operational area. The camps are held in association with Rajiv Gandhi Cancer Institute and Research Centre (RGCIR & RC).

Two different types of Cancer Screening Camps are organized namely:

1. Community based Cancer Screening Camps: Regular Community-based Cancer screening camps on a weekly basis are being organized at 4 different locations: Jahangirpuri, Mangolpuri, Sultanpuri and Shahbad Dairy.
2. Population based Cancer Screening Camps: Population-based Cancer Screening Camps are being organised every Saturday at Timarpur VTC focusing on the Patrachaar JJ cluster community.

Those who need further treatment are referred by the hospital and are provided treatment free of cost. A total of 2167 beneficiaries were reached out in FY 23-24.

### **CLUB ENERJI**



Under the Aegis of Club Enerji, the Social Impact Group organized the **National Urja Mela** on December 15, 2023, at Tata Power-DDL Learning Center, CENPEID, Sector-11 Rohini. This



annual event is part of a series of year-long activities aimed at sensitizing students from Club Enerji member schools on Energy Conservation, Climate Change, and Safety.

Throughout the year, students were educated through online and offline sessions conducted by the team. Before the Urja Mela, Mini Urja Melas were organized across 12 districts, engaging over 75,000 students and teachers in activities such as Drawing Competition, Essay Competition, and Quiz Competition, followed by a Recognition and Reward Ceremony.

This year, the National Urja Mela went beyond regional borders, inviting participation from Tata Power subsidiaries across India. Teams from various states showcased their talents in Science Model Competition, Quiz Competition, Drawing Competition, and Best out of Waste Competition. The event welcomed over 800 participants from 170+ member schools.

Mr. Himat Tiwari, CHRO of Tata Power, emphasized the role of young minds in fostering a sustainable future. The event was graced by senior officials from Tata Power, Mumbai, and Tata Power-DDL. More than 40 students received prizes, and over 25 employees volunteered as judges and facilitators. Various teams within the organization provided crucial support for the event's success.

### **Plantation**

Tata Power-DDL initiated mega plantation drives called "Harit Ek Pehal". We planted more than 12,500 saplings, in the year 2023-24. These saplings were planted at various schools, RWA's, Parks, employee residential areas and various office locations of Tata Power-DDL. The saplings planted were procured from private nurseries as well as the Forest Department, Government of NCT, Delhi.

### **EMPLOYEE VOLUNTEERING**






Employee Volunteering at Tata Power-DDL is conducted mainly through Tata Volunteering Week: a month-long volunteering program held in September and March of every Financial Year. Employees, their Family Members and retired Tata Employees are encouraged to contribute during TVW.

Two editions of TATA Volunteering Week were conducted during FY 23-24:

- The theme of TVW 20 was League of Extraordinary Volunteers. In this edition of TVW 20, 7030 volunteers participated and Tata Power-DDL clocked in 21295 volunteering hours.
- The theme of TVW 21 was Score a Four- Overstep the Boundaries for Good or We 4 Volunteering. In the current Edition of TVW, 7126 volunteers participated and Tata Power-DDL clocked in 22124 volunteering hours.








## AWARDS AND RECOGNITIONS







Various awards and recognitions have been bestowed on the Company and its executives during the FY 2023-24. Some of the awards and recognitions received by the company are as follows:

S. No.	Name of the Award	Picture
1	Tata Power-DDL won the 'Jury Choice Award' for outstanding achievements in "Gender Equality & Women Empowerment" in Large Enterprise category at the 6th ICC Social Impact Awards 2024.	
2	Tata Power-DDL received the prestigious 'Voice of Customer Impact' Award in the Power Distribution Sector' at the 3rd Annual Excellence Awards 2024.	
3	Tata Power-DDL won the 'Jury Choice Award' at 6th ICC Social Impact Awards 2024	
4	Tata Power-DDL awarded with the prestigious A+ rating in the 3rd edition of the 'Consumer Service Ratings of Power Discoms' by REC Limited, under the Ministry of Power.	
5	Tata Power-DDL received best practice award for Lakshya Initiative at the TAAP convention	



6	Tata Power-DDL won accolades at Global Procurement Summit- 2024	
7	Tata Power-DDL received Discoms leadership award at 4th Green Urja & Energy awards by the Indian Chamber of Commerce (ICC)	
8	Tata Power-DDL won various accolades at the National Convention on Quality Concept (NCQC), Nagpur	
9	Tata Power-DDL emerges winner in "Gender Equality & Empowering Women" category at the 10th Greentech CSR India Awards 2023	
10	Tata Power-DDL won 23rd ICSI National Award for Excellence in Corporate Governance	
11	Tata Power-DDL won "Top 50 Innovative Companies Award" at CII Industrial Innovation Awards 2023	
12	Tata Power-DDL won accolades @ ICQCC '23, Beijing, China	

13	Tata Power-DDL won 'Brand Communications Team of the Year' and 'Environmental Sustainability Communication' Awards at Corp Comm Vision and Innovation Summit & Awards 2023	
14	Tata Power-DDL's Kaizen teams won "Star Champion Award": The Champions' Trophy-2023 by CII	
15	Tata Power-DDL won Platinum Award at 15th Exceed OHS & Security Awards and Conference 2023	
16	Tata Power-DDL won award for Significant Impact through Improvement Interventions at Business Excellence Convention 2023	
17	Tata power-DDL won award for "best customer experience team of the year" and "best contact centre" at the 14th edition of CX Strategy Summit & Awards 2023	
18	Tata Power-DDL recognized with quality sustainability award 2023 by Indian Society for Quality (ISQ)	
19	Tata Power-DDL won 'Jury award-non-deemed category corporate' at Tax India Online Limited (TIOL) awards 2023.	

20	Tata Power-DDL conferred Utkarsh award & best presentation award	
21	Tata Power and its various entities (including TPDDL), are recognized as the Most Attractive Employer by Randstad, The Global Leader in HR Services.	
22	Tata Power-DDL won 5th ICC National Occupational Health and Safety Awards 2023	
23	Tata Power-DDL won utilities deal of the year award under "The Asset Triple A Sustainable Infrastructure Award 2023"	
24	Tata Power-DDL has been conferred with the prestigious "Workplace OHSE Excellence Award" for effective implementation of best practices in the field of occupational health and safety by World Safety Organization-India (State) level OHSE Awards 2023 held on Aug 22nd in Chennai, India.	 <b>WORLD SAFETY ORGANIZATION</b> National Office for India <small>MAKING SAFETY A WAY OF LIFE. WORLDWIDE</small>
25	Tata Power-DDL won accolades at 46 <sup>th</sup> CII Confederation of Indian Industry National Kai-Zen Conference & Competition	



26	Tata Power-DDL won "Power Distribution Company of the Year" and "Excellence in Customer Service (Distribution Sector)" awards 2023 by ET Energy Leadership Awards 2023	
27	Tata Power-DDL has been conferred with the "Safety Excellence Award" for effectively implementing best practices in the field of Occupational Health and Safety by Greentech Foundation during the 21st Greentech Safety Awards and Summit 2023 held on 29 <sup>th</sup> -30 <sup>th</sup> May 2023 at Delhi.	
28	Tata Power-DDL won laurels at 5 <sup>th</sup> ICC Social Impact Summit & Awards 2023	
29	Tata Power-DDL's Initiative 'Lineman Diwas' won Bronze under Public Affairs Category at 13th Edition of India Public Relations & Corporate Communications Awards (IPRCCA)	

## Compliance to Directives

**Chapter on Compliance to DERC 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.

**Compliance:**

Tata Power-DDL has been complying with the said directive and making timely payment of bills /dues to Central & State Generating stations and Transmission utilities to the extent that they have been allowed by the Hon'ble Commission in its Tariff Orders to Tata Power-DDL.

**#6.2** - The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule 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

**Compliance:**

Tata Power-DDL is complying with the guideline issued by the Hon'ble Commission. Date wise payment break up is as given below:

Details of Payment made towards Pension Trust for FY 23-24		
Period	Amount (in Rs. Cr)	Date of Payment
Apr-23	29.64	08-May-23
May-23	40.69	07-Jun-23
Jun-23	43.09	07-Jul-23
Jul-23	47.23	07-Aug-23
Aug-23	51.94	07-Sep-23

Details of Payment made towards Pension Trust for FY 23-24		
Period	Amount (in Rs. Cr)	Date of Payment
Sep-23	53.89	07-Oct-23
Oct-23	49.57	07-Nov-23
Nov-23	42.86	07-Dec-23
Dec-23	36.19	08-Jan-24
Jan-24	36.57	07-Feb-24
Feb-24	39.79	07-Mar-24
Mar-24	38.91	08-Apr-24
<b>Total</b>	<b>510.38*</b>	

*\*including open access*

**#6.3-** The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

**Compliance:**

Pertains to Pension Trust.

**#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.

**Compliance:**

Power supply to Tata Power-DDL has never been regulated by any Central & State Generating stations and Transmission utilities.

**#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.



**Compliance:**

Power supply to Tata Power-DDL has never been regulated by any Central & State Generating stations and Transmission utilities.

**#6.6-** The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21/10/2009 has directed 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 as per the provisions of above referred letter dated 21/10/2009.

**Compliance:**

The same is being complied and the energy which could not be served in FY 2023-24 was around 0.10% of the total demand.

**#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.

**Compliance:**

Tata Power-DDL is complying with the said directive and has tied up with Scheduled Commercial bank - Yes Bank for accepting cash amount up to Rs. 50,000/-.

**#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. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be

form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.

**Compliance:**

Tata Power-DDL has adhered to the said guideline issued by the Hon'ble Commission and restricted the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to less than 1% of total units billed for FY 2023-24.

**#6.9** - The Commission directs the Petitioner to submit the statement of interest on all types of loans availed from various Banks/Financial institutions on an annual basis at the end of every Financial year. This statement shall be duly supported by certificates from every lending Bank/Financial institution for each loan, certifying the following:

- Opening balance of loan
- Loan disbursed during the year
- Repayment during the year
- Interest rates as applicable in accordance with the terms of sanction
- Additional interest if any levied on account of non-creation of required charge/not providing required security
- Interest charges levied and paid
- Penal charges levied and paid
- Processing charges and/or fees of any other kind as levied and paid as per the terms of sanction

This Statement and Certificate shall be submitted within 60 days from the end of the Financial Year.

**Compliance:**

Tata Power-DDL has complied with the directive and submitted the requisite details vide letter dated 29<sup>th</sup> May 2024.

**#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.

**Compliance:**

Tata Power-DDL is complying with the directive as well as directions issued vide letter dated 30<sup>th</sup> May 2018. Accordingly, Tata Power-DDL has submitted the said information for Q1 of FY 23-24 vide our letter dated 18<sup>th</sup> July 2023, for Q2 of FY 23-24 vide our letter dated 20<sup>th</sup> Oct 2023, for Q3 of FY 23-24 vide our letter dated 17<sup>th</sup> Jan 2024 and for Q4 of FY 23-24 vide our letter dated 16<sup>th</sup> Apr 2024.

- b) To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

**Compliance:**

Tata Power-DDL is complying with the directive as well as directions issued vide letter dated 30<sup>th</sup> May 2018. Accordingly, Tata Power-DDL has submitted the said information for Q1 of FY 23-24 vide our letter dated 18<sup>th</sup> July 2023, for Q2 of FY 23-24 vide our letter dated 19<sup>th</sup> Oct 2023, for Q3 of FY 23-24 vide our letter dated 17<sup>th</sup> Jan 2024 and for Q4 of FY 23-24 vide our letter dated 16<sup>th</sup> Apr 2024.

- c) To conduct a safety audit and submit a compliance report within three months of the Tariff Order;

**Compliance:**

Tata Power-DDL has already complied with the guideline issued by the Hon'ble Commission. Tata Power-DDL has submitted the said report for FY 2023-24 vide letter dated 30<sup>th</sup> May 2024.

- d) To carry out preventive maintenance as per schedule;

**Compliance:**

The preventive and condition-based maintenance is being carried on as per defined Annual Maintenance Plan & Monthly maintenance 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;

**Compliance:**

Tata Power-DDL has submitted all the the information in respect of Form 2.1 (a) as per the provided format by 21<sup>st</sup> of every month for FY 23-24.

- f) To submit the annual energy audit report in respect of their network at HT level and above.

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission. The report for FY 2023-24 has been submitted on 16<sup>th</sup> May 2024.

- g) To submit compliance report related to the findings of the Energy Audit conducted by the Commission within 30 days from the issuance of this Tariff Order.

**Compliance:**

The Hon'ble Commission has not shared any Energy Audit report with Tata Power-DDL.

- h) To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission and accordingly, has submitted the said information for Q1 of FY 23-24 vide our letter



dated 31st July 2023, for Q2 of FY 23-24 vide our letter dated 14th Dec 2023, for Q3 of FY 23-24 vide our letter dated 19th Mar 2024 and for Q4 of FY 23-24 vide our letter dated 7th June 2024.

- i) To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month;

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission and submitted the said information. Accordingly, Tata Power-DDL has submitted the said information for Q1 of FY 23-24 vide our letter dated 31<sup>st</sup> July 2023, for Q2 of FY 23-24 vide our letter dated 27<sup>th</sup> Oct 2023, for Q3 of FY 23-24 vide our letter dated 29<sup>th</sup> Jan 2024 and for Q4 of FY 23-24 vide our letter dated 29<sup>th</sup> Apr 2024.

- j) To incorporate the following information in the annual audited financial statements:-

1. Category-wise Revenue billed and collected,
2. Category-wise breakup of regulatory and pension trust surcharge billed and collected,
3. Category-wise PPAC billed and collected,
4. Category-wise Electricity Duty billed and collected,
5. Category-wise subsidy passed on to the consumers during the financial year, if any,
6. Category-wise details of the surcharge billed on account of ToD,
7. Category-wise details of the rebate given on account of ToD,
8. Street light incentive and material charges for street light maintenance,
9. Direct expenses of other business,
10. Revenue billed on account of Own Consumption,
11. Revenue collected on account of enforcement/theft cases,

**Compliance:**

Tata Power-DDL is adhering to the guideline issued by the Hon'ble Commission.

- k)** To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year considering normative rate of Banking Transactions as approved by the Commission. The power purchase invoices received upto April month of the next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;

**Compliance:**

Tata Power-DDL is adhering to the guideline issued by the Hon'ble Commission and the annual auditor certificate in respect of power purchase details for FY 2023-24 was submitted vide our letter dated 18<sup>th</sup> July 2024.

- l)** To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/Transmission companies;

**Compliance:**

Tata Power-DDL is adhering to the guideline issued by the Hon'ble Commission and submitting the quarterly compliance reports. The said reports have been submitted vide our letters dated 22<sup>nd</sup> Sep 2023 for Q1 of FY 23-24, vide our letter dated 26<sup>th</sup> Dec 2023 for Q2 of FY 23-24, vide our letter dated 13<sup>th</sup> Mar 2024 for Q3 of FY 23-24 and vide our letter dated 11<sup>th</sup> July 2024 for Q4 of FY 23-24.

- m)** To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission and submitted the said information for Q1 of FY 23-24 vide our letter dated 10<sup>th</sup> July 2023, for Q2 of FY 23-24 vide our letter dated 10<sup>th</sup> Oct 2023, for Q3 of FY 23-24 vide our letter dated 5<sup>th</sup> Jan 2024 and for Q4 of FY 23-24 vide our letter dated 12<sup>th</sup> Apr 2024.

- n)** 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, except trading through

Power Exchange & IDT, at Rs.5/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/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.

**Compliance:**

The same is being complied with. In case of the cost of power exceeding the ceiling limit, Hon'ble Commission is duly being informed of the same.

- o) 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.

**Compliance:**

The same is being complied with as per the guideline issued by the Hon'ble Commission.

- p) To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

**Compliance:**

Tata Power-DDL is adhering to the guidelines and has submitted the report for Q1 of FY 23-24 vide our letter dated 14<sup>th</sup> July 2023, for Q2 of FY 23-24 vide our letter dated 13<sup>th</sup> Oct 2023, for Q3 of FY 23-24 vide our letter dated 15<sup>th</sup> Jan 2024 and for Q4 of FY 23-24 vide our letter dated 15<sup>th</sup> Apr 2024.

- q) 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.

**Compliance:**

Tata Power-DDL is complying with the guidelines by submitting details of capitalization on quarterly basis, however, a request was made vide our letter dated 29th Oct 2020 to the Hon'ble Commission to allow us a time span of 60 days after end of quarter, to submit the quarterly capitalization report. The report for Q1 of FY 23-24 vide our letter dated 28th July 2023, for Q2 of FY 23-24 vide our letter dated 31st Oct 2023, for Q3 of FY 23-24 vide our letter dated 29th Jan 2024 and for Q4 of FY 23-24 vide our letter dated 29th Apr 2024.

- r) To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission and submitted the said information for Q1 of FY 23-24 vide our email dated 10th Jul 2023, for Q2 of FY 23-24 vide our letter dated 5th Oct 2023, for Q3 of FY 23-24 vide our letter dated 9th Jan 2024 and for Q4 of FY 23-24 vide our letter dated 3th April 2024.

- s) To submit the status of compliance of Renewable Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter

**Compliance:**

Tata Power-DDL has complied with the guideline issued by the Hon'ble Commission and submitted the said information for Q1 of FY 23-24 vide our email dated 13th Jul 2023, Q2 of FY 23-24 vide our letter dated 12th Oct 2023, for Q3 of FY 23-24 vide our letter dated 12th Jan 2024 and for Q4 of FY 23-24 vide our letter dated 15th April 2024.



**#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.

**Compliance:**

Tata Power-DDL shall be adhering to the guideline issued by the Hon'ble Commission.

**Impact for Prior Period Issues decided in favour of the Petitioner by the Hon'ble Supreme Court/APTEL/the Hon'ble Commission not considered by the Hon'ble Commission:**

**1. Enforcement sales impact**

The Hon'ble Supreme Court in Judgment dated 18.10.2022 passed in *BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission*, 2023 4 SCC 788 ("**BSES Judgment**") has directed the Hon'ble Commission to consider assessed energy for calculation of enforcement sales and allow the impact of the same along with carrying costs. Therefore, the Hon'ble Apex Court has settled the principle with respect to computation of enforcement sales and its impact thereof.

In terms of the said judgment, the Hon'ble Commission *vide* its letter dated 31.05.2023 sought information relating to enforcement sale from all the distribution licensees of Delhi (including the Petitioner) for considering the assessed energy for calculation of enforcement sales. Copy of letter is annexed as Annexure III. Notably, the Hon'ble Commission in its letter dated 31.05.2023 had agreed that the Hon'ble Supreme Court in its judgement dated 18.10.2022 has decided a general principle on methodology of enforcement calculations and therefore, it is to be implemented for all the Distribution Utilities (including the Petitioner). The relevant portion of the letter dated 31.05.2023 is reproduced hereunder:

*"3) Since, vide about stated judgement, Hon'ble Supreme Court has decided a general principle for consideration of sales under enforcement which is thereafter utilized for AT&C computation, therefore, TPDDL and NDMC are also directed to furnish the details as sought above".*

Accordingly, the Petitioner through its letters dated 06.06.2023, 06.02.2024 and 10.05.2024, submitted the details of revision on billed sales of enforcement sales from FY 2007-08 to FY 2021-22 along with carrying cost, for consideration in the ensuing true-up orders. A copy of the letters dated 06.06.2023, 06.02.2024 and 10.05.2024 are enclosed as Annexure IV

However, the above submissions made by the Petitioner have not been considered by the Hon'ble Commission. It is pertinent to note that the non-consideration of the impact of

enforcement sales of Rs. Rs. 157.07 Cr has caused undue loss to the Petitioner. Year wise detail of impact is in table below:

Particulars	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Enforcement sales impact	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38

Further, it is humbly submitted that the Hon'ble Commission in the true-up orders dated 19.07.2024 passed for the other distribution licensees i.e., BSES Rajdhani Power Limited and BSES Yamuna Power Limited in Tariff Petition No. 03/2022 and Tariff Petition No. 04/2022 respectively has given effect to the above said judgment of the Hon'ble Supreme Court and has considered the enforcement units as assessed energy (as submitted by the BSES Rajdhani) on provisional basis. The relevant paragraph of orders dated 19.07.2024 passed in Tariff Petition No. 03/2022 and Tariff Petition No. 04/2022 is reproduced below:

(a) Order in Petition No. 03/2022

...

"ENFORCEMENT

...

*3.118 However, as per Hon'ble Supreme Court Judgement dated 18/10/2022 wherein it was directed to consider the Enforcement Sales as "Assessed Energy", accordingly, the Commission has considered the Enforcement units as 45.50 MU to arrive at the Truedup sales for FY 2020-21 subject to Prudence Check as stipulated in above paras."*

(b) Order in Petition No. 04/2022

"ENFORCEMENT

...

*3.104 However, as per Hon'ble Supreme Court Judgement dated 18/10/2022 wherein it was directed to consider the Enforcement Sales as "Assessed Energy", accordingly, the Commission has considered the Enforcement units as 9 MU to arrive at the Trued-up sales for FY 2020-21 subject to Prudence Check as stipulated in above paras."*

Therefore, it is requested to the Hon'ble Commission to consider the aforesaid submissions and allow the impact of enforcement sales along with carrying cost amounting to Rs. 473.37 Cr in terms of the principles settled by the Hon'ble Supreme Court in the BSES Judgement.

Particulars	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Enforcement sales impact	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38	
Total	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38	0
Addition															
Carrying cost rate	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.98%	12.08%	12.08%	10.33%	10.13%	10.21%	9.61%	9.30%	9.42%
Opening Balance	0	11.53	47.6	87.59	119.96	139.84	159.59	181.05	205.48	235.32	274.53	312.26	349.75	388.74	432.62
Addition	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38	0
Carrying Cost Amount	0.62	2.86	6.69	11.93	14.45	16.79	19.25	22.02	25.11	25.04	28.29	32.15	33.86	36.5	40.75
Closing Balance (A)	11.53	47.6	87.59	120	139.8	159.6	181.1	205.5	235.3	274.5	312.3	349.8	388.7	432.6	473.4

## 2. Allowance of impact on Carrying cost due to change in debt rate i.e. at SBI PLR rate --

The Hon'ble Supreme Court in its order dated 15<sup>th</sup> October 2022 in the Civil Appeal No. 9003-9004 of 2011 titled BRPL vs DERC has decided the issue in favour of BSES and allowed the SBI PLR on 70% debt component for funding regulatory asset/revenue gap.

In the above said order, the Hon'ble Supreme Court has observed in issue no. 2 related to "Interest rate of Carrying cost" that the Hon'ble Commission has substituted the words 'prevailing market rate keeping in view the prevailing Prime Lending Rate' with the words 'actual interest rate paid by DISCOM on their loans' which is not permissible and has directed the Hon'ble Commission to allow SBI PLR on 70% debt component for funding regulatory asset/revenue gap in the ratio of 70:30.

The relevant portion of the judgement is reproduced below for reference:



13. In our view, it is clear that DERC has substituted the words 'prevailing market rate keeping in view the prevailing Prime Lending Rate' with the words 'actual interest rate paid by BRPL and BYPL on their loans' which is not permissible in view of the aforesaid judgment of the APTEL. A comparison of the two is given below:

Particular	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
BRPL Rate of %	11.03	11.47	11.30	11.87	13.11	15.26	15.02	15.14	14.19	14.07	13.85	13.38	12.25	12.24
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
BYPL Rate of %	10.93	11.66	11.37	11.56	13.28	15.19	15.17	15.40	14.63	14.28	14.16	13.93	12.53	12.20
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SBI	12.69	12.79	11.87	12.26	14.40	14.61	14.58	14.75	14.29	14.04	13.68	13.68	13.58	12.27
PLR	%	%	%	%	%	%	%	%	%	%	%	%	%	%

The issue of rate of interest on carrying cost was first challenged by the Petitioner before the Hon'ble APTEL in Appeal no. 153 of 2009 against the Tariff Order of May' 2009 and the Hon'ble APTEL in its judgment dated 30<sup>th</sup> July' 2010 directed the Hon'ble Commission to reconsider the rate of carrying cost at the prevalent market rate keeping in view the prevailing Prime Lending Rate.

Further, the Hon'ble Commission has preferred a Civil Appeal No. 5845 of 2014 against the Order/Judgement of APTEL dated 28<sup>th</sup> Nov' 2013 challenging the following issue:

***"ISSUE 15 (c): Carrying cost should be allowed for financing the revenue gap on a debt equity ratio of 70:30"***

However, there is no stay granted by the Hon'ble Supreme Court in Civil Appeal No. 5845 of 2014 to the Hon'ble Commission. In the meanwhile, above said order of the Hon'ble Supreme Court has attained finality in case of similarly placed BSES DISCOM's and the issue has been decided in their favour.

Therefore, it is requested that the Hon'ble Commission may accordingly revise the interest rate of carrying cost for the debt portion on SBI PLR from FY 2007-08 to FY 2016-17 for the Petitioner and allow its impact in ensuing Tariff order.

Further, it is humbly submitted that the Hon'ble Commission in the True-up Orders dated 19.07.2024 passed for the other distribution licensees i.e., BSES Rajdhani Power Limited and BSES Yamuna Power Limited in Tariff Petition No. 03/2022 and Tariff Petition No. 04/2022 respectively has given effect to the above said judgment of the Hon'ble Supreme Court and

has allowed carrying cost based on SBI PLR and at debt/equity ratio of 70:30. The relevant paragraph of orders dated 19.07.2024 passed in Tariff Petition No. 03/2022 and Tariff Petition No. 04/2022 is reproduced below:

a) Order in Petition No. 03/2022

3.22 The Carrying Cost rate now considered is as follows:

Financial Year	Carrying Cost Rate earlier allowed in various Tariff Orders	Carrying Cost Rate computed as per Supreme Court Order dated 15/12/2022 (As determined in DERC Compliance Order dated 10.07.23)	SBI PLR as directed to be considered by Supreme Court vide its Order dated 15/12/2022 in Para 13 in relation to BRPL and BYPL	Rate of return on Equity as considered by the Commission as per applicable Regulations	Carrying Cost rate as considered in True Up Order FY 20-21 (D:E::70:30)
FY 2007-08	10.34%	13.08%	12.69%	14.00%	13.08%
FY 2008-09	11.13%	13.15%	12.79%	14.00%	13.15%
FY 2009-10	11.49%	12.51%	11.87%	14.00%	12.51%
FY 2010-11	11.66%	12.78%	12.26%	14.00%	12.78%
FY 2011-12	13.17%	14.28%	14.40%	14.00%	14.28%
FY 2012-13	10.67%	15.03%	14.61%	16.00%	15.03%
FY 2013-14	10.82%	15.01%	14.58%	16.00%	15.01%
FY 2014-15	11.18%	15.13%	14.75%	16.00%	15.13%
FY 2015-16	11.12%	14.80%	14.29%	16.00%	14.80%
FY 2016-17	11.18%	14.63%	14.04%	16.00%	14.63%
FY 2017-18	13.62%	13.78%	13.68%	16.00%	13.62%
FY 2018-19	13.32%	13.78%	13.68%	16.00%	13.32%
FY 2019-20	12.59%	13.71%	13.58%	16.00%	12.59%

b) Order in Petition No. 04/2022

3.22 The Carrying Cost rate now considered is as follows:

Financial Year	Carrying Cost Rate earlier allowed in various Tariff Orders	Carrying Cost Rate computed as per Supreme Court Order dated 15/12/2022 (As determined in DERC Compliance Order dated 10.07.23)	SBI PLR as directed to be considered by per Supreme Court vide its Order dated 15/12/2022	Rate of return on Equity as considered by the Commission	Carrying Cost rate as considered in True Up Order FY 20-21 (D:E::70:30)
FY 2007-08	10.90%	13.08%	12.69%	14.00%	13.08%
FY 2008-09	12.17%	13.15%	12.79%	14.00%	13.15%
FY 2009-10	12.13%	12.51%	11.87%	14.00%	12.51%
FY 2010-11	11.64%	12.78%	12.26%	14.00%	12.78%
FY 2011-12	13.36%	14.28%	14.40%	14.00%	14.28%
FY 2012-13	10.54%	15.03%	14.61%	16.00%	15.03%
FY 2013-14	10.77%	15.01%	14.58%	16.00%	15.01%
FY 2014-15	10.94%	15.13%	14.75%	16.00%	15.13%
FY 2015-16	10.96%	14.80%	14.29%	16.00%	14.80%
FY 2016-17	11.17%	14.63%	14.04%	16.00%	14.63%
FY 2017-18	13.76%	13.78%	13.68%	16.00%	13.76%
FY 2018-19	13.77%	13.78%	13.68%	16.00%	13.77%
FY 2019-20	12.57%	13.71%	13.58%	16.00%	12.57%

Therefore, the Hon'ble Commission is requested to consider the aforesaid submissions and allow carrying cost to the Petitioner in terms of the principles settled by the Hon'ble Supreme Court in the BSES Judgement.

- 3. Deferment of Capitalization of FY 2017-18 to FY 2018-19 due to EI not added** – The Hon'ble Commission in latest Tariff Order dt. 19.07.2024 has inadvertently allowed capitalization of Rs. 6.09 Cr in FY 2018-19 against EI Certificates as Gross Fixed Asset, disallowed earlier in prior period Table no. 3. 6.

Thus, the capitalization amounting to Rs. 6.09 Cr is being offered back by the Petitioner.

- 4. Impact of inadvertent allowance of Capitalisation** - The Hon'ble Commission in latest Tariff Order dt. 19.07.2024 has inadvertently allowed capitalization of Rs. 77.71 Cr in FY 17-18 and its consequential impact in ROCE, Depreciation and Income Tax for the period FY 17-18 to FY 20-21 in prior period Table no. 3. 1 and 3. 6.

Thus, capitalization amounting to Rs. 77.71 Cr. along with its consequential impact is being offered back by the Petitioner.

**IMPACT OF PRIOR PERIOD**

Based on all above submission, the issue wise and year wise impact along with carrying cost is computed as below:

S. No.	Particulars	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
I	Enforcement sales impact	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38	
	<b>Total Addition</b>	<b>10.91</b>	<b>33.21</b>	<b>33.3</b>	<b>20.44</b>	<b>5.43</b>	<b>2.96</b>	<b>2.21</b>	<b>2.41</b>	<b>4.74</b>	<b>14.16</b>	<b>9.45</b>	<b>5.33</b>	<b>5.14</b>	<b>7.38</b>	<b>0</b>
	Carrying cost rate	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.98%	12.08%	12.08%	10.33%	10.13%	10.21%	9.61%	9.30%	9.42%
	Opening Balance	-	11.53	47.6	87.59	119.96	139.84	159.59	181.05	205.48	235.32	274.53	312.26	349.75	388.74	432.62
	Addition	10.91	33.21	33.3	20.44	5.43	2.96	2.21	2.41	4.74	14.16	9.45	5.33	5.14	7.38	0
	Carrying Cost Amount	0.62	2.86	6.69	11.93	14.45	16.79	19.25	22.02	25.11	25.04	28.29	32.15	33.86	36.5	40.75
	<b>Closing Balance (A)</b>	<b>11.53</b>	<b>47.6</b>	<b>87.59</b>	<b>120</b>	<b>139.8</b>	<b>159.6</b>	<b>181.1</b>	<b>205.5</b>	<b>235.3</b>	<b>274.53</b>	<b>312.26</b>	<b>349.75</b>	<b>388.74</b>	<b>432.6</b>	<b>473.4</b>
II	Deferment of Capitalization of FY 2017-18 to FY 2018-19 due to EI not added											6.09				
III	Impact of inadvertent allowance of Capitalisation										-6.68	-12.93	-12.23	-11.17		
	<b>Total Addition</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.68)</b>	<b>(19.02)</b>	<b>(12.23)</b>	<b>(11.17)</b>	<b>-</b>	<b>-</b>
	Carrying cost rate	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.98%	12.08%	12.08%	10.33%	10.13%	10.21%	9.61%	9.30%	9.42%
	Opening Balance	-	-	-	-	-	-	-	-	-	-	-7.02	-27.72	-43.4	-59.28	-64.79
	Addition	-	-	-	-	-	-	-	-	-	(6.68)	-19.02	-12.23	-11.17	-	-
	Carrying Cost Amount	-	-	-	-	-	-	-	-	-	(0.34)	-1.67	-3.45	-4.71	-5.51	-6.1
	<b>Closing Balance (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.02)</b>	<b>-27.72</b>	<b>-43.4</b>	<b>-59.28</b>	<b>-64.8</b>	<b>-70.9</b>
	<b>Grand Total (A+B)</b>	<b>11.53</b>	<b>47.6</b>	<b>87.59</b>	<b>120</b>	<b>139.8</b>	<b>159.6</b>	<b>181.1</b>	<b>205.5</b>	<b>235.3</b>	<b>267.5</b>	<b>284.55</b>	<b>306.34</b>	<b>329.47</b>	<b>367.8</b>	<b>402.5</b>

\* Carrying cost rate taken as per previous rate allowed by the Hon'ble Commission. However, the carrying cost on above issues will change when SBI PLR rates are applied.



### **3. Methodology for Truing up of FY 2023-24**

Tata Power- DDL seeks the True up of FY 2023-24 in line with Regulations 152 & 153 of the Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Regulations, 2017, which has stipulated the Truing up mechanism. The relevant extract of the said Regulations are given below:

*"152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:*

*(a) Variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-a vis actual revenue and sales;*

*(b) Variation in long term power purchase quantum and cost of the distribution licensee based on merit order dispatch principle of projected long term power purchase quantum and cost vis-a-vis actual long term power purchase quantum and cost:*

*Provided that the distribution licensee shall submit report from State Load Dispatch Centre (SLDC) for instances of forced scheduling due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in its area of supply;*

*Provided that the cost of credit to the net metering consumer on account of net surplus unit of power injected into the grid as specified in Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 shall be allowed to the distribution licensee in the power purchase cost of the relevant year;*

*(c) Variation in short term power purchase quantum and cost of the distribution licensee based on projected short term power purchase quantum and cost vis-a-vis actual short term power purchase quantum and cost:*

*Provided that Trading Margin, Transmission Charges and Transmission Losses incurred on Forward And Reverse transaction in the same time slot executed within three months for*

*Forward / Reverse power procurement/sale through Banking And Bilateral shall not be allowed in the Power Purchase Cost of the Distribution Licensee;*

*Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than forced scheduling of power as certified by SLDC on monthly basis shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimize Power Purchase Cost;*

*Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges other than forced scheduling of power as certified by SLDC paid by the Distribution Licensee shall not be allowed in Power Purchase Cost;*

*Provided that Short-term arrangement or agreement, other than traded through Power Exchange, for procurement/sale of power has to be executed through a transparent process of open tendering and competitive bidding guidelines issued by Ministry of Power (MoP) as amended from time to time, unless specific direction issued by the Commission;*

*Provided further that in case the Distribution Licensee does not follow Short Term Power guidelines for procurement of power/sale the rate of such power procurement shall be restricted to the average rate of power purchase/sale through exchange during same month for Delhi region.*

*(d) Any surplus or deficit on account of controllable parameters i.e., Operation and Maintenance (O&M) expenses shall be to the account of the Licensee and shall not be trued up in ARR; and*

*(e) Depreciation, Return on equity and interest on loan shall be trued up every year based on the actual capitalization vis-à-vis capital investment plan (capitalization) approved by the Commission:*

*Provided further that the Commission shall true up the interest rate on the basis of increase/decrease in State Bank of India Base Rate as on April 1 of the relevant financial year vis-a-vis State Bank of India Base Rate as on April 1 of the immediately preceding financial year in accordance with Regulation 77 of these Regulations;*

*(f) Interest on working capital loan shall be trued up every year based on the working capital requirements specified in Regulation 85 of these Regulations.*

*153. The actual expenditure vis-a-vis projected expenditure incurred on Demand Side Management in the ARR shall be trued up."*

Hence in this petition, the Petitioner has sought truing up of all the parameters of ARR:

1. Net Revenue and Power Purchase
2. Non-Tariff Income, Income from Open Access and Income from Non-Energy (Other Business)
3. O&M Expenses
4. Depreciation and RoCE based on the actual Capitalization
5. Income Tax
6. Carrying Cost
7. Incentive towards reduction in T&D losses, overachievement of collection efficiency, sharing of savings through refinancing of loans and O&M expense; Incentive on account of sale of surplus power

The component wise detailed information's are given in relevant paras of this chapter.

### Truing up of Revenue Billed and Revenue available towards ARR

There has been no issuance of Tariff Order for FY 2023-24 by the Hon'ble Commission. Therefore, the Projected figures of Billed sales, revenue, power purchase units, Power purchase cost and Non-tariff income is not available with the Petitioner.

### Revenue Billed for FY 2023-24

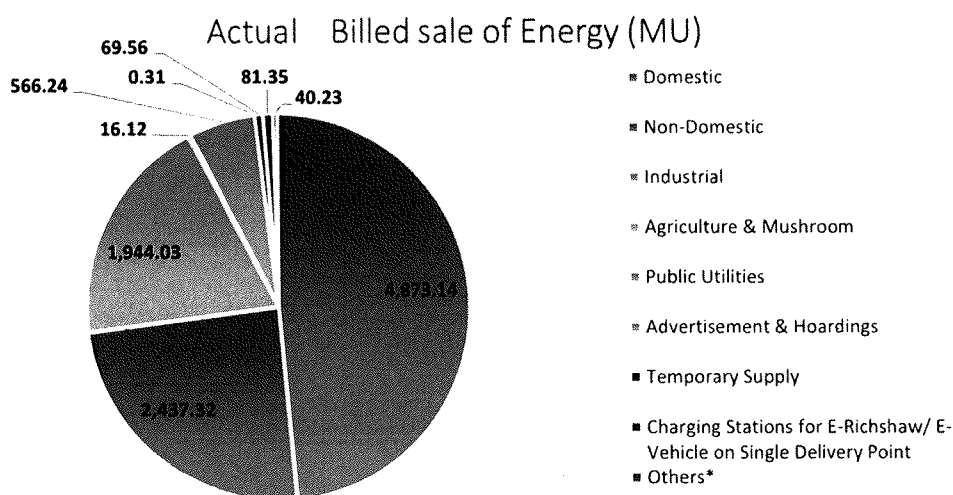
During FY 2023-24, Tata Power- DDL has actually Billed 10,028.30 MU as sale of energy including actual own consumption of 12.63. MU. Given below is the table showing the category wise actual energy billed.

**Table 3.1: Category wise billed energy sale (Actual) for FY 2023-24**

S. No.	Category	Actual Billed sale of Energy (MU)
1	Domestic	4,873.14
2	Non-Domestic	2,437.32
3	Industrial	1,944.03
4	Agriculture & Mushroom	16.12
5	Public Utilities	566.24
6	Advertisement & Hoardings	0.31
7	Temporary Supply	69.56
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	81.35
9	Others*	40.23
	<b>Grand Total</b>	<b>10,028.30</b>

\*others includes Enforcement, own consumption, staff, misuse & other adjustments

Based on actual energy billed, category wise share in total energy billed is shown below:





The Hon'ble Commission in its Business Plan Regulations, 2023 has specified that for the purpose of truing up, the Own Consumption shall be considered @ 0.25% of the energy billed or the actual consumption of licensee whichever is lower. Thus, for the purpose of truing up, the Petitioner has considered actual consumption of 12.63 MU towards own consumption against the normative own consumption of 25.04 MU.

**Table 3.2: Category wise billed energy sale (MU) sought for truing up for FY 2023-24**

S. No.	Category	Total Number of consumers and sanctioned load		Net Units Sold
		MW	No.	MU
1	Domestic	3,728	1,716,311	4,873.14
2	Non-Domestic	1,811	265,869	2,437.32
3	Industrial	858	13,769	1,944.03
4	Agriculture & Mushroom	32	4,179	16.12
5	Public Utilities	227	6,515	566.24
6	Advertisement & Hoardings	0.39	203	0.31
7	Temporary Supply	42	13,944	69.56
8	Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point	70	1,682	81.35
9	Others*	28	3,632	40.23
	<b>Grand Total</b>	<b>6,797</b>	<b>2,026,104</b>	<b>10,028.30</b>

Further, the Petitioner has actually billed energy revenue (net of E. tax and Pension Trust Surcharge) of Rs. 9,973.45 Cr. at approved Retail Supply Tariffs in FY 2023-24.

The category wise and component wise revenue billed during the year is given in table below:

**Table 3.3 Category wise Actual billed energy sale (MU) and Revenue (Rs Cr) for FY 2023-24**

S. No.	Category	*** Total Number of consumers and sanctioned load		Net Units Sold	Fixed Charges Billed	Energy Charges/o ther charges Billed	PPCA Amount Billed	Total	ABR	Surcharge of 8%
		MW	No.							
				MU	Rs Cr.				per kWh	Rs Cr.
1	Domestic	3,728	1,716,311	4,873	229.92	1,972.18	651.42	2,853.51	5.86	176.22
2	Non-Domestic	1,811	265,869	2,437	583.57	2,082.96	795.02	3,461.55	14.20	213.27
3	Industrial	858	13,769	1,944	273.75	1,524.39	537.93	2,336.07	12.02	143.95
4	Agriculture & Mushroom	32	4,179	16	5.32	2.70	2.38	10.40	6.45	0.64
5	Public Utilities	227	6,515	566	63.96	388.03	131.75	583.74	10.31	38.93
6	Advertisement & Hoardings	0.39	203	0.31	0.12	0.26	0.11	0.50	16.31	0.03

S. No.	Category	*** Total Number of consumers and sanctioned load		Net Units Sold	Fixed Charges Billed	Energy Charges/other charges Billed	PPCA Amount Billed	Total	ABR	Surcharge of 8%
		MW	No.	MU	Rs Cr.				per kWh	Rs Cr.
7	Temporary Supply	42	13,944	70	9.10	57.66	20.20	86.96	12.50	5.35
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	70	1,682	81	0.00	34.95	10.71	45.66	5.61	2.81
9	Others	28	3,632	40	5.46	21.62	7.00	34.08	8.47	2.11
10	(-) Open Access Charges (to be treated separately)	0.00	0.00	0.00	0.00	22.20	-	22.20	-	0.11
<b>Total</b>		<b>6,797</b>	<b>2,026,104</b>	<b>10,028</b>	<b>1,171.20</b>	<b>6,062.54</b>	<b>2,156.52</b>	<b>9,390.27</b>	<b>9.36</b>	<b>583.19</b>
<b>Reconciliation Statement with the Audited Form 2.1 a</b>										
Billed amount of Fixed Charges										1,171.20
Billed amount of Energy Charges										6,062.54
Billed amount of PPAC Charges										2,156.52
Billed Amount of 8% Deficit Recovery Surcharge										583.19
Billed amount of E. Tax										410.65
Billed amount of Pension Trust Surcharge										510.28
<b>Total amount of Revenue Billed</b>										<b>10,894.38</b>
<b>Average Billing Rate at gross level/ Rs. kWh</b>										<b>10.86</b>

Note: Auditor Certificate for Billed Energy & Revenue is attached as Annexure-V in Volume -III of the Petition

### Pension Trust Surcharge

The Hon'ble Commission in its Tariff Schedule for FY 2021-22 has increased pension trust surcharge rate by 2% resulting into applicability of Pension Trust surcharge @ of 7.00% w.e.f. 01st Oct, 2021 over the approved retail supply tariff to meet the Pension Trust liability of erstwhile DVB employees/ Pensioners as recommended by GoNCTD.

In order to comply with the above requirement, the Hon'ble Commission had issued directive no 6.2.

" 6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

....."

During the FY 2023-24, The Petitioner has billed an amount of Rs. 510.38 Cr as Pension Trust Surcharge and collected an amount of Rs. 510.38 Cr including open access. The recovery made in FY 2023-24 includes outstanding recovery of billed amount at the end of FY 2022-23 (in case any).

**Table 3.4: Pension Trust amount billed and collected for FY 2023-24 (Rs. Cr.)**

S. No.	Particulars	Other than Open Access	From Open Access	Total Amount
1	Amount billed on account of Pension Trust Surcharge	510.28	0.10	510.38
2	Amount Collected in FY 2023-24*	510.28	0.10	510.38

\*Entire amount of collected PT surcharge was directly deposited in Pension Trust Account as specified by the Hon'ble Commission on monthly basis.

### Computation of Billing Efficiency and Overachievement Incentive

The Hon'ble Commission in its Business Plan Regulations, 2023 has specified the target for Distribution Loss Level for the current control period (FY 2023-24 to FY 2025-26). Relevant extract of the Business Plan Regulations, 2023 is reproduced below:

*"Regulation 25 (1): The Distribution Loss target in terms of Regulations 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulation, 2017 for the Distribution licensees shall be as follows:*

**Table 15 Target for Distribution Loss for the Control Period**

Sr. No.	Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
1	BSES Rajdhani Power Ltd.	7.30%	7.14%	6.96%
2	BSES Yamuna Power Ltd.	7.72%	7.54%	7.33%
3	Tata Power Delhi Distribution Ltd.	6.91%	6.83%	6.74%
4	New Delhi Municipal Council	7.72%	7.54%	7.33%

....."

From the above table, it can be seen that target for Distribution Loss Level for FY 2023-24 has been fixed @ 6.91%. Against the said target, the Petitioner has achieved actual Distribution loss level of 5.93% for FY 2023-24. Computation of the actual distribution loss level is given below:

**Table 3.5: Computation of Distribution loss and overachievement for FY 2023-24**

S. No.	Particulars	MU	Remark
A	Input	10,660.71	Table 3.12
B	Billed Units	10,028.30	Table 3.3
C	Actual Distribution Loss Level	5.93%	(1-B/A)
D	Target Distribution Loss Level	6.91%	Table 3.6
E	Overachievement/(Underachievement)	0.98%	(D – C)

Further Clause 25(4) of the Business Plan Regulation, 2023 provided that "Any financial Impact due to overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and consumers as follows:

- In case actual distribution loss is between the loss target and loss target minus  $[50\% \times (\text{Previous Year Target} - \text{Current Year Target})]$  for the relevant year shall be shared in the ratio of  $2/3^{\text{rd}}$  to Consumers and  $1/3^{\text{rd}}$  to the Distribution Licensee;
- In case actual distribution loss is less than loss target minus  $[50\% \times (\text{Previous Year Target} - \text{Current Year Target})]$  for the relevant year shall be shared in the ratio of  $1/3^{\text{rd}}$  to Consumers and  $2/3^{\text{rd}}$  to Distribution Licensee."

For the purpose of computation of sharing of incentive, previous year loss target was 7.70% for FY 2022-23.

**Table 3.6: Actual Distribution loss level for FY 2023-24**

S. No.	Particulars	Distribution Loss Level	Remark
A	Previous year target	7.70%	As per BPR 2019
B	Target Distribution Loss Level	6.91%	As per BPR 2023
C	Actual Distribution Loss Level	5.93%	Table 3.5

**Table 3.7 Overachievement Incentive on account of reduction in Distribution Loss Level**

S. No	Particulars	MU	Remark
A	Billed Sales	10,028.30	Table 3.5
B	Actual Distribution Loss Level	5.93%	Table 3.5
C	Target Distribution Loss Level	6.91%	Table 3.5
D	Actual Input @ actual distribution loss level	10,660.71	Table 3.12
E	Desired Input @ Target distribution loss level	10,764.96	D+D*(C-B)
F	Saving in Input (MU) due to lower distribution loss level	104.25	(E-D) or D*(C-B)
G	Power Purchase Cost	6.86	Table 3.25
H	Total Overachievement Incentive	71.51	F*G/10
I	TPDDL's Share	<b>38.05</b>	

**Revenue Realization**

**Computation of Collection Efficiency and overachievement incentive for FY 2023-24**

*Regulation 11 of the DERC Tariff Regulations, 2017 provided that*

*"Collection efficiency, which shall be measured as ratio of total revenue realized to the total revenue billed in the same year:*

*Provided that Revenue Realised or Revenue Billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of Collection Efficiency;"*

**Table 3.8: Revenue Billed for the purpose of computation of Collection Efficiency for FY 2023-24**

S. No.	Particular	Amount (Rs. Cr.)	Remark
A	Total Revenue Billed as per Form 2.1a	10,894.38	Note 38.1 of the Audited Financial Statement
B	Less- Electricity Tax	410.65	
C	Less- 8% Deficit Revenue Recovery Surcharge	583.19	
D	Less- Pension Trust Surcharge	510.28	
E	Net Revenue Billed	9,390.27	(A-B-C-D)

*(Audited Accounts attached as Annexure-I in Volume II of the Petition)*

During the FY 2023-24, the Petitioner has realized an amount of Rs. 10,895.72 Cr against the total revenue billed of Rs. 10,894.38 Cr. Given below is the working of revenue collection to be considered for collection efficiency.

**Table 3.9: Amount of revenue available for Computation of collection efficiency FY 2023-24**

S. No.	Particular	Amount (Rs. Cr.)	Remark
A	Total Revenue Realized	10,895.72	Note 38.2 of the Audited Financial Statement
B	Less: Electricity Tax	403.88	
C	Less: 8% Deficit Revenue Recovery Surcharge	583.69	
D	Less: Pension Trust Surcharge	510.28	
E	Revenue Collected for Collection Efficiency	9,397.87	(A-B-C-D)

*(Audited Accounts attached as Annexure-I in Volume II of the Petition)*

Based on above submission, computation of collection efficiency and corresponding incentive is calculated as below:



**Table 3.10: Computation of Collection Efficiency and Incentive for FY 2023-24**

Sl. No.	Particular	UoM	Amount	Remark
A	Amount Billed	(Rs Cr)	9,390.27	Table 3.8
B	Amount Collected	(Rs Cr)	9,397.87	Table 3.9
C	Collection Efficiency	%	100.08%	B/A
D	Target collection efficiency	%	99.80%	As per BPR,2023
E	Amount of Collection over and above 99.80% target (in Cr.)		26.39	A*(C-D)
F	<b>Sharing of Incentive</b>			
	Discoms (50% upto 100% and 100% beyond 100% collection)	(Rs Cr)	<b>17.00</b>	
	Consumers (50% upto 100% collection)	(Rs Cr)	<b>9.39</b>	

### Computation of Revenue Available for FY 2023-24

The Computation of net revenue available after adjusting the Incentive towards lower Distribution Loss Level and Higher Collection Efficiency is given below. It is worth to mention that for the purpose of computing surplus or deficit for the year, the amount of net revenue is considered based on actual collection only.

**Table 3.11: Computation of Revenue available for FY 2023-24 (Rs Cr.)**

S. No.	Particular	Collection Other than (DRS/PTS)	Remark
A	Total Collection	9,397.87	Table 3.9
B	Less- Overachievement Incentive towards Lower Distribution Loss	<b>38.05</b>	Table 3.7
C	Less- Overachievement incentive towards Collection	<b>17.00</b>	Table 3.10
D	Collection available towards ARR	9,342.83	(A-B-C)

## Power Purchase

### Power Purchase Quantum

During FY 2023-24, the Petitioner has purchased 12,686.10 MUs out of which 1,501.58 MUs of surplus energy was sold as short-term sale of surplus power.

After deducting the Inter-State transmission loss of 429.86 MUs and Intra-State transmission loss of 93.95 MUs, the Petitioner has submitted a net power purchase quantum of 10,660.71 MUs (excluding open access quantum consumed by open access consumers) delivered at Tata Power-DDL distribution periphery.

The summary of power purchase quantum for FY 2023-24 as per SLDC Report is given below:

**Table 3.12: Power Purchase Quantum (MUs) for FY 2023-24 as per SLDC Report**

S. No.	Particulars	Actual Power Purchase (MUs)	Remark
<b>A</b>	<b>Power Purchase:</b>		
i	Power Purchase quantum	12,218.33	Table 3.14
ii	Short Term Power Purchase quantum	467.77	Table 3.21
iii	Short term sale of Power quantum	-1,501.58	Table 3.22
iv	Net Power Purchase	11,184.52	(i+ii+iii)
<b>B</b>	<b>Transmission Loss:</b>		
i	Intra-State Transmission Loss	-93.95	
ii	Inter-State Transmission Loss	-429.86	
iii	Total Transmission Loss	-523.81	(i+ii)
<b>C</b>	<b>Net Power Available after Transmission Loss</b>	<b>10,660.71</b>	<b>(A (iv)+B(iii))</b>

The breakup of Actual consumption in FY 2023-24 is as under:

**Table 3.13: Input (MUs) as per SLDC**

Particulars	MU
Actual demand of FY 23-24 as per Delhi SLDC UI bills	10,742.54
(-) Open Access consumer	85.87
(+) TATA Power-DDL Solar generation	1.40
(+) Net metering	2.63
<b>Total consumption</b>	<b>10,660.71</b>

Input considered for FY 2023-24 is 10,660.71 MUs.

**Summary of Generating Station wise power scheduled during the year is given below:**

During the year, the Petitioner has purchased 12,218.33 MUs from long term sources.

**Table 3.14: Energy Purchased (MU) from Central Generating Stations during FY 2023-24**

S. No.	Particulars	Energy (MU)
		Actuals
<b>A</b>	<b>NTPC</b>	
	Anta Gas Power Station	6.86
	Auraiya Gas Power Station	16.39
	Dadri Gas Power Station	24.94
	FARAKKA	39.66
	KAHALGAON – I	92.38
	RIHAND – I	237.03
	RIHAND – II	275.50
	SINGRAULI	336.75
	UNCHAHAAR – I	30.73
	UNCHAHAAR – II	89.76
	UNCHAHAAR – III	48.57
	KAHALGAON – II	328.89
	ARAVALI	3,170.13
	National Capital Therm Pwr - Dadri 2	52.12
	<b>Sub-Total NTPC</b>	<b>4,749.71</b>
<b>B</b>	<b>NHPC</b>	
	BAIRA SIUL	17.46
	CHAMERA – I	50.79
	CHAMERA – II	48.51
	CHAMERA – III	32.93
	DHAULIGANGA	38.25
	DULHASTI	80.34
	Parbati – III	11.07
	SEWA –II	22.37
	TANAKPUR	13.90
	URI	78.49
	Uri – II	55.43
	<b>Sub-Total NHPC</b>	<b>449.55</b>
<b>C</b>	<b>NUCLEAR</b>	

S. No.	Particulars	Energy (MU)
		Actuals
	RAPS – 5 & 6	130.54
	NPCIL – NAPS	83.83
	<b>Sub-Total Nuclear</b>	<b>214.36</b>
D	<b>Other Stations</b>	
	<b>THDC</b>	
	KOTESHWAR HEP	35.25
	TEHRI HEP	62.24
	<b>SJVNL</b>	
	NJPC (SJVNL)	181.95
	<b>DVC</b>	
	Mejia unit - 6	176.39
	DVC Chandrapur (Ext. 7 & 8)	529.77
	<b>Other CSGS</b>	
	Haryana CLP Jhajjar	779.07
	MPL DVC - Maithon Power	2225.92
	Tala	11.14
	Sasan UMPP	420.26
	<b>Sub Total (SJVNL+DVC+THDC+Other CSGS)</b>	<b>4,422.00</b>
E	<b>State Generating Stations</b>	
	Gas Turbine Power Station (GTPS)	77.60
	Pragati – I	148.59
	Pragati – III	525.09
	Timarpur-Okhla Waste Mgt. Co	46.85
	MSW Bawana (DMSWSL)	42.18
	Tata Solar (Own Solar)	1.39
	Tehkhand Waste to Electricity Project Ltd	59.87
	<b>SGS Total</b>	<b>901.58</b>
F	<b>RENEWABLE ENERGY</b>	
	Net metering	2.63
	SECI 20 MW Solar (SECI Solar Rajasthan)	39.75
	SECI 200 MW Solar (SECI SBSR Power Cleantech Elevn Pvt. Ltd.)	228.34
	SEI Jyoti Swaroop (SEISPPL)	53.96
	SEI RaviKiran (SEISPPL)	53.27
	SEI Renewable (SEISPPL)	54.13
	SEI Solarvan (SEISPPL)	53.46
	SEI Sooraj (SEISPPL)	53.84

S. No.	Particulars	Energy (MU)
		Actuals
	SEI Sunshine (SEISPPL)	53.60
	NANTI HYDRO POWER PRIVATE LIMITED (Nanti HEP)	39.06
	SECI- Wind (SECI Wind Alfamar)	146.26
	Taranda Hydro	39.25
	Suryakanta Hydro Energies Pvt. Ltd.	40.85
	M/s Cosmos Hydro Power Private Limited,	68.65
	Singrauli Small Hydro	7.02
	Medium Term Hydro 200 MW	547.07
	<b>Renewable Total</b>	<b>1481.12</b>
	<b>Grand Total</b>	<b>12218.33*</b>

\*MU scheduled to the petitioner in FY 2023-24 is as per invoices. Figures extracted from Audited Power Purchase Certificate Annexure -VI of Volume-III of the Petition

### Short Term Power Purchase

During this financial year the Petitioner has purchased 467.77 MUs through bilateral/banking/exchange/UI/intrastate as short-term power purchase. Out of 467.77 MUs the Petitioner has received back 258.59 MUs through bilateral, 187.60 MUs through exchange mode, 0.11 MUs through UI and balance 21.47 MUs through intra-state arrangements. A comparative summary of sources wise short term power purchase from various sources from FY 2021-22 onwards is shown below:

**Table 3.15: Details of Short-term Power Purchase**

S. No.	Particulars	FY 21-22		FY 22-23		FY 23-24*	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	740.55	56%	510.87	41%	258.59	55%
B	Banking	184.03	14%	436.32	35%	-	0%
C	Exchange (IEX + PXIL)	383.12	29%	277.13	22%	187.60	40%
D	Intra state	15.59	1%	4.56	0%	21.47	5%
E	UI/DSM	8.95	1%	11.53	1%	0.11	0%
F	<b>Total</b>	<b>1332.24</b>	<b>100%</b>	<b>1,240.41</b>	<b>100%</b>	<b>467.77</b>	<b>100%</b>

\*Figures as per Audited Power Purchase Certificate Annexure -VI in Volume-III of the Petition

### Short Term Power Sale

During the year FY 2023-24, the Petitioner has sold 1,501.58 MUs of surplus energy, out of which 108.40 MUs (7%) was sold through banking, 1,060.83 MUs (71%) was sold through



exchange, 130.20 MUs (9%) was sold through intra-state arrangements and 202.15 MUs (13%) was sold through UI.

A comparative summary of source wise short-term power sales through various sources from FY 2021-22 onwards is shown below:

**Table 3.16: Details of Short-term Power Sales**

S. No.	Particulars	FY 21-22		FY 22-23		FY 23-24*	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Banking	468.00	25%	-	0%	108.40	7%
B	Exchange	1,106.49	60%	1,225.34	77%	1,060.83	71%
C	Intra state	199.65	11%	253.82	16%	130.20	9%
D	UI	67.00	4%	106.70	7%	202.15	13%
E	<b>Total</b>	<b>1,841.14</b>	<b>100%</b>	<b>1,585.85</b>	<b>100%</b>	<b>1,501.58</b>	<b>100%</b>

*\*Figures as per Audited Power Purchase Certificate Annexure -VI in Volume-III of the Petition*

In FY 2023-24, the Petitioner had entered into power banking agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for export (sale) of 108.40 MUs during the period 1 March, 2024 to 31 March, 2024 with import of 111.65 MUs during the period July'2024 to September'24. However, MSEDCL has not returned the power as per the agreed terms. The Petitioner is following up with MSEDCL to settle this transaction and treatment/outcome of the said transaction shall be considered accordingly in True up of FY 2024-25.

### **Power Purchase Cost**

The Petitioner has incurred gross power purchase cost of Rs. 7,152.06 Cr. (exclusive of REC) for the gross power purchase quantum of 12,686.10 MUs in FY 2023-24 from all sources including medium term, intra-state, bilateral, UI and exchange. The revenue of Rs. 833.13 Cr. on account of sale of 1,501.58 MUs of surplus energy through banking, intra-state, UI and exchange has been adjusted against the gross power purchase cost. The Petitioner has also incurred transmission charges of Rs. 992.72 Cr.

Further in order to meet RPO obligations for FY 2023-24, an amount of Rs. 12.73 Cr. has been incurred towards purchase of RE certificates. The Petitioner has arrived at total audited power purchase cost of Rs. 7,324.38 Cr. for FY 2023-24. Given below is the energy balance of the cost incurred by the Petitioner.

**Table 3.17: Details of Power Purchase Cost Station wise for FY 2023-24**

Particulars	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
<b>Sought for Trued Up</b>						
<b>NTPC</b>						
Anta Gas Power Station	6.86	5.05	7.99	0.8029	13.85	20.18
Auraiya Gas Power Station	16.39	30.96	19.40	15.1417	65.50	39.97
Badarpur Thermal Power Station	-	-	-	-.00	-	-
Dadri Gas Power Station	24.94	10.29	28.05	2.9769	41.32	16.56
Farakka Super Thermal Power Station	39.66	5.52	13.74	3.0047	22.27	5.61
Feroze Gandhi Unchahar TPS 1	30.73	4.87	14.10	1.4121	20.38	6.63
Feroze Gandhi Unchahar TPS 2	89.76	10.51	32.55	1.0088	44.08	4.91
Feroze Gandhi Unchahar TPS 3	48.57	7.31	21.84	2.1490	31.30	6.45
Feroze Gandhi Unchahar TPS 4	-	-	-	-.00	-	-
Kahalgaon STPS 1	92.38	11.13	28.55	1.0604	40.74	4.41
Kahalgaon STPS 2	328.89	31.17	96.78	4.7452	132.70	4.03
Koldam Hydro Power Station	-	0.72	0.76	1.4187	2.89	-
National Capital Therm Pwr - Dadri 1	-	8.55	-	6.9701	15.52	-
National Capital Therm Pwr - Dadri 2 (Extn.)	52.12	11.61	24.44	4.1304	40.17	7.71
Rihand Super Therm Pwr Stn 1	237.03	13.51	37.79	2.0116	53.32	2.25
Rihand Super Therm Pwr Stn 2	275.50	21.50	43.22	2.9082	67.62	2.45
Rihand Super Therm Pwr Stn 3	-	5.74	-	5.3871	11.13	-
Singrauli Super Thermal Power Station	336.75	31.18	52.81	4.4265	88.41	2.63
National Capital Therm Pwr - Dadri 2	-	-	-			
<b>NTPC</b>	<b>1,579.58</b>	<b>209.63</b>	<b>422.03</b>	<b>59.55</b>	<b>691.21</b>	<b>4.38</b>
<b>APCPL</b>						
Aravali Jhajjar	3,170.13	675.31	1,395.58	83.5266	2,154.41	6.80
<b>APCPL</b>	<b>3,170.13</b>	<b>675.31</b>	<b>1,395.58</b>	<b>83.53</b>	<b>2,154.41</b>	<b>6.80</b>
<b>NHPC</b>						
Bairasiul	17.46	3.38	2.89	-1.3627	4.90	2.81
Chamera-I	50.79	5.02	6.09	0.7981	11.90	2.34
Chamera-II	48.51	7.44	11.91	2.9413	22.29	4.60
Chamera-III	32.93	12.03	9.74	1.2721	23.04	7.00
Dhauliganga	38.25	7.22	5.23	2.1129	14.56	3.81
Dulhasti	80.34	19.18	19.36	3.2202	41.76	5.20

Particulars	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
<b>Sought for Trued Up</b>						
Parbati-III	11.07	8.49	1.70	0.0137	10.21	9.22
Salal	-	-	-	-0.0374	-0.04	-
Sewa-II	22.37	6.08	5.75	1.3495	13.18	5.89
Tanakpur	13.90	10.34	7.06	3.0701	20.47	14.72
Uri	78.49	14.46	11.78	9.3291	35.57	4.53
Uri-II	55.43	17.14	12.93	5.8891	35.96	6.49
<b>NHPC</b>	<b>449.55</b>	<b>110.76</b>	<b>94.45</b>	<b>28.60</b>	<b>233.81</b>	<b>5.20</b>
<b>SJVN</b>						
Nathpa Jhakri	181.95	26.20	22.18	2.80	51.18	2.81
<b>SJVN</b>	<b>181.95</b>	<b>26.20</b>	<b>22.18</b>	<b>2.80</b>	<b>51.18</b>	<b>2.81</b>
<b>THDC</b>						
THEP (Koteshwar)	35.25	10.29	9.01	1.70	20.99	5.95
THEP (Tehri)	62.24	11.34	12.36	1.52	25.22	4.05
<b>THDC</b>	<b>97.50</b>	<b>21.63</b>	<b>21.36</b>	<b>3.22</b>	<b>46.21</b>	<b>4.74</b>
<b>CLP</b>						
CLP Jhajjar	779.07	67.09	308.98	17.12	393.19	5.05
<b>CLP</b>	<b>779.07</b>	<b>67.09</b>	<b>308.98</b>	<b>17.12</b>	<b>393.19</b>	<b>5.05</b>
<b>MPL</b>						
Maithon Power	2,225.92	355.11	622.17	27.71	1,004.99	4.51
<b>MPL</b>	<b>2,225.92</b>	<b>355.11</b>	<b>622.17</b>	<b>27.71</b>	<b>1,004.99</b>	<b>4.51</b>
<b>DVC</b>						
Chandrapura Thermal Power Station - Unit 7 & 8	529.77	152.41	168.45	29.53	350.39	6.61
Mejia Thermal Power Station - Unit 6	176.39	17.78	65.93	3.49	87.19	4.94
<b>DVC</b>	<b>706.15</b>	<b>170.19</b>	<b>234.37</b>	<b>33.02</b>	<b>437.59</b>	<b>6.20</b>
<b>NPCIL</b>						
NAPS Unit 1 & 2	83.83	-	25.24	0.21	25.46	3.04
RAPS Unit 5 & 6	130.54	-	48.79	2.43	51.22	3.92
<b>NPCIL</b>	<b>214.36</b>	<b>-</b>	<b>74.03</b>	<b>2.64</b>	<b>76.67</b>	<b>3.58</b>
<b>Sasan</b>						
Sasan UMPP	420.26	8.09	46.46	1.15	55.70	1.33
<b>Sasan</b>	<b>420.26</b>	<b>8.09</b>	<b>46.46</b>	<b>1.15</b>	<b>55.70</b>	<b>1.33</b>
<b>Tala HEP</b>						

Particulars	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
<b>Sought for Trued Up</b>						
Tala HEP	11.14	-	2.53	-	2.53	2.27
<b>Tala HEP</b>	<b>11.14</b>	<b>-</b>	<b>2.53</b>	<b>-</b>	<b>2.53</b>	<b>2.27</b>
<b>Others</b>						
Medium Term Hydro 200 MW	547.07	162.52	162.52		325.03	5.94
	<b>547.07</b>	<b>162.52</b>	<b>162.52</b>	<b>-</b>	<b>325.03</b>	<b>5.94</b>
<b>Grand Total</b>	<b>10,382.69</b>	<b>1,806.52</b>	<b>3,406.65</b>	<b>259.34</b>	<b>5,472.51</b>	<b>5.27</b>

### Energy availability from State Gencos

The energy scheduled along with total cost to the Petitioner during FY 2023-24 from the generating stations based in Delhi is summarized in the table below:

**Table 3.18: Details of Power Purchase Cost State Generating Station wise for FY 2023-24**

S. No	Particulars	Energy (MU)	Fixed Charges	Variable Charges	Other Charges	Total cost including PY arrears	Avg. Rate (Rs./k Wh)
<b>Sought for Trued up</b>							
<b>A</b>	<b>State Generating Stations</b>						
	Gas Turbine Power Station (GTPS)	77.60	15.48	100.23	-	115.70	14.91
	Pragati Power Station - I	148.59	29.47	149.17	-	178.64	12.02
	Pragati Power Station - III, (Bawana)	525.09	284.89	323.44	-3.12	605.21	11.53
	<b>Total SGS</b>	<b>751.29</b>	<b>329.84</b>	<b>572.84</b>	<b>-3.12</b>	<b>899.56</b>	<b>11.97</b>

Some of the reasons for high power purchase cost of Delhi Gencos are:

- Pragati Power Station – III: Some quantum scheduled on RLNG and also Increase in price of APM (Low cost no cut category gas as per Supreme Court order dated 16<sup>th</sup> July' 2018) allocated to Bawana.
- GTPS- Non availability of APM gas with GTPS since 15 June'2021, scheduling being done on RLNG only.

- c) Pragati I - Increase in gas cost. Scheduling on RLNG on account of must run status granted by Delhi SLDC owing to line loading issues/interstate transmission constraints.

### **Renewable Purchase Obligation**

The Petitioner would like to submit that the Hon'ble Commission vide notification dated 01<sup>st</sup> Oct' 2012 mandated that all the obligated entities have to meet certain specified percentage of its total consumption through renewable energy.

Further, the Hon'ble Commission in its Business Plan Regulations, 2023 in line with DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations 2021 has prescribed the Wind RPO, Others RPO and HPO trajectory to be met by Delhi Discom's for FY 2023-24 to FY 2025-26. Relevant extract of DERC Business Plan & revised targets of RPO is reproduced below:

### **27. TARGET FOR RENEWABLE PURCHASE OBLIGATION**

*(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2023-24 to FY 2025-26 shall be computed as a percentage of Total Sale of Power to its Retail Consumers in its Area of Supply.*

*(2) The target for RPO shall be met through purchase of Power from various Renewable Energy Sources or purchase of Renewable Energy Certificates ("REC") or purchase of Hydro Energy Certificates ("HEC") or combination of these and shall be as follows:*

**Table 3.19: Targets for Renewable Purchase Obligation**

S. No	Particulars	2023-24	2024-25	2025-26
A	Wind RPO	1.60%	2.46%	3.36%
B	Other RPO	24.81%	26.37%	28.17%
C	HPO Target	0.66%	1.08%	1.48%
D	<b>Total</b>	<b>27.07%</b>	<b>29.91%</b>	<b>33.01%</b>

*(3) Wind RPO shall be met by Energy produced from Wind Power Projects (WPPs) commissioned after 31st March 2022 and the Wind Energy consumed over and above 7% from WPPs commissioned till 31st March 2022.*



*(4) HPO shall be met by Energy produced from Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned after 8th March 2019.*

*(5) Other RPO shall be met by Energy produced from any Renewable Energy Power Project not mentioned in 27 (3) & 27 (4) above and shall include Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned before 8th March 2019.*

*(6) Any shortfall remaining in achievement of 'Other RPO' category in a particular year shall be met with either the excess energy consumed from WPPs, commissioned after 31st March 2022 beyond 'Wind RPO' for that year or with excess energy consumed from eligible LHPs [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] , commissioned after 8th March 2019 beyond 'HPO' for that year or partly from both. Further, any shortfall in achievement of 'Wind RPO' in a particular year shall be met with excess energy consumed from Hydro Power Plants, which is in excess of 'HPO' for that year and vice versa.*

*(7) Renewable Energy Certificates shall be considered as per Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 as amended from time to time, for computation of further shortfall in RPO, if any, which shall be Trued-up.*

*(8) Renewable Energy Generation recorded through Renewable Energy meters installed in the premises of Net Metering Consumers shall be deemed to be part of RPO of the Distribution Licensee as specified in DERC (Net Metering for Renewable Energy) Regulations, 2014, for the relevant year:*

*Provided that in case the Annual Generation from Solar Generation system recorded through Renewable Energy meters exceeds the Capacity Utilisation Factor (CUF) of 19%, the Distribution Licensee shall get the Renewable Energy meters tested by Independent third party, National Accreditation Board for Testing and Calibration Laboratories (NABL) Accredited Meter Testing Lab.*

*(9) The cost of Renewable Energy purchased by the Distribution Licensee through Power Purchase Agreement approved by the Commission and the total power injected into the Grid through Net Metering arrangement, in excess of RPO target shall be part of Power Purchase Cost of the Distribution Licensee for the relevant year.*

(10) Hydro power imported from outside India shall not be considered for meeting HPO and the HPO Trajectory shall be trued up on an Annual Basis depending on the Revised Commissioning schedule of Hydro projects. Further to facilitate compliance of HPO, Hydro Energy Certificate mechanism, as available, may be utilized by Distribution Licensees.

(11) Non-compliance of RPO targets by Distribution Licensees shall attract penalty at the time of True-up of relevant Financial Year.

Provided that penalty for quantum of shortfall in RPO shall be 10% of weighted average REC price discovered at Power Exchange (IEX) for the Trued-up Year.

(12) The amount of penalty imposed on the Distribution Licensee due to non-compliance of the RPO targets shall be reduced from the ARR during True up of the relevant Financial Year in terms of the Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017."

**Table 3.20: Meeting of Renewable Power Obligations FY 2023-24**

Particulars	RPO requirement for FY 23-24*			
	Wind RPO	Other RPO	HPO Target	Total (in MU)
Total Billed Sales	10,028.3			
RPO obligation (%)	1.60%	24.81%	0.66%	27.07%
A. Total RPO to be met – Mus	160.5	2,488.0	66.2	2,714.7
Renewable Generation/ Procurement in Q1, FY 23-24 (MUs) (i)	-	573.3	147.6	720.9
Renewable Quantum adjusted in FY 2022-23 Compliance (MUs) (ii) in line with BPR 2019		-28.1	-10.7	-38.8
<b>RPO fulfilled in Q1, FY 23-24 (MUs) [B=(i) + (ii)]</b>	-	<b>545.2</b>	<b>136.9</b>	682.1
<b>RPO fulfilled in Q2, FY 23-24 (MUs) [C]</b>	-	<b>631.8</b>	<b>399.5</b>	1,031.3
<b>RPO fulfilled in Q3, FY 23-24 (MUs) [D]</b>	-	<b>552.4</b>	-	552.4
<b>RPO fulfilled in Q4, FY 23-24 (MUs) [E]</b>	-	<b>487.2</b>	-	487.2
RPO compliance till end of Q4 FY 2023-24 [F=B+C+D+E]	-	2,216.6	536.4	2,753.0
Net Balance shortfall (+)/ Surplus (-) (Mus) [G=A-(B+C+D+E)]	160.5	271.4	-470.2	-38.3
Adjustment done from Excess HPO Procured (MUs) to meet Compliance under Wind and Other RPO as per Regulation 4(5) of RPO REC Regulations [H]	-160.5	-271.3	431.8	-
<b>Net Balance shortfall (+)/ Surplus (-) [I=G+H]</b>	<b>0.0</b>	<b>0.1</b>	<b>-38.4</b>	<b>-38.3</b>

\*Information already shared with the Hon'ble Commission

### Details of Short-Term Power Purchase

During this financial year the Petitioner has procured 467.77 MUs through bilateral/banking/exchange/UI/Intrastate under short-term power purchase.

**Table 3.21: Details of Short-term Power Purchase in FY 2023-24**

S. No.	Short Term Purchase	Units (MU)	Rate per Unit	Amount (Rs Cr)
A	IDT Purchase	21.47	5.73	12.29
B	IEX Purchase	184.20	6.47	119.16
C	PXIL Purchase	3.40	9.95	3.38
D	Banking Purchase	0.00	0.00	
E	DSM Purchase	0.11	10.35	0.12
F	Bilateral Purchase	258.59	8.89	229.77
G	<b>Short Term Purchase Total</b>	<b>467.77</b>	<b>7.80</b>	<b>364.72</b>

Medium Term Hydro Details: TPDDL has entered in to a medium-term contract (5 years) of 200 MW starting from FY 2023-24 with the Kameng Hydro Pvt. Ltd. Through NVVNL @ a tariff of Rs. 5.99/-unit and the supply period is from May to September. Details of the quantum supplied is as follows:

FY 23-24	May	June	July	August	September	Total
Quantum Supplied (Mus)	71.45	76.16	147.34	145.40	106.72	547.07

### Details for Short Term Surplus Power Sale

During this year the Petitioner has sold 1,501.58 MUs at the average rate of Rs 5.55 per unit. The source wise summary of sale of surplus power during the FY 2023-24 is shown below:

**Table 3.22: Details of Short-term Power Sales FY 2023-24**

S. No.	Particulars	Units (MU)	Rate per Unit	Amount (Rs. Cr.)
A	IDT Sale	130.20	6.90	89.86
B	IEX Sale	1,060.83	5.87	622.19
C	Banking Sale	108.40	3.61	39.13
E	DSM Sale	202.15	4.05	81.94
F	<b>Short Term Sale Total</b>	<b>1,501.58</b>	<b>5.55</b>	<b>833.13</b>

In FY 2023-24, the Petitioner had entered into power banking agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for export (sale) of 108.40 Mus

during the period 1 March, 2024 to 31 March, 2024 with import of 111.65 Mus during the period July'2024 to September'24. However, MSEDCL has not returned the power as per the agreed terms. The Petitioner is following up with MSEDCL to settle this transaction and treatment/outcome of the said transaction shall be considered accordingly in True up of FY 2024-25.

Therefore, it is requested to the Hon'ble Commission to consider the said power banking transaction as a normal sale transaction in FY 2023-24.

### Transmission Charges

The Petitioner has incurred transmission charges of Rs. 992.72 Cr. The party wise breakup of the transmission charges is given in the table below:

**Table 3.23: Summary of Transmission charges for FY 2023-24**

S No.	Particulars	Amount (Rs. Cr.)
<b>A</b>	<b>PGCIL TRANSMISSION CHARGES</b>	
	PGCIL NON POC BILL	4.98
	PGCIL POC BILL 1	575.75
	PGCIL POC BILL 2	85.18
	PGCIL POC BILL 3	-
	PGCIL POC BILL 4	-
	PGCIL BILL 3	-
<b>B</b>	<b>DTL/ SLDC TRANSMISSION CHARGES</b>	
	DTL-Application Charges	0.12
	DTL-NRLDC Charges	4.72
	DTL-Reactive Energy Charges	5.77
	DTL-SLDC Charges	2.97
	DTL-STOA Credit	-126.62
	DTL-Wheeling Charges	335.81
	DTL-SCED	-10.90
<b>C</b>	<b>OTHER TRANSMISSION CHARGES</b>	
	Banking Purchase STOA	-
	Banking Sale STOA	-
	Bhakra Beas Management Board Charges	0.56
	Bilateral purchase STOA	11.08
	Chandrapura Thermal Power Station - Transmission	1.37
	CLP Jhajjar Transmission	9.72
	IEX Purchase STOA	7.48

S No.	Particulars	Amount (Rs. Cr.)
	IEX Sale STOA	40.92
	Maithon Power Tx Charges	0.25
	Mejia Thermal Power Station - Unit 6 Transmission	0.20
	NANTI Transmission	2.12
	NRPC	-
	NTPC TRANSMISSION Charges	0.24
	SECI 20 MW Solar Transmission	2.49
	SECI- SLDC	-
	SEI Sunshine Transmission	15.03
	Suryakanta Transmission	1.78
	Taranda Hydro Transmission	0.02
	THEP (Koteshwar)- NRLDC Charges	0.01
	THEP (Tehri)-NRLDC Charges	0.02
	Sasan UMPP Tx	-
	M/s Cosmos Hydro Power Private Limited, Transmission	0.19
	PXIL Purchase STOA	0.08
	Medium Term Hydro 200 MW Transmission	21.41
	<b>Grand Total</b>	<b>992.72</b>

### Normative Rebate

The Hon'ble Commission in its Tariff Determination Regulations, 2017 has specified that

*"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources who's PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."*

The Hon'ble Commission in its Tariff Order FY 2020-21 has considered 1.50%, 2.00% and 2.50% normative rebate and approved power purchase cost net of rebate. Following the same principle of normative rebate of 1.50%, 2.00% and 2.50%, the Petitioner has computed net normative rebate.



**Table 3.24: Summary of Normative Rebate for FY 2023-24 (Rs. Cr.)**

S. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amt (B)	Amount offered as normative rebate [C=B*A]
<b>A</b>	<b>Towards Power Purchase</b>			
1	APCPL	1.50%	2,156.20	32.34
2	CHPPL	1.50%	30.48	0.46
3	DMSWSL	2.00%	29.65	0.59
4	DTL (LT)	2.00%	335.81	6.72
5	DVC	1.50%	432.82	6.49
6	GMR	2.00%	13.26	0.27
7	IPGCL	2.00%	115.70	2.31
8	NHPC	1.50%	214.32	3.21
9	NHPPL	1.50%	16.76	0.25
10	NPCIL NAPS	2.50%	24.46	0.61
11	NPCIL RAPS	2.50%	50.00	1.25
12	NTPC	1.50%	681.66	10.22
13	NVVNL ST	2.00%	37.42	0.75
14	NVVNL MT	1.00%	330.87	3.31
15	PGCIL	1.50%	3.82	0.06
16	CTUIL	1.50%	710.48	10.66
17	PPCL I	2.00%	178.64	3.57
18	PPCL III	1.50%	605.21	9.08
19	PTC(ST)	0.02	82.83	1.66
20	PTC(Tala)	1P/KW Hr	2.53	0.01
21	SASAN	1.50%	54.96	0.82
22	SECI	1.50%	98.04	1.47
23	SEI SUNSHINE	1.50%	21.23	0.32
24	SEI SOLARVANA	1.50%	21.17	0.32
25	SEI SOORAJ	1.50%	21.32	0.32
26	SEI JYOTISWAROOP	1.50%	21.37	0.32
27	SEI RAVIKIRAN	1.50%	21.10	0.32
28	SEI RENEWABLE	1.50%	21.44	0.32
29	SHEPL	1.50%	15.52	0.23
30	SJVNL	1.50%	51.12	0.77
31	TARANDA	1.50%	16.84	0.25
32	THDC	1.50%	47.15	0.71
33	TOWMCL	2.00%	26.86	0.54
34	TWEPL	2.00%	25.74	0.51
35	TPTCL MPL	1.50%	937.65	14.06
36	TPTCL CLP	1.50%	373.61	5.60

S. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amt (B)	Amount offered as normative rebate [C=B*A]
37	TPTCL ST	2.00%	96.26	1.93
	<b>Total (A)</b>		<b>7924.34</b>	<b>122.64</b>
	<b>Towards Sale of Power</b>			
	<b>Total (B)</b>		<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A)-(B)</b>		<b>7924.34</b>	<b>122.64</b>

### Incentive on Sale of Surplus Power

The Hon'ble Commission in its Business Plan Regulations, 2023 has specified the methodology for computation of the incentive on sale of surplus power. The same has been reproduced below for reference:

#### "29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

*(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2023-24 to FY 2025-26 of the Distribution Licensees shall be as follows:*

- i. The Variable Cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed Variable Cost of such generating station.*
- ii. The variable cost of the generating station for which power is surplus and required to be sold through Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.*
- iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold during the month."*

Accordingly, the Hon'ble Commission is requested for doing true up of the incentive of Rs. 111 Cr as per MYT Regulations, 2017. Due to very voluminous data, information for slot wise computation of incentive amount would be shared with auditors/ the Hon'ble Commission during the course of prudence check.

Given below is the energy balance cost incurred by the Petitioner.

Based on all above submissions, the net energy balance for FY 2023-24 comes as below:

**Table 3.25: Energy Balance for FY 2023-24**

Particulars	As per the Petitioner			Remark
	MU	(Rs Cr)	Rs/kWh	
Power Purchase from CSGS	10,382.69	5,472.51	5.27	Table 3.17
Short Term Power Purchase	467.77	364.72	7.80	Table 3.21
Power Purchase – Delhi Gencos	751.29	899.56	11.97	Table 3.18
RPO Obligations	1,084.35	415.27	3.83	
Cost of REC certificate – towards RPO		12.73		
<b>Gross Power Purchase Cost</b>	<b>12,686.10</b>	<b>7,164.78</b>	<b>5.65</b>	
Add: Transmission Charges				
PGCIL charges	-93.95	665.91		Table 3.23
DTL charges	-429.86	211.86		
Other transmission charges		114.95		
Surplus Power sold / Banked / UI sales	-1,501.58	-833.13	5.55	Table 3.22
<b>Power Purchase Cost (Audited)</b>	<b>10,660.71</b>	<b>7,324.38</b>	<b>6.87</b>	
Net Normative Rebate on power purchase		-122.64		Table 3.24
Add-Incentive on Sale of Surplus Power		111.00		
<b>Net Power Purchase Cost</b>	<b>10,660.71</b>	<b>7,312.74</b>	<b>6.86</b>	

## Operation and Maintenance (O&M Expenses)

Regulation 87 of Tariff Regulations, 2017 provided that *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Assets as specified by the Commission in the Business Plan Regulations for the respective Control Period."*

*Provided that the Normative O&M Expenses for the respective Control Period shall not be trued up.*

*Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M Expenses."*

Further Regulation 92 provided that *"Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of*

- a) Employee Expenses,*
- b) Administrative and General Expenses, and*
- c) Repair and Maintenance Expense."*

In the Business Plan Regulations, 2023 the Hon'ble Commission in its Regulations 23(10) has determined year wise normative O&M expenses for the Petitioner for the current control period.

The computation of the normative O&M as determined by the Hon'ble commission as per the Statement of Reason to Business Plan regulations 2023 is reproduced below:

Controllable O&M expenses	UoM	Base year FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>TPDDL</b>					
Employee - Non FRSR	Rs. Cr.	319.96	334.87	350.47	366.81
A&G	Rs. Cr.	145.60	152.39	159.49	166.92
R&M	Rs. Cr.	148.89	155.83	163.09	170.69
<b>Total</b>		<b>614.45</b>	<b>643.08</b>	<b>673.05</b>	<b>704.42</b>
Estimated Sales	MU	10,101	10,464	10,840	11,229
<b>Rate/ unit</b>	<b>Paise</b>		<b>61.46</b>	<b>62.09</b>	<b>62.73</b>

**O&M Expenses allowed on actual basis**

- a) **FRSR employee cost:** Regulation 26(5) of the Business Plan Regulation, 2023, specify that *"The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check: Provided that the Distribution Licensee shall submit the above details of Employee Expenses within thirty (30) days from the end of finalization of audited accounts of the relevant year."*

Thus, the Petitioner is seeking truing up of the FRSR expense of Rs. 242.61 Cr for FY 23-24, being uncontrollable in nature the hands of the Petitioner. The detailed break-up of Rs. 242.61 Cr. has been shared with the Hon'ble Commission via letter dated 16.05.24. (Annexure II of Volume II)

- b) **FRSR Replacement Cost:** As specified in Statement of Reason – BPR 2023 on O&M expenses,  
*" The DISCOMs have opined for replacement cost for retirement of such FRSR employees in their normative Non FRSR Costs. In this regard, it is informed that the employees retiring from the business are generally replaced with fresh talent. Further, such replacement has been a continuous process as the FRSR employee count has declined over a period of time and has been replaced in due course of time. The same is done by way of replacement at same level and also supplemented by induction at junior level. The Commission will map suitably the replacement cost of FRSR employees with non-FRSR employees and, after prudence check, will allow such replacement cost."*

In line with above view, the Petitioner is seeking the impact of Rs 15.81 Cr. towards FRSR Replacement cost. Details of the same has been shared with the Hon'ble Commission via letter dated 16.05.24. (Annexure II of Volume II)

- c) **Statutory Levies:** Regulation 26(6) of the Business Plan Regulation, 2023 clearly specifies that "Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC shall be Trued up for relevant Financial year subject to prudence check."



Accordingly, petitioner seeks statutory levies amounting Rs 24.41 Cr. for true up. Details of the same has been shared with the Hon'ble Commission via letter dated 16.05.24. (Annexure II of Volume II)

**Other Expenses not forming part of Base year expenses at the time of Normative O&M expenses determination.**

**Legal Expenses:** The Hon'ble Commission has not considered Legal Expenses of the DISCOMs while determination of normative O&M expenses for the control period.

Though non-allowance of legal expenses under normative O&M amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Hon'ble Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The distribution business is a regulated business under the aegis of the Hon'ble Commission. The majority of issues in Distribution Business will arise out of orders/ directions issued by the Hon'ble Commission. In all such cases, the Petitioner has the right to challenge the same before the Hon'ble High Court, Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses incurred by the Petitioner are bona-fide & should be allowed on actual basis.

During FY 2023-24, the Petitioner has incurred legal expenses of Rs. 21.17 Cr. which is being sought under O&M expenses.

Based on above submission, O&M expenses for FY 2023-24 is computed as below:

**Table 3.26: O&M Expense**

S. No.	Particulars	Amount	Remark
		Rs. Cr	
A	Normative O&M Expenses at the approved rate	643.08	Amount as per SOR, BPR 2023
B	FRSR Employee Cost (Net)	242.61	Annexure II-Volume-II
<b>Summary of Additional O&amp;M Expenses on account of statutory levies &amp; Taxes (Rs Cr)</b>			
C	<b>Rates and Taxes/Statutory Dues</b>		
	(i) DERC License Fee	4.56	Note 35.4 of Audited Financial Statement
	(ii) Property Tax	2.22	
	(iii) Rates and Taxes	0.11	
	(iv) CETP Charges	0.42	
	(v) Other regulatory expenses	1.47	
	(vi) Land License Fee	15.63	Note 5 of Audited Financial Statement
D	<b>Legal Expenses</b>	21.17	Note 35 of Audited Financial Statement
E	<b>Replacement cost for FRSR retirees</b>	15.81	Annexure II-Volume-II
	<b>Total amount Sought towards O&amp;M Expenses</b>	<b>947.09</b>	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Non-Tariff Income (NTI)

Regulation 152(a) of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations 2017 provided that "*Variation in revenue and sale of the distribution licensee based on projected revenue and sales vis-à-vis actual revenue and sales*".

There is no projected Non-Tariff income available as the Hon'ble Commission has not released the ARR for FY 2023-24. However, the actual Non-Tariff Income for the purposes of Truing Up for FY 2023-24 comes to Rs. 128.59 Cr. Break-up of the same is given below:

**Table 3.27: Non-Tariff Income for FY 2023-24**

S. No.	Particular		Amount (Rs. Cr.)	Remark
A	Other Operating Revenue		115.01	Note 31.4.2 of Audited Accounts
B	Other Income		119.86	Note 31.5 of Audited Accounts
	<b>Total –(I)</b>		<b>234.86</b>	<b>(A+B)</b>
<b>Less: Income included in above, not passed as Non-Tariff Income as per DERC Tariff Regulations, 2017</b>				
C	Transfer from capital grants	1.95		Note 31.4.2 of Audited Accounts
D	Transfer from consumer Contribution for Capital work	54.56		Note 31.4.2 of Audited Accounts
E	Incentive towards Street Light	0.44		Note 31.4.2(i) of Audited Accounts
F	Interest Income /Short term capital gain	21.39		Note 31.5 of Audited Accounts
G	Financing Cost of LPSC	8.98		Explanation given below (Table 3.28)
H	Income from other Business	45.79		(To be Offered separately) Note 31.5 of Audited Accounts
	<b>Total –(II)</b>		<b>133.09</b>	<b>(C+D+E+F+G+H)</b>
<b>Add: Income included in above, but not required to be passed as Non-Tariff Income</b>				
I	Differential amount of Service Line Charges – <b>III</b>		<b>-0.27</b>	Explanation given below (Table 3.31)
	<b>Sub- Total</b>		<b>101.50</b>	<b>(I)-(II)+(III)</b>

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

For the purpose of tariff determination, the detailed explanation for reducing aforementioned Incomes from Non-Tariff Income are given below:

#### i. Grant/Consumer Contribution

As the Hon'ble 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 financing of capex/capitalization. The above treatment is in accordance with the principles accepted and implemented by the Hon'ble Commission in its previous Tariff Orders also.

## **ii. Incentive towards Street Light**

The Hon'ble Commission vide its order dated 22<sup>nd</sup> Sep'2009 has put up the incentive/disincentive mechanism for maintaining streetlights in order to evolve a performance driven system.

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:*

<b>Performance level achieved</b>	<b>Incentive</b>	<b>Example</b>
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 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:*

<b>Performance level achieved</b>	<b>Disincentive</b>	<b>Example</b>
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%

***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 15<sup>th</sup> day of the following month."***

As mentioned in the State Commission Order, the incentive earned by the Petitioner would not be a pass through in the ARR, hence, the Petitioner has retained Rs. 0.44 Cr as an incentive earned towards the maintenance of Street Light. It is further clarified that the total amount of maintenance charges of Rs. 6.80 Cr. under the head Other Operating Revenue as appearing in Note No 31.4.2(c) of Audited Balance Sheet is inclusive of aforesaid street light incentive of Rs. 0.44 Cr. (refer note no 31.4.2(i) of the audited financial statement), therefore, the Petitioner has deducted amount of Rs. 0.44 Cr from the Non-Tariff Income.

### **iii. Interest on Surplus Funds out of Shareholder's money**

The Hon'ble Commission in its previous Tariff orders had followed the methodology to exclude any income arising from surplus funds of shareholder's money from non-tariff income on the following principle:

- a) The Hon'ble APTEL in its Judgment against Appeal no 153 of 2009 has decided that interest on surplus funds out of shareholder's money is not a part of Non-Tariff Income.

During the FY 2023-24, the Petitioner has earned an amount of Rs. 21.39 Cr as Interest Income/ Gain on investment in mutual funds by investing shareholder's funds at different point of time.

Therefore, in line with the APTEL Judgment and the methodology followed by the Hon'ble Commission in previous tariff orders, an amount of Rs. 21.39 Cr is excluded from Non-Tariff Income.

### **iv. Financing Cost for LPSC**

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 of outstanding dues by the consumers within due date.



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)***

The Hon'ble Commission in its Tariff Regulations, 2017 has upheld the Judgment of the Hon'ble APTEL and clearly stated in Regulations 94(v) that Net Interest on delayed or deferred payment of bills shall be considered as Non-Tariff Income. Thus, in order to compute the financing cost of LPSC, the Petitioner considers the actual working capital interest rate of 7.49%.

Based on above submission, financing cost for LPSC is computed as follows:

**Table 3.28: Computation of financing cost of LPSC**

S. No.	Particular	UoM	Amount (Rs. Cr.)
A	LPSC earned (Note 31.5 of Audited Financial Statement)	(Rs Cr)	21.44
B	Out of above LPSC 0.18 Cr pertains to 9.75% as per DERC Covid order dt 7.4.20	(Rs Cr)	0.14
C	Late payment surcharge rate as per Regulations	% p.a.	18%
D	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied $\{(A-B)/C + B/9.75\}$	(Rs Cr)	119.75
E	Normative Interest Rate	%	7.49%
F	<b>Financing Cost (D*E)</b>	<b>(Rs Cr)</b>	<b>8.98</b>

The Petitioner has filed a writ petition before the Hon'ble High Court challenging the demand raised by MCD to the tune of Rs. 15.06 Cr as alleged Late Payment Surcharge collected by the Petitioner on delayed payment of E-Tax by TPDDL's consumers. The Hon'ble Commission treats LPSC as a Non-Tariff Income as per the provisions of Regulations of the Tariff Regulations and passed the benefit of LPSC collected by the Petitioner to the general consumers through a reduction in the ARR.

The Hon'ble High Court had granted stay on it, without prejudice to our rights. It is requested to the Hon'ble Commission to allow this claim and any further liability arising on same account as a pass-through item in ARR, in case the amount becomes payable to MCD pursuant to the order passed by the Hon'ble High Court in favour of MCD.

#### **v. Service Line Charges**

The Petitioner would like to bring in the kind attention of the Hon'ble Commission that under Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR. However, as per Ind-AS since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Thus, any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges is shown under the head Other Operating Income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2023-24. Given below is the amount adjusted as a part of Non-Tariff income:

**Table 3.29: Additional amount of Service Line Charges for FY 2023-24**

Particulars	Amount (Rs. Cr)	Remark
Receipt on account of Service Line charges	32.20	Note 22(2) of the Audited Financial Statement
Amortized and transferred to Profit & Loss	32.47	Note 22(2) of the Audited Financial Statement
<b>Amount adjusted from NTI</b>	<b>-0.27</b>	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

#### **Income from Other Business Income**

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 has been exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.

During the FY 2023-24, the Petitioner has earned Rs. 45.79 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below;

- (a) Optimal utilization of Distribution Assets (Rs. 14.27 Cr); and
- (b) Consultancy Income/other (Rs. 31.43 Cr)
- (c) Income through Training (Rs. 0.01 Cr)
- (d) Income from DSM (Rs. 0.07 Cr.)

Further, it is submitted that the Hon'ble Commission in its Tariff Regulations, 2017, vide Regulations 96 has stated that the **net income after tax** from other Business shall be shared as per DERC Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 and 2017 as amended from time to time.

As stipulated in the Delhi Electricity Regulatory Commission (treatment of income from other business of transmission Licensee and distribution Licensee) (First Amendment) Regulations, 2017, the income arising from other business shall be shared on **net revenue** basis (Revenue-Cost) in the respective True up/ARR.

Based on the above submission, computation of the net income for the purpose of sharing between consumers and Discom is given in table below:

**Table 3.30: Computation of Net Revenue sharing from Other Business Income**

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total	Remark
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.	
Total Revenue earned	31.44	14.27	0.07	45.79	Note 31.5 of the Audited Financial Statement
Income Tax @ 17.17%	5.40	2.45	0.01	7.86	
<b>Net Revenue available for sharing</b>	<b>26.04</b>	<b>11.82</b>	<b>0.06</b>	<b>37.93</b>	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

**Table 3.31: Sharing of net Revenue from Other Business Income**

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
<b>Net Revenue available for sharing</b>	26.04	11.82	0.06	37.93
TPDDL Share %	60%	40%	40%	
Consumer Share %	40%	60%	60%	
<b>Consumer Share in Rs Cr.</b>	<b>10.42</b>	<b>7.09</b>	<b>0.04</b>	<b>17.55</b>

### Interest on Consumer Security Deposit

Regulation 127 of Tariff Regulations, 2017 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" as amended from time to time, and shall be a pass through in the ARR."*

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."*

Further the Delhi Electricity Supply Code and Performance Standard Regulations, 2017 provided that w.e.f 1<sup>st</sup> September 2017 onwards Rate of Interest for Consumer Security Deposit shall be considered the SBI MCLR rate on 1<sup>st</sup> April.

Therefore, w.e.f 1<sup>st</sup> September, 2017 the Petitioner has paid interest on consumer security deposit at SBI MCLR on 1<sup>st</sup> April, of the respective financial year.

In addition to the direct payment of interest on consumer security deposit, the Hon'ble Commission has adopted the methodology of reducing differential interest (i.e. Cost of funding working capital – minus Interest actually credited/paid to consumers) from the ARR. Hence in order to compute the differential net interest on consumer security deposit, interest rate equivalent to cost of debt for working capital @ 7.49% has been considered for FY 2023-24.

**Table 3.32: Computation of Interest on Consumer Security Deposit**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Opening Balance of Consumer Security Deposit	925.12	Note no 19 & 26 of the Audited Financial Statement
B	Closing Balance of Consumer Security Deposit	1,027.20	
C	Average Balance of Consumer Security Deposit	976.16	(A+B)/2
D	Working Capital Interest Rate	7.49%	
E	Normative amount of Interest	73.16	(C*D)
F	Actual Amount of Interest	85.89	Note no 34 of Audited Financial Statement
G	Difference to be additionally allowed as an Expense	-12.72	(E-F)

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

Based on the above computation, the Petitioner is claiming Rs. 12.72 Cr as interest on CSD.

### Income from Open Access

For the FY 2023-24, the Petitioner has earned Income of Rs 23.07 Cr. from Open Access consumers including E. Tax. As E. tax is payable to MCD, hence, open access income net of E. Tax is considered as part of Non-Tariff Income. Computation of the same is given below:

**Table 3.33: Income from Open Access**

S. No	Particulars	Amount (Rs. Cr.)	Remark
A	Total Income from Open Access	23.07	Note 31.4.1 of the Audited Financial Statement
B	Less- E. Tax for the year	0.81	
C	Income from open access available for ARR	22.27	(A-B)

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

Based on above Submissions, Non-Tariff Income including Other Business Income, Interest on Security deposit and Income from Open Access for the purpose of ARR for FY 2023-24 is computed as below:

**Table 3.34: Non-Tariff Income for FY 2023- 24**

S. No	Particulars	Amount (Rs. Cr.)	Remark
A	Non-Tariff Income	101.50	Table 3.27
B	Income from other Business	17.55	Table 3.31
C	Interest on Security Deposit	-12.72	Table 3.32
D	Income from Open Access	22.27	Table 3.33
E	<b>Total</b>	<b>128.59</b>	<b>(A+B+C+D)</b>



### Capitalization

There is no projected approved capitalization available as the Hon'ble Commission has not released the ARR for the FY 2023-24. However, the Petitioner has done actual capitalization of Rs. 405.95 Cr during the FY 2023-24.

**Table 3.35: Approved Capitalization versus Actual Capitalization for FY 2023-24**

Particulars	Sought for Trued up (Rs. Cr.)	Remark
Capitalization	405.95	Refer Note 4 of the Audited Financial Statement
Smart Meter		
<b>Capitalization with Deposit work</b>	<b>405.95</b>	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Gross Fixed Assets

The Hon'ble Commission in its previous True Up Order of FY 20-21 (released in July 2024), had trued up an amount of Rs. 7,204.76 Cr. towards the closing value of gross fixed assets at the end of FY 2020-21. The Petitioner has considered same amount as opening Gross Fixed Asset, subject to additional capitalisation as per True up petition for FY 2021-22 & FY 2022-23, to arrive at Opening Gross Fixed Asset for FY 2023-24 since True up order for FY 2021-22 & FY 2022-23 is yet to be released by the Hon'ble Commission.

For the purpose of truing up of capitalization for FY 2023-24, the Hon'ble Commission has not started the exercise of physical verification of assets. Hence, for true up submissions, the Petitioner considers capitalization based on audited financial statements.

As per above submissions, value of Gross Fixed Assets for FY 2023-24 has been computed as below:

**Table 3.36: Detail of Actual Capitalization**

S No.	Particulars	Amount (Rs. Cr.)	Remark
A	Opening balance of Gross Fixed Assets (as on 1st April'2021)	<b>7,204.76</b>	Table 3.66 True up order FY 20-21
B	Less: Adjustment of inadvertent allowance of Capitalisation	77.71	Prior period adjustment
C	Add- Capitalization during the FY 2021-2022	415.76	Table 3.45 of True up Petition 2021-22
D	Add - 7th Pay LSC/PC	8.62	Table 3.45 of True up Petition 2021-22
E	Less- Retirement/ De-capitalization for the FY 2021-2022	79.68	Table 3.45 of True up Petition 2021-22
F	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2022)	<b>7,471.75</b>	(A-B+C+D-E)

S No.	Particulars	Amount (Rs. Cr.)	Remark
G	Add- Capitalization during the FY 2022-2023	447.65	Table 3.42 of True up Petition 2022-23
H	Less- Retirement/ De-capitalization for the FY 2022-2023	54.94	Table 3.43 of True up Petition 2022-23
I	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2023)	<b>7,864.45</b>	(F+G-H)
J	Add- Capitalization during the FY 2023-2024	405.95	Note 4 of the Audited Financial Statement
K	Less- Retirement/ De-capitalization for the FY 2023-2024	51.44	Note 4 of the Audited Financial Statement
L	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2024)	<b>8,218.97</b>	(I+J-K)
M	Average Balance of Gross fixed Assets	<b>8,041.71</b>	(I+L)/2

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Loss on Sale of Retirement of Assets/ De-capitalization of Assets

Regulation 45 to 47 of the Tariff Regulations, 2017 deals with the methodology of allowance of Loss or gain due to De-capitalization/Retirement of Fixed Assets. Relevant extract of the said Regulations are reproduced below:

*"45. Loss or Gain due to de-capitalization of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.*

*46. Loss or Gain due to de-capitalization of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.*

*47. Loss or Gain due to de-capitalization of asset after the completion of useful life of asset shall be to the account of the Utility."*

The Petitioner is requesting to allow loss towards retired assets for an amount of Rs. 6.80 Cr for FY 2023-24 based on clause 45 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. It has to be noted that the Hon'ble Commission has given approval for recovery of loss on account of installation of Smart meters, Network shifting on consumer request, Meter removed due to reasons attributable to consumer like disconnection, load change, Meter stolen etc. or Sick Assets replacement schemes etc.

### Consumer Contribution/Grant

Regulation 66 of the Tariff Regulations, 2017 stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized shall be deducted.

In True Up Order of FY 20-21 (released in July 2024), the Hon'ble Commission had trued up an amount of Rs. 928.92 Cr. towards consumer contribution & capital grant at the end of FY 2020-21. The Petitioner has considered same amount as opening Consumer Contribution / Grant, subject to change as per True up petition for FY 2021-22 & FY 2022-23, to arrive at Opening Balance for FY 2023-24 since True up order for FY 2020-21 & FY 2021-22 are yet to be released by Hon'ble Commission. During the FY 2023-24, the Petitioner has transferred an amount of Rs 97.09 Cr. towards capitalization of Deposit work schemes.

**Table 3.37: Consumer Contribution/grants**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Opening Balance (as on 1st April'2021)	<b>928.92</b>	Table 3.68 True up order FY 20-21
B	Add- Capitalized during the FY 2021-2022	52.47	Table 3.46 True Up petition FY 21-22
C	Closing Balance (as on March'2022)	<b>981.39</b>	(A+B)
D	Add- Capitalized during the FY 2022-2023	60.77	Table 3.44 True Up petition FY 22-23
E	Closing Balance (as on March'2023)	<b>1,042.16</b>	(C+D)
F	Add- Capitalized during the FY 2023-2024	97.09	Note 22(b) & 23.1(b) of Audited Financial Statement
G	Less- Refund during the FY 2023-24	0.00	
H	Closing Balance (as on March'2024)	<b>1,139.26</b>	(E+F-G)
I	<b>Average Cumulative Capitalized Consumer Contribution</b>	<b>1,090.71</b>	(E+H)/2

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

The Petitioner has entered into a grant agreement with Asian Development Bank during FY 2023-24 for funding the acquisition of 10 MW pilot Battery Energy Storage System. Accordingly, Rs 11 Crs has been utilised towards acquisition of asset and it has been considered as part of Consumer contribution/Grants. Information about the Asian Development Bank has been shared with Hon'ble Commission vide letter dated 28<sup>th</sup> Nov'2022.

### Depreciation (net of consumer contribution)

Regulation 40(4) of the Tariff Regulations, 2017 specified that "Provisions related to Depreciation, Return on Equity and Interest on Loan shall not be applicable on such capital assets to the extent of financial support utilized through consumer contribution, deposit work and grant."

Thus, the Petitioner is computing depreciation on average of net fixed assets (i.e. Average of Gross Fixed Assets for the year – Average of Consumer Contribution/capital subsidy/grant for the year).

It is further submitted that the Hon'ble Commission in its Tariff Regulations 2017, has changed the methodology by adopting the concept of useful life. The Hon'ble Commission also specified that assets having useful life for more than 12 years, that case in upto 12 years approx. 70% of the depreciable value should be realized for the purpose of payment of loan.

Thus, with respect to computation of assets class wise depreciation without finalization of pending capitalization due to physical verification, the Petitioner has first computed average depreciation rate based on Asset class depreciation rate notified by Hon'ble Commission and audited financial statement and then applied the said rate on average net fixed assets to compute the depreciation for the year.

Based on above methodology, average depreciation rate is worked out as follow:

**Table 3.38: Computation of Average rate of Depreciation on Gross Fixed Assets**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Average of Fixed Assets	8,046.38	For Distribution Assets
B	Depreciation	380.01	
C	Rate of Depreciation	4.72%	(A/B)

Considering the above average depreciation rate, allowable depreciation on Average Assets (net of consumer contribution/grants) is computed as below:

**Table 3.39: Depreciation on Net Fixed Assets**

S. No.	Particulars	Sought Rs. Cr	Remark
A	Average balance of Gross Fixed Assets	8,041.71	Table 3.36
B	Average Cumulative Capitalized Consumer Contribution	1,090.71	Table 3.37
C	Average of Fixed Assets (net of Consumer Contribution)	6,951.00	(A-B)
D	Rate of Depreciation	4.72%	Table 3.38
E	Depreciation	328.28	(C*D)

Further in True Up Order July 2024, the Hon'ble Commission had trued up an amount of Rs. 2,601.62 Cr. towards accumulated depreciation at the end of FY 2020-21. The Petitioner has considered same amount as opening Accumulated Depreciation, subject to change in additional depreciation as per True up petition for FY 2021-22 & FY 2022-23, considered to arrive at Opening balance for FY 2023-24 since True up order for FY 2021-22 & FY 2022-23 are yet to be released by Hon'ble Commission.

**Table 3.40: Accumulated Balance of Depreciation on Net Fixed Assets**

S. No.	Particulars	Sought Rs. Cr	Remark
A	Opening Depreciation (as on 1st April'2021)	2,601.62	Table 3.73 True up order FY 20-21
B	Less: Adjustment of inadvertent allowance of Capitalisation	13.60	Prior period adjustment
C	Addition during the FY 2021-22	282.06	Table 3.49 of True up Petition 2021-22
D	Less- Depreciation towards Retirement during FY 2021-2022	49.34	Table 3.49 of True up Petition 2021-22
E	Provisional closing balance (as on Mar'2022)	2,820.74	(A-B+C-D)
F	Addition during the FY 2022-23	288.05	Table 3.46 True up Petition 2022-23
G	Less- Depreciation towards Retirement during FY 2022-2023	36.25	Table 3.47 True up Petition 2022-23
H	Closing balance (as on Mar'2023)	3,072.55	(E+E-G)
I	Addition during the FY 2023-24	328.28	Table 3.39
J	Less- Depreciation towards Retirement during FY 2023-2024	36.77	Note 4 of the Audited Financial Statement
K	Closing balance (as on Mar'2024)	3,364.06	(H+I+J-K)

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Working Capital

Regulation 84 (4) of Tariff Regulations, 2017 specify that

(4) " (i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working capital for retail supply 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;

Based on above methodology, computation of working capital for FY 2023-24 is given in table below:

**Table 3.41: Computation of working capital for FY 2023-24**

S. No.	Particulars	Rs. Cr	Remark
A	Annual Revenue	9,790.83	Table 3.47
B	Receivables equivalent to 2 months average billing	1,631.80	(A/12*2)
C	Power Purchase expenses	7,312.74	Table 3.25
D	Add: 1/12th of power purchase expenses	609.39	(C/12*1)
E	Total working capital	1,022.41	(B-D)

In the True Up Order of FY 20-21 released in July 2024, the Hon'ble Commission had trued up an amount of Rs. 692.33 Cr. towards working capital at the end of FY 2020-21. Thus, the Petitioner in this petition has considered same value of Opening working capital and additional working capital as per True up petition for FY 2021-22 & for FY 2022-23 considered to arrive at Opening Working capital for FY 2023-24 since True up order for FY 2021-22 & FY 2022-23 are yet to be released by the Hon'ble Commission. Computation of addition in working capital is as per table given below.

**Table 3.42: Computation of Change in working capital**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Total working capital for the year	1,022.41	Table 3.41
B	Less- Opening Working Capital	1004.87	Table 3.49 of True up Petition 2022-23
C	Working Capital for the year	17.54	(A-B)

### Cost of Debt

For the purpose of truing up, the Petitioner submits the following cost of debt on actual basis.

S. No.	Particulars	Cost of Debt %
A	Cost of Debt for Capex Loan	8.33%
B	Cost of Debt for Working Capital	7.49%



### Truing up of RoCE (Return on Capital Employed)

Regulations 65 to 71 of the Tariff Regulations, 2017 deals with the methodology for determination of Regulated Rate Base (RRB), Weighted Average Cost of Capital (WACC) and computation of Return on Capital Employed (ROCE).

### Truing up of Regulated Rate Base

Regulation 66 of the Tariff Regulations 2017 provided that *"The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB."*

Based on the actual capitalization and corresponding depreciation, consumer contribution and working capital requirement for FY 2023-24, the computation of Regulated Rate Base is given below:

**Table 3.43: Computation of Regulated Rate Base for the period FY 2023-24**

S. No.	Particulars	Amount (Rs. Cr)	Remark
A	Opening GFA	7,864.45	Table 3.36
B	Opening Accumulated Depreciation	3,072.55	Table 3.40
C	Opening Consumer Contribution	1042.16	Table 3.37
D	Opening Working Capital	1004.87	Table 3.42
E	Opening RRB	4,754.61	(A-B-C+D)
F	Investment during the year	0.50	(G-H-I)/2+J
G	Net Capitalisation	354.52	Table 3.36
H	Depreciation (Net of Retirement)	291.51	Table 3.40
I	Consumer Contribution	97.09	Table 3.37
J	Change in Working Capital	17.54	Table 3.42
K	Regulated Rate Base – Closing	4,738.06	(E+G-H-I+J)
L	RRB(i)	4,755.10	(E+F)

### Means of Finance

The Petitioner has considered 70:30 Debt Equity ratio for the purpose of computation of Means of Finance for capitalisation in FY 2023-24.

**Table 3.44: Means of Finance FY 2023-24**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Capitalization during the year	405.95	Table 3.36
B	Less- Retirement	51.44	Table 3.36
C	Net Capitalisation	354.52	(A-B)
D	Less- Consumer Contribution, Grants, etc. for the year	97.09	Table 3.37
E	Balance Capitalization required to be funded	257.42	(C-D)
F	Funding through – Debt @ 70% of E	180.20	
G	Funding through – Equity @ 30% of E	77.23	

### Computation of Equity Deployed in the Business

Based on 70: 30 Debt Equity Ratio, the Equity Deployed in the Business by the Petitioner is given in table below:

**Table 3.45: Computation of Approved Equity as per Previous Tariff Orders (Rs. Cr)**

Particular	Opening Equity	Addition	Addition during the year - Working Capital	Closing Equity	Average Equity
FY 07-08	610.15	-18.88	59.69	650.96	
FY 08-09	650.96	71.55	5.83	728.35	
FY 09-10	728.35	83.59	-1.79	810.14	
FY 10-11	810.14	43.71	-1.5	852.35	
FY 11-12	852.35	53.99	7.25	913.60	
FY 12-13	913.60	70.26	-70.37	913.49	
FY 13-14	913.49	24.79		938.28	
FY 14-15	938.28	62.05		1000.33	
FY 15-16	1000.33	65.86		1066.19	
FY 16-17	1066.19	88.34		1154.53	
FY 17-18	1154.53	117.97		1272.50	1,213.52
FY 18-19	1272.50	143.59		1416.09	1,344.30
FY 19-20	1416.09	141.34		1557.43	1,486.76
FY 20-21	1557.43	128.51		1685.95	1,621.69
FY 21-22*	1685.95	87.67		1773.62	1,729.78
FY 22-23*	1773.62	99.58		1873.19	1,823.40
FY 23-24	1873.19	77.23		1950.42	1,911.81

\*Yet to be Trued Up

### Determination of WACC

For the purpose of computation of WACC, the Petitioner has considered Grossed up Return on Equity and Actual weighted average rate of Interest for Capex loans. Computation of WACC for FY 2023-24 is given below.

**Table 3.46: Computation of WACC**

S. No.	Particulars	Amount (Rs. Cr.)	Remark
A	RRB (i)	4,755.10	Table 3.43
B	Average Equity deployed in the business	1,911.81	Table 3.45
C	Average Debt -Capex Loan	1,820.89	Balancing Figure
D	Average Debt - working capital	1,022.41	Table 3.41
E	Rate of return on equity (re)	14.00%	As per BPR,2023
F	Effective Tax Rate	17.17%	Effective Tax Rate as per Audited Financials
G	Grossed up Return on Equity	16.90%	$E/(1-F)$
H	Rate of interest on debt (rd) - Blended	8.03%	Blended Rate of Capex and Working Capital Loans
I	WACC	11.60%	
J	RoCE (including Income Tax)	551.36	$(A*I)$
K	Additional tax liability due to Deferred tax	15.78	Computation given below

### Allowance of Additional Income Tax on Deferred Tax

The Expert Advisory Committee (EAC) of ICAI has issued its Opinion on the "Treatment of deferred Asset on Deferred tax Liability" for the purpose of disclosure of same in Audited Financial Statement. As per the opinion of the Committee, the Deferred Tax shown as recoverable from future tariff is in the **nature of regulatory asset** as per Ind AS 114.

Further, Deferred tax liability is created on account of difference in depreciation as allowed by the Hon'ble Commission/ Companies Act versus depreciation allowed under Income Tax. The benefit on account of higher depreciation in income tax resulted into tax benefit for consumers therefore, the additional liability of income tax due to creation of deferred tax will have to be compensated to the Petitioner (i.e. equivalent to the additional Income Tax paid by the Petitioner on such Deferred Tax recoverable amount, as per example explained below).

Impact of the same on Current Tax has been explained through the following example:

State	Existing (Before EAC opinion)	Revised (After EAC opinion)	Impact
Revenue	1000	1000	
Less Expenses	800	800	
Profit/(Loss) before movement in regulatory deferral account balance	200	200	
Add: Movement in Regulatory deferral (Note 2 to be read with Note 1)	50	60	Increase in RA by Rs 10 as per EAC opinion
<b>Profit Before Tax (Note 3)</b>	<b>250</b>	<b>260</b>	
Tax on Above			
<b>Current Tax @ 10% of PAT (Note 3)</b>	<b>25</b>	<b>26</b>	<b>Impact increase in tax payout by Rs 1 (due to EAC opinion)</b>
Deferred Tax (Note 1)	10	10	
Less- Deferred Tax recoverable (Note 1)	-10	-	*Added in Regulatory deferral
<b>Profit after Tax (note no 4)</b>	<b>225</b>	<b>224</b>	<b>Reduction in profit by Rs 1</b>

Note 1: Due to EAC opinion, Deferred Tax liability which was earlier shown as zero in existing methodology; gets changed in revised methodology. In revised methodology, Deferred tax recoverable amount of Rs 10 Cr become part of Movement in Regulatory deferral account balance.

Note 2. The Deferred tax recoverable amount which was earlier not considered as a part of Movement in Regulatory Deferral Account Balance, after issuance of EAC opinion forms part of movement in Regulatory Deferral Account Balance.

Note 3. Due to change in disclosure requirement, the PBT (Profit Before tax) gets increased by the same amount of Deferred Tax recoverable resulting into higher Income Tax liability.

Note no 4: Ultimately, due to change in disclosure requirement, the Profit of the Petitioner reduced to the extent of additional tax liability on Deferred tax recoverable amount.

Based on the above submissions, the Petitioner has computed additional tax liability of Rs 15.78 Cr (working given below) and it is requested to the Hon'ble Commission to allow the same as part of ARR for FY 2023-24.

Particulars	Amount Rs. Cr.	Remark
Amount of Deferred Tax - A	91.92	Refer P&L statement VII(ii) & IX(ii)(b) (Tax Expenses) FY 2023-24
<b>Tax payable @ - B</b>	17.17%	Effective Tax Rate
<b>Additional Tax liability = A*B</b>	15.78	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Truing up of Aggregate Revenue Requirement for FY 2023-24

Based on the above submissions, the total Aggregate Revenue Requirement for the FY 2023-24 comes to Rs. 9,790.83 Cr. Component wise ARR sought for true up is given in table below:

**Table 3.47: Summary of Aggregate Revenue Requirement**

Particulars	Sought Amount (Rs. Cr.)	Remark
Power Purchase Cost	7,312.74	Table 3.25
Normative O&M Expenses	947.09	Table 3.26
Depreciation	328.28	Table 3.39
Loss on Retirement of Assets	6.80	Refer above explanation
ROCE (including Income Tax)	567.14	Table 3.46
Carrying Cost	757.38	Table 3.58
Less- Non-Tariff Income	-101.50	Table 3.27
Less- Interest on Consumer Security Deposit	12.72	Table 3.32
Less- Income from Non-Energy Business	-17.55	Table 3.31
Less- Income from Open Access	-22.27	Table 3.33
<b>Total of Aggregate Revenue Requirement</b>	<b>9,790.83</b>	

(Audited Accounts attached as Annexure-I in Volume II of the Petition)

### Turing up of Incentive for Refinancing of Loan

Regulation 31 of Business Plan Regulations, 2023 deals with Incentive Sharing Mechanism for Re-financing of Loan and provided that

"(1) The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2023 from FY 2023-24 to FY 2025-26 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 1.00% plus (+) SBI MCLR.

*(2) The incentive on account of re-financing of loan computed as per sub clause (1) above shall be shared equally between the Consumers and the Distribution Licensee. "*

**Table 3.48: Approved cost of debt for incentive vis-à-vis Actual Cost of Debt**

S. No.	Particulars	Approved
A	Cost of Debt- Capex Loan/working capital/Revenue Gap *	9.65%

*\* i.e. SBI MCLR of 8.65% + 1.00%*

During FY 2023-24, the Petitioner is able to bring down the cost of financing, hence, as per the Business Plan Regulations, 2023, the Petitioner is eligible for sharing of Incentive.

The relevant extracts of Regulation 71 of the Tariff Regulations, 2017 is reproduced herein below:

*"71. The Utility shall make every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission."*

Further the Petitioner would like to highlight the following:

- Due to huge build-up of Regulatory Asset and acute shortfall of cash flow in the absence of cost reflective tariff in past years, the Petitioner has been resorting to refinancing the debt repayment with new loans. In spite of the stretched liquidity situation, it has always been the endeavor of the Petitioner to bring down the cost and continuous efforts have been made towards the same.
- Purpose of Regulation 71 of (Terms and Conditions of Determination of Tariff) Regulations 2017 ("Tariff Regulations 2017) read with Regulation 31 of DERC Business Plan Regulations 2023 is to incentivize the Discom reducing cost of capital thereby putting less burden on its consumer and sharing the said incentives with consumers.
- If the loans are not refinanced or reset on periodic interval as per loan agreement then pre-payment penalty is applicable as per terms and conditions of loan agreement. Therefore, refinance/reset has to be done around that time only.



- d) At the time of reset also, negotiations are initiated from the Petitioner side to reduce the interest rates as no bank will offer reduce rates at time of reset on its own.
- e) Refinancing with same bank helps to avoid any cost incurred and total benefit is passed to the consumers which would not have been possible if refinanced with some other bank.
- f) If the Petitioner's interest rates are compared with other DISCOMS operating in Delhi, it clearly shows the efforts and negotiations initiated by the Petitioner to reduce interest rates in the range of 8%-9% thereby resulting in significant savings to consumers in terms of lower ROCE, Carrying Cost etc.

The aforementioned benefit is being generated by virtue of efficient and better operations by the Petitioner which is also recognized by the credit rating agencies and lenders, resulting in better interest rates on loan portfolio as compared to the other DISCOM's.

The Petitioner has been able to bring down the overall cost of funds which demonstrates enormous efforts put in by the Petitioner in getting the interest rate reduced beyond 'reset of loan on its own'.

Computation of total Refinance Incentive and sharing of the Petitioner is given below:

**A) Incentive Computation with respect to reduction in interest rate of Capex/  
Working Capital loans**

The Petitioner has first computed actual cost of debt and benchmark rate for comparison. The differential amount if any is applied on amount of debt both for capex and working capital loans as total savings and then 50% of the said savings has been kept by the Petitioner as refinance incentive.

**Table 3.49: Computation of Incentive to be kept by the Petitioner is given below:**

S. No.	Particulars	Amount of Debt	Actual Rate of Interest	Rate of Interest considered for Incentive	Total Incentive (Rs. Cr.)	Petitioner Share (Rs. Cr)
A	Capitalization	1,820.89	8.33%	9.65%	24.11	12.05
B	Working Capital	1,022.41	7.49%	9.65%	22.03	11.02
<b>C</b>	<b>Total Incentive</b>					<b>23.07</b>

The Petitioner has then reduced its share of incentive of Rs 23.07 Cr. from the Revenue available towards ARR.

**B) Incentive Computation with respect to reduction in interest rate of Revenue Gap loans**

The Petitioner has first computed the Carrying Cost rate based on benchmark rate and then compared the computed carrying cost rate as sought for the Truing up. The differential amount if any is considered as total saving and then 50% of the said savings has been kept by the Petitioner as refinance loan incentive.

**Table 3.50 Computation of Incentive to be kept by the Petitioner is given below:**

S. No.	Particulars	Amount of Debt	Rate of Interest	Rate of Interest considered for Incentive	Total Incentive Rs. Cr	Petitioner Share Rs. Cr
A	Revenue Gap	5,396.05	8.46%	9.65%	63.98	31.99

The Petitioner has then reduced its share of incentive of Rs 31.99 Cr. from the Revenue available towards ARR.

**Computation of Net Revenue available towards ARR**

In the given below table, the Petitioner has computed Revenue available towards ARR (net of Incentive towards refinancing of capex loans and revenue gap loans).

**Table 3.51: Computation of Net Revenue available with the Petitioner is given below**

S. No.	Particular	Actual as per Petitioner Rs. Cr	Remark
A	Revenue Available	9,342.83	Table 3.11
B	Less- Incentive towards Capex Loan/working capital	23.07	Table 3.49
C	Less- Incentive towards Revenue Gap Loan	31.99	Table 3.50
D	Revenue Available towards ARR net of Incentives	9,287.77	(A-B-C)

### Revenue Surplus / Gap for FY 2023-24

Based on above submission the Petitioner has computed actual Revenue Gap for FY 2023-24 as given in the table below;

**Table 3.52: Computation of Revenue surplus/ (Gap) for FY 2023-24**

S. No.	Particular	Actual as per Petitioner Rs. Cr	Remark
A	Revenue Available towards ARR net of Incentives	9,287.77	Table 3.51
B	Aggregate Revenue Requirement (net of carrying cost)	9,033.45	Table 3.47
C	Revenue Surplus/(Gap)	254.32	(A-B)

### True up of Rithala for FY 2023-24

The Petitioner had filed following Petitions in relation to its 94.8 MW Rithala Combined Cycle Power Plant ("Rithala CCPP"):

- (a) **Petition No. 11 of 2009**, filed on 21.08.2009 under section 62, 86(1) (b) of the Electricity Act, 2003 seeking approval of "Terms and Conditions for Sale and Purchase of Power" executed between the Generation and Distribution division of TPDDL i.e. TPDDL-G (formerly known as NDPL-G) and TPDDL-D (formerly known as NDPL-D).
- (b) **Petition No. 07 of 2010**, filed on 26.02.2010 under clause 5.5 and 11 of the License Conditions of TPDDL's Distribution and Retail Supply License issued by this Hon'ble Commission, seeking approval regarding usage of 6 Acres of land located in NDPL/TPDDL's licensed area for setting up the Rithala Combined Cycle Power Plant
- (c) **Petition No. 06 of 2013**, filed on 23.11.2012 under section 86 (1) (a) of the Electricity Act, 2003 seeking determination of final Generation Tariff for its 94.8 MW Rithala Combined Cycle Power Plant under Section 62 read with Part VII of the Electricity Act, 2003 and the Delhi Electricity Regulatory Commission (Terms & Conditions for Determination of Generation Tariff) Regulations, 2007 & 2011

1.1 On 31.08.2017, this Hon'ble Commission has passed an Order disposing of the aforesaid Petitions, i.e., Petition No. 11 of 2009, 07 of 2010, and 06 of 2013 with following findings, as under:

*27. In view of the foregoing discussion and the deliberations carried out in the preceding notes ante and the records placed before the Commission, the petitions are decided as follows:*

*(a) Petition No. 11 of 2009: under Section 62, 86(1) of the Electricity Act, 2003 seeking approval of Terms and Conditions for Sale and Purchase of Power between two divisions of the Petitioner viz. TPDDL (G) and TPDDL (D) is allowed to the extent of permission granted by Govt. of Delhi for operation of the Plant i.e. 06 year from the year of COD in Combined Cycle Mode which comes out to be March, 2018.*

...

*(c) Petition No. 6 of 2013: under Section 62, 86(1) of the Electricity Act, 2003 seeking approval of the generation tariff, the Commission approves fixed charges and operational parameter required for computation of energy charges as indicated in para 21 and 22, respectively for The Petitioner's 94.80 MW Rithala Plant. The Petitioner shall file true up petitions based on the applicable Regulations for the aforesaid parameters for finalization of generation tariff for the respective years."*

1.2 On 03.10.2017, Petitioner in view of the aforesaid Order, filed Petition No. 51 of 2017 before the Hon'ble Commission seeking True Up for FY 2010-11 to FY 2016-17 and ARR for FY 2017-18, which was later amended during pendency of Petition to include True Up of FY 2017-18. The said amendment was allowed by the Hon'ble Commission and after detailed hearings on the said True up Petition, the Hon'ble Commission passed suitable order in Petition 51 of 2017 on 11<sup>th</sup> Nov'2019.

1.3 While passing the said True up order, the Hon'ble Commission dealt with various issues including the aspects on depreciation, recovery of cost of the Rithala plant, useful life etc. It is pertinent to mention that the Hon'ble Commission in the order dated 11<sup>th</sup> Nov'2019 has observed as follows:

### **"COMMISSION ANALYSIS**

*5.3.1 The Commission observed that the contention of the Petitioner for consideration of useful life of the plant for 6 years cannot be considered as the Commission in its order dated 31.08.2017 determined the useful life of the Petitioner plant as 15 years based on the certificates issued by the various agencies appointed by the Petitioner.*

*5.3.2 The plant has useful life of 15 years and it has been used for around 6 years only, the market value after usage of 6 years would not only be 10%, but a much better value in commensuration with the remaining useful life of the said plant. The Petitioner has informed that sincere efforts are being made for the disposal of the plant but things have not reached to the final stage, it is likely to take some more time.*

**5.3.3 In such a situation, without waiting for the final disposal of the plant, the petitioner is allowed depreciation as per the extant regulations. The Petitioner is allowed depreciation @6% as per the specified formula to recover the cost in 15 years.**

Accordingly, the depreciation for the period FY 2012-13 to FY 2017-18 at the rate of 6% in line with the provisions of DERC MYT Regulations, 2011 and DERC Tariff Regulations, 2017 is as under:

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Depreciation (Rs. Crore)	11.86	11.86	11.86	11.86	11.86	11.86

5.3.4 Depreciation for the FY 2010-11 and FY 2011-12 has already been approved as Rs.12.18 crore vide Tariff Order dated 31.08.2017. Accordingly, the cumulative depreciation for the period from FY 2010-11 to FY 2017-18 comes out to be Rs.83.34 crore."

The Hon'ble Commission in its Tariff Order for Rithala has approved total capital cost of Rs 197.70 Cr. Against the said capital cost, total Depreciation of Rs. 83.34 Cr. & advance against depreciation of Rs. 1.59 Cr. has been allowed upto FY 2017-18 and Rs. 57.71 Cr is pending for true up from FY 2018-19 to FY 2022-23. Thus, the remaining WDV of Rithala plant of Rs. 35.01 Cr. should be allowed to the Petitioner. Working of the same is given below:

**Table 3.53: Remaining WDV of Rithala Plant**

Particulars	Amount (Rs. Cr.)
Total Capital Cost of Rithala	197.70
Trued up Depreciation upto FY 2017-18	83.34
Trued up Advance Against Depreciation upto FY 2017-18	1.59
Depreciation sought for FY 18-19 to FY 22-23	57.71
<b>Capitalized amount pending for recovery (net of Depreciation)</b>	<b>55.05</b>
Less- Scrap Value (as per valuation report)	20.04
<b>Net Amount recoverable as on 31.03.2023</b>	<b>35.01</b>

It is further submitted that the above claim of the Petitioner for full recovery (based on the assumption of 6 years permitted life) was made to the Hon'ble Commission in the backdrop of the efforts to sell the said plant to some interested party. The same did not fruitify till the time the said Petition was heard, disposed off by the Hon'ble Commission on 11<sup>th</sup> Nov'2019.

Further, it is worth to mention that the Hon'ble Commission in aforesaid para 5.3.2 duly acknowledges the said factum of plant's life to be 15 years and without waiting for the sale/disposal of the Plant, the Hon'ble Commission proceeded to determine the depreciation @ 6% and allow the Petitioner the recovery of cost of plant in 15 years.

Thus, in light of the said finding, the Petitioner is entitled to recover the cost of plant in 15 years along with the normal true up of respective year ARR.

The Petitioner shall act in accordance with the said finding, observation of the Hon'ble Commission and alternatively seek Y-o-Y recovery of all Tariff cost components to recover the cost of plant in the remaining successive years in respective True up Petitions as filed from time to time.

In the current tariff petition, the Petitioner is seeking true up of FY 2023-24 for distribution segment, therefore, in light of the aforesaid submissions also seeking true up of Rithala plant for FY 2023-24 in this petition.

**Table 3.54 Computation of the ARR for Rithala plant is given below (FY 2023-24):** **Rs Cr.**

Particulars	Amount (Rs. Cr.)	Remark
O&M expenses	1.74	Based on Actuals (Refer note 42, Segment wise bifurcation will be shared during Prudence Check)
Depreciation	11.86	In line with para 5.3.3 of Rithala Tariff Order Nov, 2019
RoCE	5.07	As computed below in Table 3.55
Income Tax	0.40	As computed below in table 3.56
Incentive for refinancing of loans	0.27	As computed below in table 3.57
<b>Total</b>	<b>19.33</b>	

The Petitioner has computed ROCE in line with Tariff Regulations, 2017 issued by the Hon'ble Commission

**Table 3.55 Computation of the ROCE for Rithala Plant for (FY 2023-24)**

Particulars	Amount (Rs. Cr)	Remark
Opening Original Cost of Fixed Assets (OCFAo)	197.70	In line with para 5.4.16 of Rithala Tariff Order Nov, 2019
Opening Accumulated depreciation (ADo)	142.65	
Opening Working capital (WCo)	4.07	
Opening RRB (RRBo)	59.12	
Depreciation during the year (Di)	11.86	



Particulars	Amount (Rs. Cr)	Remark
Change in capital investment ( $\Delta$ ABi)	-11.86	
Change in working capital during the year ( $\Delta$ WCi)	-0.18	
RRB Closing	47.08	
RRBi	53.01	
Opening Equity for Capitalisation (limited to 30%)	16.52	
Closing Equity limiting to 30% of net capitalisation	12.96	
Average Equity for Capitalisation (limited to 30%)	14.74	
Opening Debt at 70% of net capitalization	38.54	
Closing Debt at 70% of net capitalization	30.23	
Avg Debt at 70% of net capitalization	34.38	
Debt at 100% of working capital	4.07	
Debt- balancing figure	38.45	
Rate of return on equity (re)	13%	
Rate of debt (rd) on capitalisation	8.33%	
Rate of debt (rd) on working Capital	7.49%	
WACC	9.56%	
RoCE	5.07	

Based on the ROE allowed to the Petitioner, Income tax liability based on the effective tax rate on the ROE is computed in the table below:

**Table 3.56 Computation of the ROCE for Rithala Plant**

Particulars	Amount (Rs. Cr.)	Remark
Average Equity – Rs Cr.	14.74	
ROE %	13.00%	
ROE – Rs Cr.	1.92	
Income Tax Rate	17.17%	Effective Tax Rate as per Audited Financial Statement
Income Tax on ROE – Rs Cr.	0.40	

Further, in line with the BPR, 2023 if the actual cost of financing is lower than the SBI MCLR +1% margin, in that scenario, the Petitioner is eligible to claim incentive for refinancing on loans.

**Table 3.57 Computation of Incentive for refinancing of loans is given below:**

Particulars	Debt Amount Rs. Cr	Cost of Debt	SBI MCLR+ 1%	Difference for Incentive Rs. Cr	Amount of Incentive Rs. Cr
Avg Debt at 70% of net capitalization	34.38	8.33%	9.65%	0.46	0.23
Debt at 100% of working capital	3.89	7.49%	9.65%	0.08	0.04
<b>Total amount of Incentive</b>					<b>0.27</b>

The said approach of the Petitioner is based on the interpretation of order dated 11<sup>th</sup> Nov'2019 and is without prejudice to its rights and contentions. The act of seeking the said Tariff components, depreciation etc. in True up Petition for FY 2023-24, shall not be construed as any kind of waiver, surrender of any rights, claims of Tata Power-DDL qua the order dated 11<sup>th</sup> Nov'2019 in Petition 51 of 2019.

### Computation of Carrying Cost and Closing Revenue Gap

The Hon'ble Commission has provisionally approved closing revenue gap of Rs. 5,787.70 Cr upto FY 2020-21 as per previous True Up Order dated 19<sup>th</sup> July'2024. The Petitioner has considered same amount as opening Revenue Gap along with the revenue gap for FY 2021-22 & FY 2022-23 as per True up petition filed by the Petitioner against which Tariff order is yet to be released by the Hon'ble Commission.

**Table 3.58: Computation of closing Revenue Gap for FY 2023-24**

S. No	Particulars	Amount (Rs. Cr.)	Remark
A	Opening Provisional trued up Revenue Gap upto FY 21	-5,787.70	True up order FY 20-21(para no. 3.374)
B	Add: Revenue Gap sought for FY 2021-22 (including carrying cost & DRRS)	-789.04	True up FY 21-22 Petition (Table no. 3.67)
C	Closing Provisional trued up Revenue Gap upto FY 22	-6,576.74	(A+B)
D	Impact of Various Judgement	-402.48	Table 2.1
E	Revised Opening Revenue Gap upto FY 23	-6,979.22	(C+D)
F	Add: Revenue Gap sought for the year FY 23	-846.92	True up FY 22-23 Petition (Table no. 3.65)
G	Opening Revenue Gap upto FY 24	-7,826.14	(E+F)
H	Add: Revenue Gap sought for the year	254.32	Table 3.52
I	Add: Rithala impact	-19.33	Table 3.54
J	Total addition during the year	234.98	(H+I)
K	Average revenue gap	-7,708.65	(G+J/2)
L	Carrying Cost Rate	9.83%	
M	Add: Carrying Cost	-757.38	(G+J/2)*L
N	Less- Realization from 8% Deficit recovery surcharge	583.69	Table 3.9
O	Closing Revenue Gap	-7,764.84	(G+J+M+N)

The Petitioner has computed carrying cost @ 9.83% considering actual cost of debt @ 8.46%, on the average balance of revenue gap for the year. During FY 2023-24 the Petitioner has collected Rs 583.69 Cr towards 8% Deficit Revenue Recovery Surcharge and adjusted the said amount against the total of closing revenue gap of Rs. 7,764.84 Cr. in line with the Hon'ble Commission directions for adjusting the 8% DRRS against the liquidation of Revenue Gap.

**The Hon'ble Commission in True up order July'24 has implemented the impact of finalised capitalisation on the basis of Physical Verification of assets. Thus, the Revenue gap for FY 2021-22 & FY 2022-23 will revise as against the Revenue gap filed in respective Tariff petition for FY 2021-22 & FY 2022-23 due to consequential impact of capitalisation along with carrying cost.**

**ARR for FY 2025-26**

As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*, the Hon'ble Commission has notified Business Plan Regulations, 2023, which contains the following parameter applicable for the Control Period (FY 2023-24 to FY 2025-26):

- (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*

.....

**(9) *Distribution Norms:***

- (a) *Distribution Loss Target*
- (b) *Collection Efficiency Target*
- (c) *Targets for HPO, Wind & Other 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.*

It is submitted that ARR has been computed on an estimated basis and any variation on account of eligible claims in accordance with the regulations and orders of judicial/statutory authorities as issued from time to time in respect of Power purchase costs, Incentives, O&M expenses, Depreciation, Return on capital employed along with carrying costs on regulatory gap, etc., will be permitted during the true-up process.

In light of the recent accounting rules for Discoms issued by the Ministry of Power, the Petitioner respectfully request the Hon'ble Commission to include a suitable provision in the upcoming tariff order to address the recoverability of the differential claims/amount in future tariffs, in accordance with the regulations.

Based on the above, the Petitioner submits its Aggregate Revenue Requirement for FY 2025-26.

**Projected Energy Sales & Billed Revenue for FY 2025-26**

To estimate the energy sales for the year FY 2025-26, the Petitioner has considered the underlying factors which drive the demand for electricity and past growth trend. Demand forecast is based on the standard approach looking at the past year's consumption trend. The assumptions considered for forecasting category wise sales are as below:

1. Based upon available growth trends, Compounded Annual Growth Rate (CAGR) of 5 Years is considered for the Sales forecast because CAGR of 2/3/4 years is not indicative of demand trend due to impact of COVID-19. Consumers and Load other than Public Utilities, Temporary Supply and E-vehicles for which 1-year CAGR is considered.
2. To estimate the energy sales for FY 2025-26, Tata Power- DDL has considered FY 2023-24 as base year and computed sales for FY 2024-25 by using above CAGR and further escalated by same CAGR to arrive sales for FY 2025-26.
3. For those categories where CAGR/ past growth trends are not showing any particular type of movement then the demand has been forecasted based on consumption pattern of FY 2023-24.
4. Impact of Demand Side Management due to replacement of existing electrical equipment's with the star rated equipment's have been considered while forecasting the sales.
5. Impact of Net Metering due to Solar Energy generated by the different categories of consumers has also been factored while forecasting the energy sales. Prospective plans of generation under Net metering is given below.

Category	FY 2025-26 (in MU's)
Domestic	2
Non-Domestic	3
Industrial	5
<b>Total</b>	<b>10</b>



6. Impact of movement of consumers under Open Access has also been factored for future years. FY 2025-26 projection of reduction in consumption (in MU's) due to Open Access is given below:

Category	FY 2025-26 (in MU's)
Industrial	6
Non Domestic	5
<b>Total</b>	<b>11</b>

Previous years' billed sales trend are given below:

**Year on Year Category wise billed Sale from FY 2019-20 onwards is given below**

**Table 4.1: Category wise summary of units sold from FY 2019-20 to FY 2024-25**

S. No.	Category	FY20 Sales (MU)	FY21 Sales (MU)	FY22 Sales (MU)	FY23 Sales (MU)	FY24 Sales (MU)	FY25 Sales (MU) Estimated
1	Domestic	4,321.09	4,473.85	4,428.00	4,934.97	4,873.14	5,052.31
2	Non Domestic	1,552.30	1,182.43	1,349.27	2,094.40	2,437.32	2,472.39
3	Industrial	2,496.57	2,080.42	2,340.17	2,176.62	1,944.03	1,972.00
4	Agriculture & Mushroom Cultivation	15.03	16.79	14.43	17.60	16.12	16.34
5	Public Utilities	579.90	439.97	500.56	574.18	566.24	605.42
6	Own Consumption	12.75	13.11	13.63	13.30	12.63	25.94
7	Advertisement & Hoarding	0.38	0.48	0.42	0.32	0.31	0.31
8	Others**	107.70	103.38	105.74	135.35	178.51	256.72
	<b>Total</b>	<b>9,085.73</b>	<b>8,310.43</b>	<b>8,752.21</b>	<b>9,946.72</b>	<b>10,028.30</b>	<b>10,401.42</b>

Note: As per Form 2.1a for respective years, all sub-categories are merged into one main category

\*\* Others includes Staff, Temporary, and Theft & Misuse.

**Table 4.2: CAGR of Units Billed based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	3.68%	3.05%	2.89%	4.91%	-1.25%
2	Non Domestic	1.44%	1.99%	10.32%	8.97%	2.58%
3	Industrial	1.44%	1.99%	10.32%	8.97%	2.58%
4	Agriculture & Mushroom Cultivation	1.36%	-0.34%	-3.69%	5.33%	-9.24%
5	Public Utilities	-1.63%	-0.59%	8.77%	6.36%	-1.38%
	<b>Total</b>	<b>2.49%</b>	<b>2.50%</b>	<b>6.46%</b>	<b>7.04%</b>	<b>0.82%</b>

*Note: FY 2023-24 as base year is considered for sales forecast of FY 2024-25. Also, predominantly CAGR for five years has been considered for sales forecast of FY 2025-26*

### **Domestic**

The consumption of energy by domestic consumers constitutes substantial part of total sales of the Petitioner.

Based on the sales of 4,873 MU's for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
3.68%	3.05%	2.89%	4.91%	-1.25%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 3.68%, (i.e. 5-year CAGR) twice to estimate the energy sales for domestic consumers for FY 2025-26 considering FY 2023-24 as base year.

Further impact due to energy generated under roof top solar has been adjusted in the domestic consumption as per above assumptions along with impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's.

Based on above the projected consumption for domestic consumers is computed as below:

**Table 4.3: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Domestic			
I	Domestic - Others than CGHS	5,022.78	3.68%	5,207.45
	<b>Adjusted due to</b>			
	Less: Metering of Roof top solar			2
	Less: Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			2
	<b>Net Consumption – Domestic</b>			<b>5,203.45</b>
II	Single delivery point for CGHS/Hospital	29.53		30.61
	<b>Total Domestic</b>	<b>5,052.31</b>		<b>5,234.06</b>

### **Non-Domestic**

The consumption of energy by non-domestic consumers constitutes reasonable share of total sales of the Petitioner.

Based on the sales of 2,437 MU's for FY2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.44%	1.99%	10.32%	8.97%	2.58%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 1.44%, (i.e. 5-year CAGR) twice to estimate the energy sales for Non-domestic consumers for FY 2025-26 considering FY 2023-24 as base year.

The Petitioner has further considered the impact of Net Metering arrangement and Open Access for its consumption for Non- Domestic Consumers as per above assumptions.

Based on above projected consumption for non-domestic consumers is computed as below

**Table 4.4: Projected billed energy for FY 2025-26**

S. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Non-Domestic			
I	Non -Domestic below 3 kVA	2,472.39	1.44%	2,507.95
II	Non -Domestic above 3 kVA			
	Less: Open Access			
	Less- Adjustment for Net Metering			
	<b>Net Consumption</b>			<b>2,499.95</b>

### **Industrial**

The consumption of energy by Industrial consumers constitutes approx. 1/5<sup>th</sup> part of total sales of the Petitioner.

Based on the sales of 1,944 MU's to industrial consumers for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.44%	1.99%	10.32%	8.97%	2.58%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 1.44% (i.e. 5-year CAGR) twice to estimate the energy sales for Industrial consumers for FY 2025-26 considering FY 2023-24 as base year.

The Petitioner has further considered the impact of Net Metering arrangement and Open Access for its consumption for Industrial Consumers as per above assumptions along with impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's.

Based on above projected consumption for Industrial consumers is computed as below

**Table 4.5: Projected billed energy for FY 2025-26**

S. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Industrial			
I	Industrial	1,972.00	1.44%	2,000.37
	Less: Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			4.00
	Less: Open Access			6.00
	Less- Adjustment for Net Metering			5.00
	<b>Net Consumption</b>			<b>1,985.37</b>

### **Agriculture and Mushroom Cultivation**

The consumption of energy by Agriculture & Mushroom cultivation consumers constitutes a very small portion of total sales of the Petitioner.

Based on the sales of 16 MU's for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.36%	-0.34%	-3.69%	5.33%	-9.24%

The Petitioner has considered the CAGR of 5 Year i.e. 1.36% growth twice for projecting the agriculture & mushroom cultivation consumption considering FY 2023-24 as base year.

**Table 4.6: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25	Growth (%)	FY 26
		Sales (MU's)		Sales (MU's)
I	Agriculture & Mushroom	16.34	1.36%	16.56

### **Public Utilities**

The consumption of energy towards public utilities constitutes approx. 6% of total sales of the Petitioner.

Based on the sales of 566 MU's for FY 2023-24 the Petitioner has computed CAGR over a period of one year to five years.

The Petitioner has considered 1-year CAGR category-wise for FY 2025-26 projected energy sale for Public Utilities. For DMRC, there has been decline in sales as compared to previous year therefore the growth rate has been restricted to 0%.

**Table 4.7: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25	Growth (%)	FY 26
		Sales (MU's)		Sales (MU's)
Public Utilities				
(i)	Public lighting	130.60	2.72%	134.16
(ii)	Delhi Jal Board (DJB)	292.82	4.56%	306.18
(iii)	Delhi Metro Rail Corporation	182	0%	182
	<b>Public Utilities</b>	<b>605.42</b>		<b>622.34</b>

### **Own Consumption**

The Hon'ble Commission in its Business Plan Regulations, 2023 has stated that normative Own consumption of DISCOM's shall be considered @ 0.25% of billed sales of the respective year. Based on the same the Petitioner is seeking Own consumption as computed below:

**Table 4.8: Projected energy from FY 2025-26**

S. No.	Category	FY 26 Sales (MU's)
I	Billed Sale	10,754.41
II	Own consumption @ 0.25%	0.25%
III	Own consumption MU	26.89

### **Advertisement & Hoardings**

The consumption of energy by Advertisement & Hoardings consumers constitutes a very little portion of total sales of the Petitioner. The Petitioner has considered a growth of 1.44% just like Non-Domestic to project the energy sales for Adv. & Hoardings.

**Table 4.9: Projected energy for FY 2025-26**

S. No.	Category	FY 25	Growth	FY 26
		Sales (MU's)	Rate	Sales (MU's)
I	Advertisement & Hoardings	0.31	1.44%	0.31



**E – Vehicle**

Based on the sales of 81 MU's for FY 2023-24 the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
64.69%	45.29%	71.19%	87.70%	85.87%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 85.87% (i.e. 1-year CAGR) twice to estimate the energy sales for E-Vehicle consumers for FY 2025-26 considering FY 2023-24 as base year.

**Table 4.10: Projected energy for FY 2025-26**

S. No.	Category	FY 25	Growth	FY 26
		Sales (MU's)	Rate	Sales (MU's)
I	E-Vehicle	151	85.87%	281.03

**Others (including Temporary Supply, Misuse and Theft)**

The Petitioner has projected following sale for Temporary, Misuse, Theft and Staff category consumers.

**Table 4.11: Projected energy for FY 2025-26**

Sl. No.	Category	FY25 Sales (MU's)
I	Others	114.79

Based on the above assumptions and explanations, the category wise estimated summary of billed sale (MU's) for FY 2025-26 is given below:

**Table 4.12: Projected Sales (MU's) for FY 2025-26**

S. No	Category	FY 2025-26 Projections
A	Domestic	5,234.06
	Domestic - Others than CGHS	5,203.45
	Single delivery point for CGHS/Hospital	30.61
B	Non –Domestic	2,499.95
C	Industrial	1,985.37
D	Agriculture	15.12
E	Mushroom Cultivation	1.44
F	Public Utilities	622.34
G	Advertisement & Hoardings	0.31
H	E-Vehicle	281.03
I	Others* including Temporary Supply	114.79
J	Own consumption	26.89
	<b>Total</b>	<b>10,781.30</b>

\*Others includes Staff, Theft & Misuse

#### **Estimated Consumers for next year**

To estimate the numbers of Consumers for year FY 2025-26, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connection and consumer growth for FY 2025-26. Also, numbers of consumers estimate is forecasted based on the standard approach looking to the past year's trend as follows:

- CAGR of five year has been considered for consumer projections for FY 2025-26 for categories like Domestic, Non-Domestic, Industrial, Agriculture & Mushroom in line with CAGR used for Sales.
- CAGR of one year has been considered for consumer projections for FY 2025-26 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

**CAGR of Consumers based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	4.08%	3.91%	3.92%	3.91%	3.65%
2	Non-Domestic	1.49%	1.66%	1.93%	2.31%	2.25%
3	Industrial	1.49%	1.66%	1.93%	2.31%	2.25%
4	Agriculture & Mushroom Cultivation	-0.17%	-0.53%	-0.97%	-0.42%	-0.02%
5	Public Utilities	3.34%	2.47%	1.73%	0.99%	1.12%
6	E-vehicle	34.65%	28.08%	33.31%	39.04%	48.72%
	<b>Total</b>	<b>3.55%</b>	<b>3.41%</b>	<b>3.45%</b>	<b>3.66%</b>	<b>3.42%</b>

Petitioner has projected approx. 21.80 lakhs consumers for FY 2025-26. Category wise breakup of Consumers is given below:

**Table 4.13: Given below is the projected number of consumers for Next year**

S. No.	Category	FY 2025-26
A	Domestic	1,85,9283
B	Non –Domestic	2,73,851
C	Industrial	14,182
D	Agriculture	4,159
E	Mushroom Cultivation	20
F	Public Utilities	6,662
G	Advertisement & Hoardings	225
H	Others- including E vehicle	21,296
	<b>Total</b>	<b>2,179,678</b>

**Estimated Consumer Load for next year**

To estimate the consumer load for year FY 2025-26, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connection and consumer load growth for FY 2025-26. Also load estimate is forecasted based on the standard approach looking to the past year's trend as follows:

- a) CAGR of five year has been considered for consumer load projections for FY 2025-26 for categories like Domestic, Agriculture & Mushroom in line with CAGR used for Sales.
- b) CAGR of one year has been considered for consumer load projections for FY 2025-26 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

**CAGR of Consumers Load based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	4.39%	4.91%	5.59%	6.29%	6.36%
2	Non-Domestic	-0.38%	0.25%	1.59%	1.47%	2.18%
3	Industrial	-0.38%	0.25%	1.59%	1.47%	2.18%
4	Agriculture & Mushroom Cultivation	1.94%	2.01%	2.56%	2.01%	2.49%
5	Public Utilities	4.93%	-6.46%	2.46%	2.50%	1.75%
6	E -vehicle	87.98%	97.09%	135.51%	141.76%	144.04%
	<b>Total</b>	<b>2.51%</b>	<b>2.66%</b>	<b>4.10%</b>	<b>4.58%</b>	<b>5.10%</b>

For the purpose of computing fixed charges, the Petitioner has projected load of 7,282 MW for FY 2025-26. Category wise break up of consumers load is given below:

**Table 4.14: Given below is the projected number of consumer's load for Next year**

S. No.	Category	FY 2025-26 (MW)
A	Domestic	4,062
B	Non -Domestic	1,811
C	Industrial	858
D	Agriculture	33
E	Mushroom Cultivation	1
F	Public Utilities	235
G	Advertisement & Hoardings	1
H	Others- including E vehicle	281
	<b>Total</b>	<b>7,282</b>

**Estimated Revenue at existing Tariff for next year**

The Hon'ble Commission has followed two-part tariff principle for each consumer category (except CGHS colonies) consisting of fixed/ demand charges as well as energy charges.

1. 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.
2. The energy charges, on the other hand, are always usage-based and are specified as per unit of electricity consumed.

In order to reduce the cost of power purchase during peak hours the Hon'ble Commission has implemented Time of Day Tariff (TOD) wherein peak hour consumption is charged at higher rates which reflects 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 incentivize consumers to shift a portion of their loads from peak time to off peak time. The Hon'ble Commission in its Tariff Order September, 2015 has reviewed the TOD time slots and restrict the applicability of TOD for the period May- September instead of whole year. As it is possible to ascertain distinct peak and off-peak periods during the winter season also in addition to the summer season, for which TOD mechanism has already been put in place by the Hon'ble Commission, the Petitioner has requested the Hon'ble Commission for review of TOD mechanism which forms part of this petition as there has been no change since September, 2015.

It is further clarified that the Hon'ble Commission vide its Tariff Order dated July, 2012 has introduced Deficit Revenue Recovery Surcharge @ 8% on the aforesaid two-part tariff. The aforesaid surcharge has been imposed for recovery of previous years accumulated Revenue Gap and carrying cost which otherwise has to be met through increase in two- part tariff.

**Methodology for Computation of Fixed Charges for Domestic Consumers**

- a) 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 months for respective consumers in that particular tariff slab.

- b) 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.

**Methodology for Computation of Energy Charges for Domestic Consumers**

For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

**Methodology for Computation of Fixed Charges & Energy Charges for other than Domestic Consumers and Advertisement & Hoarding Consumers**

For Non-Domestic, Industrial, Public Utilities billing is done either on kW or kVA basis, as specified in the last approved tariff schedule. Since projections for next year 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.

Based on the above factors i.e. energy billed, no. of consumers, consumer load, the Petitioner has estimated revenue at existing retail supply Tariff for next year.

Category wise estimated Revenue Billed for FY 2025-26 is given below:

**Table 4.15: Estimated Billed Revenue** (Rs Cr)

Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Domestic	252.82	2,105.02	0.00	2,357.83	4.50	165.05
Non –Domestic	543.44	2,141.17	13.32	2,697.93	10.79	188.86
Industrial	257.39	1,562.37	10.42	1,830.17	9.22	128.11
Agriculture	4.98	2.27	0.00	7.24	4.79	0.51
Mushroom Cultivation	0.13	0.50	0.00	0.63	4.39	0.04
Public Utilities	70.59	419.51	0.39	490.49	7.88	34.33
Advertisement & Hoardings	0.15	0.27	0.00	0.42	13.41	0.03
E Vehicle	0.00	126.46	1.37	127.83	4.55	8.95



Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Others	12.39	86.32	0.00	98.71	6.97	6.91
<b>Total</b>	<b>1,141.89</b>	<b>6,443.89</b>	<b>25.50</b>	<b>7,611.27</b>	<b>7.06</b>	<b>532.76</b>
8% Deficit Revenue Surcharge				<b>608.87</b>		

### **Collection efficiency**

The Hon'ble Commission has approved collection target of 99.80% vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2023.

Relevant extract of the same is given below:

### **26. TARGET FOR COLLECTION EFFICIENCY**

*(1) The targets for Collection Efficiency for FY 2023-24 to FY 2025-26 of the Distribution Licensee shall be 99.80%.*

Based on above, collection efficiency at 99.80% level is considered for FY 2025-26.

**Table 4.16: Estimated Energy Collection**

S. No.	Particulars	Amount Rs Cr	Remark
A	Estimated Billing at Current Tariffs –without DRS, E tax & Pension Trust	7,611.27	Table 4.15
B	Collection Efficiency	99.80%	
C	Estimated Collection	7,596.05	(A*B)

### **Target for Distribution Loss Level**

The Hon'ble Commission in its Business Plan Regulations, 2023 has approved distribution loss reduction targets as mentioned in table below in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017:

**Table 4.17: Distribution loss level for 5th MYT Control Period**

Category	FY 2023-24	FY 2024-25	FY 2025-26
Approved Distribution Target Loss level	6.91%	6.83%	6.74%
Year on Year reduction in distribution loss level		0.08%	0.09%

Based on above table, distribution loss level of 6.74% for FY 2025-26 has been considered and corresponding energy requirement at TPDDL periphery comes to 11,560 MU's for FY 2025-26.

**Table 4.18: Estimated Energy Requirements for FY 2025-26**

S. No.	Particulars	UoM	Amount	Remark
A	Expected Sales	MU	10,781.30	Table 4.12
B	Distribution Loss	%	6.74%	Table 4.17
C	Energy Input (at TPDDL periphery)	MU	<b>11,560.47</b>	A/(1-B))
D	Distribution Loss	MU	779.18	(C-A)

**Power Purchase Projections for FY 2025-26**

Power purchase cost is the single largest component of ARR for a distribution company and hence the same is being submitted as part of MYT Regulations considering power from both existing as well as future power stations.

**Allocation of Power from Central and State Generating Stations**

- 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 has been considered.
- Further, allocation from various stations has been considered as per latest allocation orders issued by Delhi SLDC.
- It is further clarified that no power from unallocated quota has been considered for projection purposes.
- Medium Term Hydro Purchase from NVNVL (200 MW) has been considered from May'2025 to Sep'2025. This contract is only for peak summer months.
- No other Bilateral Purchase has been considered.

**Energy Availability from the Central Sector, State Sector and Other Generating Stations and cost assumptions:**

The Energy available in MU's for the purpose of projections has been computed as below:

- (i) To estimate the energy (MU's) which would be scheduled from the long-term sources; stations like Hydro, Nuclear, Renewable & Delhi Genco stations have been considered as must run stations. All other plants have been considered to be running at minimum technical limit (MTL) and further, it has been assumed that the plants having Energy charge rate (ECR) less than the estimated sale rate at exchange shall be scheduled to maximum allocation basis the exchange rates for maximizing surplus sale rate considering market conditions.
- (ii) Interstate STOA Charges have been considered as 38 Paise for the short-term purchase.
- (iii) The generation expected from Own TPDDL- Solar installed capacity and roof top solar has been considered at 15% Capacity Utilization Factor (CUF).

- (iv) No energy is considered to be scheduled from Rithala in view of DERC directive.
- (v) The ECR's have been considered as per following:
- a. Thermal stations: As per latest ECR of Apr'24 to Aug'24 FY 2024-25.
  - b. Hydro Stations: Apr to Aug: - As per FY 2024-25 & for Sep to Mar as per FY 23-24
  - c. Nuclear Stations: Apr to Aug: - As per FY 2024-25 & for Sep to Mar as per FY 23-24
  - d. Renewable Stations: As per their defined tariffs
- (vi) PGCIL Transmission charges have been considered factoring in the implementation of GNA Regime. Monthly Charges of approx. Rs. 47.40 Cr. (including GNA enhancement required if any) has been considered.
- (vii) New Plant additions considered in FY 2025-26 are:
- a. SECI Solar ACME 100 MW added for full year at 24% CUF considering ECR of Rs. 2.51/-unit.
  - b. Hybrid 510 MW through TPREL added from Jan'26 to Mar'26 at ~30% CUF considering ECR of Rs. 3.00/-unit.
  - c. Parbati-2 19 MW added for full year at 45% CUF considering overall cost of Rs. 6.00/-unit.
- (viii) Others
- a. Fuel Gas Desulfurization (FGD) expense is as follows: Aravali Jhajjar (Major contributor is Aravali Jhajjar for TPDDL due to allocation of 578 MW). As per the latest communication from Aravali Jhajjar, we have started getting the FGD expense corresponding to One unit [FC ~ Rs. 3 cr./monthly and VC: ~6 p/kWh] and for remaining 2 units they are going to install FGD & operationalize the same by Dec'24, so the additional expected cost equivalent to [FC ~ Rs. 3 cr./monthly for each unit and VC: ~6 p/kWh] for full FY have been considered in the PPC for FY 25-26. And FGD expense of CLP & Dadri-2 has also been considered on the similar lines considering the current expenses.

- b. Compensation charges of Rs. 6.7 Cr. has been considered to the extent of the Aravali Jhajjar being backed down during Oct'2025 to Mar'2026 based on last year trend.
- c. No Arrear has been considered in energy balance due to uncertainty of the amount and duration of the legal cases to get resolved.
- d. REC cost of Rs. 8 Cr. has been considered for meeting the RPO compliance against the shortfall of RPO quantum. The same has been considered @ Rs. 0.15 + GST (18%).

Based on above assumption, power purchase & its cost from various state generating stations for next year is given below:

**Power Procurement cost of the above State Generating Plant (Rs. Cr)**

To compute the power procurement cost for next year, the following assumptions are considered:

- (i) Fixed Cost is considered as per Current Billed Annual Fixed Cost (AFC's).
- (ii) Variable cost for FY 2025-26 for each generating station, considered as per above assumptions.
- (iii) Delhi Gencos Stations:- GT (Half Module i.e 11 MW from April'25 to Mar'26), Pragati-1(Full Module from May'25 to September'25 and half module for April'25 and October'25 and for remaining period Nil) and for Pragati 3 ( Max of One Full Module {140 MW} from April'25 to Septemebr'25 and MTL of One Full Module {100 MW} from October'25 to March'26).

**Table 4.19: Projected Power Purchase from State Generating Stations for FY 2025-26**

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
<b>A</b>	<b>State Generating Stations</b>				
I	Pragati	228	29	244	274
II	Pragati III	1,052	285	824	1,109
III	GT	96	16	130	146
	<b>Total SGS</b>	<b>1,376</b>	<b>330</b>	<b>1,198</b>	<b>1,528</b>

**Central Sector Generating Stations**

- (i) Thermal Plants: The estimates for energy availability from coal-based plants are based on the normative month wise availability (PAFM) of the stations.
- (ii) Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.
- (iii) Hydro Plant: The energy estimation is based on the actual energy received from these plants in previous years.
- (iv) To estimate the energy (MU's) which would be scheduled from the CSGS, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to 85% of allocation.
- (v) Scheduling from these Central Generating Stations Plants have been considered @ 85%, but if variable rates of any station is higher than exchange rate, schedule from such station would be restricted to 55%. (Minimum Technical Limit)
- (vi) From April to September Plant availability of 85% has been considered for three units of Aravali Jhajjar (578 MW) & two units of CLP Jhajjar (124 MW) and from October to March 55% Plant availability is being considered for scheduling purposes.
- (vii) No New Thermal capacity addition has been considered.

Based on above assumption, power purchase quantum (MU's) & its cost from Central State Generating stations for next year is projected as below:

**Table 4.20: Projected Power Purchase from Central Generating Stations**

Table VIII: Projected Power Purchase from Central Generating Stations					
S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
	Central State Generating Stations				
A	NTPC				
I	ANTA	6	6	7	13
II	Auriya GPS	11	12	13	26
III	Dadri GPS	14	10	17	27
IV	Rihand STPS-I	211	17	35	52
V	Rihand STPS-II	271	21	44	65
VI	Unchahaar-I TPS	50	5	19	24
VII	Unchahaar-II TPS	98	11	36	47



S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
VIII	Unchahaar-III TPS	60	7	23	30
IX	Dadri (Th)	0	0	0	0
X	Dadri (Th) II	22	3	10	12
XI	Kahalgaon-I TPS	106	11	28	39
XII	Kahalgaon-II TPS	339	31	83	114
XIII	Aravali	3,546	782	1,507	2,289
XIV	Farakka	48	4	15	19
XV	Singrauli STPS	319	24	54	79
	<b>Total</b>	<b>5,101</b>	<b>947</b>	<b>1,891</b>	<b>2,837</b>
<b>B</b>	<b>NHPC</b>				
I	Bairasul	18	3	2	5
II	Tanakpur	13	5	3	8
III	Chamera-I	50	5	6	10
IV	Chamera-II	56	7	7	14
V	Chamera-III	36	9	7	16
VI	URI	66	9	6	15
VII	URI II	54	12	11	23
VIII	Dhauliganga	40	7	5	12
IX	Sewa II	17	5	4	9
X	Dulhasti	85	18	19	37
XI	Parbati III	17	9	2	11
X	Parbati HEP-II	76	23	23	46
	<b>Total</b>	<b>528</b>	<b>111</b>	<b>96</b>	<b>206</b>
<b>C</b>	<b>THDC</b>				
I	Tehri HPP	57	11	11	22
II	Koteshwar HEP	32	10	8	18
	<b>Total</b>	<b>89</b>	<b>20</b>	<b>19</b>	<b>40</b>
<b>D</b>	<b>DVC</b>				
I	DVC (CTPS 7&8)	618	101	218	319
II	DVC (MTPS 6)	206	24	77	101
	<b>Total</b>	<b>824</b>	<b>125</b>	<b>295</b>	<b>420</b>

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
<b>E</b>	<b>NPCIL</b>				
I	NAPS	89	0	32	32
II	RAPS	135	0	47	47
	<b>Total</b>	<b>225</b>	<b>0</b>	<b>80</b>	<b>80</b>
<b>F</b>	<b>SJVNL</b>				
I	Naptha Jhakri	205	26	25	51
	<b>Total</b>	<b>205</b>	<b>26</b>	<b>25</b>	<b>51</b>
<b>G</b>	<b>Others</b>				
I	Tala	7	0	2	2
II	Sasan, MP	405	6	47	53
III	CLP Jhajjar	761	70	320	390
IV	MPL	2,094	307	623	930
	<b>Total</b>	<b>3,267</b>	<b>384</b>	<b>991</b>	<b>1,374</b>
	<b>Total CSGS (A+B+C+D+E+F+G)</b>	<b>10,239</b>	<b>1,612</b>	<b>3,395</b>	<b>5,007</b>

### **Renewable Power Purchase Obligation**

The Hon'ble Commission has notified the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) Regulations, 2012 with effect from October' 2012.

Further the Hon'ble Commission in its Business Plan Regulations 2023, has notified the following RPO trajectory for DISCOM:

**Table 4.21: Targets for Renewable Power Purchase Obligation**

S. No.	RPO Targets for Distribution Licensees	FY 2025-26
1	Wind RPO	3.36%
2	Other RPO	28.17%
3	HPO Target	1.48%
4	<b>Total RPO Target</b>	<b>33.01%</b>

Based on above targets, following RPO/REC cost has been considered for FY 2025-26:

**Table 4.22: RPO Compliance for FY 2025-26**

S. No.	Particulars	UoM	FY 2025-26		
			Wind	HPO	Other RPO
A	Projected Energy sale for FY 2024-25	MU	10,781		
B	RPO target–Solar & Non-Solar	%	3.36%	1.48%	28.17%
C	RPO target –Solar & Non-Solar	MU	362.25	159.56	3,037.09
D	RPO Compliance through	MU	235.01	683.01	2,213.80
i	Purchase from TPDDL Solar	MU			1.62
ii	Purchase from SECI 20 MW	MU			40.11
iii	Purchase from SECI 100 MW [ACME]	MU			211.78
iv	Purchase from SECI 200 MW [SBSR]	MU			226.99
v	SunEdison	MU			318.83
vi	Net Metering- at Gross (Rooftop)	MU			111.69
vii	Suryakanta	MU			35.16
viii	Nanti Hydro	MU			35.48
ix	Medium Term Hydro 200 MW	MU		606.54	-
x	Purchase from Singrauli Small Hydro	MU			6.40
xi	Purchase from DMSWL	MU			40.39
xii	SECI Wind	MU			138.18
xiii	Purchase from TOWMCL	MU			45.36
xiv	Cosmos Hydro	MU			72.18
Xv	Taranda Hydro	MU			35.01
Xvi	TPREL Hybrid (Solar 170 MW)	MU			80.78
xvii	TPREL Hybrid (Non- Solar 340 MW)	MU	235.01		235.01
xviii	SDMC	MU			60.57
xix	Purchase from Large Hydro	MU		76.47	753.26
E	(Excess)/ Shortfall= (C-D)	MU	127.24	(523.45)	823.29
F	Inter head adjustment which can be done	MU	-	-	-
G	Available inter head quantum	MU	127.24	(523.45)	823.29
H	REC rate + 18% GST	Rs/kWh	0.19	0.19	0.19
I	Cost for REC purchase	Rs Cr	8.03		
L	<b>Total REC Cost</b>	Rs Cr	<b>8.03</b>		

**Power Procurement through NET Metering**

The Petitioner would further like to submit that, the Petitioner has already undertaken an assessment of roof top potential in its area and accordingly, the following is estimated:

<b>Solar Capacity</b>	<b>Target / Milestone FY 2025-26</b>
Capacity in MW	85
Energy in MU	96

MU's due to Net Metering Capacity addition has been calculated after assuming a Capacity utilization factor (CuF) of 15%

Additionally, the Petitioner would like to submit that with DMRC and other Open Access consumers pursuing open access from Renewable sources; the same would also add up to meeting of the RPO requirements of the Petitioner considering Discoms and Open access consumers as Obligated Entities. This shall reduce the RPO requirements to be met by the Petitioner on a stand-alone basis substantially as cumulative RPO met of obligated entities like the Petitioner and future expected open access consumers having substantial load like DMRC and other Open Access consumers shall add up the RPO mandates of the Hon'ble Commission.

**Table 4.23: Power Purchase from solar and non-solar generating stations**

<b>S. No.</b>	<b>Stations</b>	<b>Petitioner Share</b>	<b>Total Charges</b>
		<b>(MU's)</b>	<b>(Rs Cr)</b>
<b>A</b>	<b>Solar</b>		
I	Purchase from TPDDL Solar	1.62	1.14
II	Purchase from SECI 20 MW	40.11	22.06
III	Purchase from SECI 100 MW	211.78	53.16
IV	Purchase from SECI 200 MW	226.99	60.83
V	TPREL Hybrid (Solar 170 MW)	80.78	24.24
VI	SunEdison	318.83	126.26
VII	Net Metering	40.01	22.20
	<b>Sub-Total</b>	<b>920.13</b>	<b>309.89</b>
<b>B</b>	<b>Non-Solar</b>		
I	SECI Wind 1	138.18	34.82
II	TOWMCL	45.36	26.04
III	Singrauli Small Hydro	6.40	3.23
IV	Suryakanta	35.16	13.36
V	Nanti Hydro	35.48	15.25
VI	Medium Term Hydro (200 mw)	606.54	368.91
VII	DMSWL	40.39	28.39
VIII	Cosmos Hydro	72.18	32.05

S. No.	Stations	Petitioner Share	Total Charges
		(MU's)	(Rs Cr)
IX	Taranda Hydro	35.01	15.02
X	TPREL Hybrid (Non- Solar 340 MW)	235.01	70.50
Xi	SDMC @100%	60.57	28.77
	<b>Sub-Total</b>	<b>1,310.28</b>	<b>636.35</b>
	<b>Total</b>	<b>2,230.41</b>	<b>946.24</b>

### **Short Term Purchase**

Total short-term purchase for FY 2025-26 has been considered as below:

**Table 4.24: Projected Units purchase**

Other Sources	Projection FY 2025-26		
	MU's	Amount (Rs Cr)	Av. Rate
<b>Power Purchase from Other Sources</b>			
Inter-State Bilateral Purchase	232	163	7.00
Intra-State Power Purchase			
<b>Other Purchases Total</b>	<b>232</b>	<b>163</b>	<b>7.00</b>

### **Short Term Sale**

Surplus unit: Based on the energy required at the Petitioner's periphery and Gross Power Purchase schedule to the Petitioner, the surplus power available for sale is determined which shall be sold and the sale proceeds shall entirely go towards reducing the net power purchase cost charged to consumers. Given below is the surplus power available for sale in FY 2025-26:

**Table 4.25: Short Term Power Sale**

Source	Amount (Rs Cr)
Sale of Surplus Power – MU's	(2,025.75)
Revenue from Sale of Surplus Power – Rs Cr	(810.30)
Per unit Rate- Rs/kWh	4.00

### **Transmission Losses**

Transmission losses have been considered @ 3.5% for PGCIL & DTL as a whole.

Given below is the year-on-year projected transmission losses for FY 2025-26:

**Table 4.26: Transmission Losses for FY 2025-26**

Source	MU's
Inter-State Transmission	(385.26)
Intra-State Transmission (DTL)	(106.06)
<b>Total Transmission Losses</b>	<b>(491.31)</b>

Transmission Charges: year on year transmission charges has been considered including increase in transmission charges on account of new transmission lines/network required for enhanced renewable power.

**Table 4.27: Transmission Charges for FY 2025-26**

Source	Amount (Rs Cr.)
PGCIL Charges	568.80
DTL & SLDC Charges	346.04
Other Transmission charges, LDC charges, STOA Charges	224.81
<b>Total (excluding Pension Trust)</b>	<b>1,139.65</b>

*\*STOA charges of Rs. 0.05/unit has been factored as a part of transmission cost*

### **Normative Rebate**

CERC Tariff Regulations (2024-29) the normative rebate is 1.50%. However, the Hon'ble Commission has kept the normative rebate at 2.00% and considered 1.50%, 2.00% and 2.50% normative rebate. Therefore, normative rebate for the purpose of Power Purchase cost is computed in table below:

**Table 4.28: Computation of Normative Rebate**

Genco's	Rate	Amount (Rs Cr)
<b>State Generating Stations</b>		
Pragati	2.00%	5.47
Pragati III	1.50%	16.63
GT	2.00%	2.91
<b>Central Generating Stations</b>		
NTPC	1.50%	42.56
NHPC	1.50%	3.09
NPCIL	2.50%	1.99
Others	1.50%	28.27

Genco's	Rate	Amount (Rs Cr)
<b>Transmission</b>		
DTL & SLDC	2.00%	6.92
PGCIL/CTUIL	1.50%	8.53
<b>Total</b>		<b>116.38</b>

**Energy balance for FY 2025-26**

Based on above submissions, Energy balance for FY 2025-26 is given below:

**Table 4.29: Energy Balance Summary and Power Purchase Cost for FY 2025-26**

S. No.	Particulars	Energy	Amount	Rate
		MU's	Rs. Cr	Rs/unit
A	Power from CSGS	10,239.19	5,007.49	4.89
B	Power from SGS	1,376.56	1,528.00	11.11
C	Short Term Power Purchase (Medium Term 200 MW)	232.37	162.66	7.00
D	RPO obligation to be met through purchase from renewable sources	2,230.41	946.24	4.24
E	RPO obligation to be met through purchase of REC & HEC		8.03	
F	Compensation		6.67	
	<b>Total Purchase</b>	<b>14,077.53</b>	<b>7,659.09</b>	<b>5.44</b>
G	Transmission losses (Intra state & Interstate)	(491.31)		
H	Transmission charges		1,139.65	
	<b>Total Purchase with Tx</b>	<b>13,586.22</b>	<b>8,798.74</b>	<b>6.48</b>
I	Less: Short Term surplus power sale	(2,025.75)	(810.30)	4.00
J	Less: Normative Rebate		(116.38)	
	<b>Net Power Purchase Cost</b>	<b>11,560.47</b>	<b>7,872.07</b>	<b>6.81</b>



**Operation & Maintenance Expenses for FY 2025-26**

The Hon'ble Commission in its Business Plan Regulations, 2023 has notified norms for Operation and Maintenance expenses in terms of Regulation 23(10).

The Petitioner is seeking O&M Expenses for FY 2025-26 as given in table below.

**Table 4.30: O&M Expenses entitlement for FY 2025-26**

S. No.	Particulars	Amount Rs. Cr	Remark
A	Normative O&M Expenses	704.42	As specified in page no. 59 SOR of BPR 2023
B	FRSR Employee Cost (Net of capitalization)	260.15	To be allowed on actuals as per clause no 23 (5) of BPR 2023
C	<b>Statutory Levies</b>		To be allowed on actuals as per clause no 23 (6) of BPR 2023
i	DERC License Fee	5.22	As per actual Payment for FY 2024-25 + 4.66% inflation of 1 year
ii	Land License Fee	17.11	As per actual of FY 2023-24 + 4.66% inflation for 2 years as per BPR 2023
iii	Property Tax	2.43	
iv	Rates and Taxes	0.12	
v	CETP Charges	0.46	
Vi	Other Regulatory Charges	1.61	
D	Legal Expenses	23.19	Refer note below
E	Replacement cost against FRSR retirees	62.02	
	<b>Total amount Sought towards O&amp;M Expenses</b>	<b>1,076.76</b>	

The Petitioner has considered normative O&M expenses at Rs. 704.42 Cr for FY 2025-26 as per the estimated O&M expenses considered by the Hon'ble Commission. Since there seems to be an ambiguity in CAGR considered by the Hon'ble Commission while deriving sales (MU's) for FY 2025-26, therefore the Petitioner has not considered O&M expenses based on estimated sales per unit rate as prescribed in BPR 2023

Further the above computation shall be subject to any subsequent amendment/relief provided by the Hon'ble Commission against O&M Regulations of BPR 2023.

**FRSR employee cost (on Actual Basis)**

As per Business Plan Regulations 2023, FRSR employee cost shall be allowed on actual basis.

*"(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check:"*

Further as per Statement of Reason for Business Plan Regulations 2023, Uncontrollable expenses such as FRSR expenses, Rates & Taxes shall be allowed in the ARR equal to last available actual expenses which shall be trued-up.

Therefore, FRSR employee cost for FY 2025-26 has been computed based on FY 2023-24 estimated actuals with following assumptions:

- a) Total increase of 12% on account of DA hike (twice a year), promotions & annual increment
- b) Net of capitalization
- c) Net of estimated savings due to retirements expected in FY 2025-26

### **FRSR Replacement Cost**

Further as per Statement of Reason for Business Plan Regulations 2023, the Hon'ble Commission has agreed to allow replacement cost of FRSR retirees while mapping suitably the replacement cost of FRSR employees with Non- FRSR employees subject to prudence check.

The Petitioner based on the expected superannuating employees from FRSR structure has estimated replacement cost at Average Employee cost payable for additional recruitment of Non-FRSR employees against superannuating FRSR Employees at Rs. 62.03 Cr as submitted in Comments on Draft Business Plan Regulations 2023.

### **Statutory Levies to be allowed on actual basis**

As per regulations 23 (6) Statutory levies like license fee paid to the Hon'ble Commission has been considered on the basis of actual payment for FY 2024-25- & one-year inflation as allowed in Business Plan Regulation, 2023. Property tax amount has been considered based on FY 2023-24 actual expense & two years inflation as allowed in Business Plan Regulation, 2023.

As per Statement of Reasons [point (e) page no. 55] for Business plan Regulations 2023, the Hon'ble Commission has specified to allow rates and taxes on actual basis. Apart from license fees and property tax, Rates and taxes also include CETP Charges, stamp duty, court charges etc. Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2023-24- & two-years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2025-26.

Any statutory levies arising due to Government of India's Notification or Change in law but not factored in base year expenses shall be claimed separately over and above normative expenses.

### **Other Regulatory Expense**

The '**Other Regulatory expense**' include statutory expense like contribution towards expenses of electricity ombudsman & Consumer Grievance Redressal Forum (CGRF) as per the direction of the Hon'ble Commission and petition filing fee with the Hon'ble Commission for various petitions like ARR & Tariff, Power purchase agreement approval, PPAC petition etc.

All the above expenses are statutory in nature and mainly incurred as per the direction of the Hon'ble Commission and other applicable Regulations/Laws.

The Formation of forum for redressal of grievances of the consumer by licensee is governed by clause 5, Section 42 (Duties of distribution licensee and open access) of Electricity Act'2003. Further the payment of electricity ombudsman is released as per communication received from the Hon'ble Commission from time to time.

Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2023-24- & two-years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2025-26

### **Legal Expenses**

The Hon'ble Commission in its Business Plan Regulations 2023 has provided the treatment of Legal Expenses as follows:

*"(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR)".*

With respect to above, the Petitioner would like to mention that the legal expenses should be allowed to the Petitioner. Non-allowance of legal expenses amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The

distribution business is a regulated business under the aegis of this Commission. The majority of issues in Distribution Business will arise out of orders/ directions issued by the Commission. In all such cases, the Petitioner has right to challenge the same before the Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses without any distinction should be allowed as an expense in the ARR.

Therefore, it is requested to the Hon'ble Commission to allow Rs 23.19 Cr. as part of ARR of FY 2025-26 basis last year actual expense of FY 2023-24 and two year of inflation. The said amount can be trued up based on prudence check of actual expenses.

**Capitalization for FY 2025-26**

The Hon'ble Commission in its Business Plan Regulations, 2023 has approved capitalization of Rs 446 Cr. for FY 2025-26 (excluding Rs. 50 Cr towards Capital Deposit). However, The Petitioner has considered higher capitalization due to installation of Smart Meters and higher influx of Group Net Metering and Virtual Net Metering Customers wherein all Capital Expenditure has to be borne by Discoms. The capitalization for FY 2025-26 as following:

**Table 4.31: Capitalization for FY 2025-26**

<b>Particulars</b>	<b>Amount (Rs Cr)</b>
Capitalization including deposit work	624.66
Less- Deposit work	100.00
Total Capitalization excluding deposit work	524.66

It is worthwhile to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2025-26 is considered as given below:

**Table 4.32: Estimated Capitalization considering Deposit work for FY 2025-26**

<b>Particulars</b>	<b>Amount (Rs Cr)</b>
Capitalization without deposit work	450.00
Employee cost capitalization & IDC	74.66
Deposit Work*	100.00
<b>Total including Deposit Work</b>	<b>624.66</b>

*\* May change as per Deposit electrification work requirement from land owing agencies/DDA/other authorities/new HT Connection etc.*

Considering the capitalization of Rs. 624.66 Cr, gross block of fixed assets for FY 2025-26 works out as follows:

**Table 4.33: Capitalization of Fixed Assets**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening balance of Gross Fixed Assets (as on 1st April'2021)	<b>7,204.76</b>	Table 3.66 True up order FY 20-21
B	Less: Adjustment of inadvertent allowance of Capitalization	77.71	Table 3.38 of True up Petition 2023-24
C	Add- Capitalization during the FY 2021-2022	415.76	Table 3.45 of True up Petition 2021-22
D	Add - 7th Pay LSC/PC Capitalization	8.62	Table 3.45 of True up Petition 2021-22
E	Less- Retirement/ De-capitalization for the FY 2021-2022	79.68	Table 3.45 of True up Petition 2021-22
F	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2022)	<b>7,471.75</b>	(A-B+C+D-E)
G	Add- Capitalization during the FY 2022-2023	447.65	Table 3.42 of True up Petition 2022-23
H	Less- Retirement/ De-capitalization for the FY 2022-2023	54.94	Table 3.43 of True up Petition 2022-23
I	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2023)	<b>7,864.45</b>	(F+G-H)
j	Add- Capitalization for FY 2023-2024	405.95	Table 3.36 of True up Petition 2023-24
k	Less- Retirement/ De-capitalization for FY 2023-2024	51.44	Table 3.36 of True up Petition 2023-24
L	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2024)	<b>8,218.97</b>	(I+J-K)
M	Add- Estimated Capitalization for FY 2024-2025	413.00	Table 4.32 of ARR Petition 2024-25
N	Less- Retirement/ De-capitalization for FY 2024-2025*	-	
O	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2025)	<b>8,631.97</b>	(L+M-N)
P	Add- Estimated Capitalization for FY 2025-2026	624.66	Table 4.32
Q	Less- Retirement/ De-capitalization for FY 2025-2026*	0.00	
R	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2026)	<b>9,256.63</b>	(O+P-Q)
S	Average Balance of Fixed Assets	8,944.30	((O+R)/2)

\*No De-capitalization has been considered & actual De-capitalization impact will be considered at the time of true up

### **Contributions, Grants, subsidies towards cost of Capital Assets**

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. It is estimated that Rs 100 Cr will be capitalized towards consumer contribution in FY 2025-26.

**Table 4.34: Estimated Consumer Contribution capitalized**

Sl. No.	Consumer Contribution/Grant	Amount (Rs Cr)	Remark
A	Opening Balance (as on 1st April'2021)	<b>928.92</b>	Table 3.68 True up order FY 20-21
B	Add- Capitalized during the FY 2021-2022	52.47	Table 3.46 of True up Petition 2021-22
C	Closing Balance (as on March'2022)	<b>981.39</b>	(A+B)
D	Add- Capitalized during the FY 2022-2023	60.77	Table 3.44 True Up petition FY 22-23
E	Closing Balance (as on March'2023)	<b>1,042.16</b>	(C+D)
F	Add-Capitalized for FY 2023-2024	97.09	Table 3.37 of True up Petition 2023-24
G	Closing Balance (as on March'2024)	<b>1,139.26</b>	(E+F)
H	Add- Projected Capitalized for FY 2024-2025	50.00	Table 4.32 of ARR Petition 2024-25
I	Closing Balance (as on March'2025)	<b>1,189.26</b>	(G+H)
J	Add- Projected Capitalized for FY 2025-2026	100.00	Table 4.32
K	Closing Balance (as on March'2026)	<b>1,289.26</b>	(I+J)
L	Average Cumulative Capitalized Consumer Contribution	1,239.26	(I+K)/2

### **Depreciation and Provision of Depreciation**

The Hon'ble Commission in Business Plan Regulations, 2023 has followed the same methodology for allowance of Depreciation as in Business Plan Regulations, 2019. Based on the said regulations the Petitioner has charged depreciation rate in its books of account. Thus, for the purpose of computation of Depreciation for FY 2025-26, the Petitioner has considered Depreciation rate of 4.72% equivalent to the rate considered for FY 2023-24 True up petition.

**Table 4.35: Estimated Depreciation for FY 2025-26**

Sl. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening GFA	8,631.97	Table 4.33
B	Net Additions to Asset during the year	624.66	Table 4.32
C	Closing GFA	9,256.63	(A+B)
D	Average GFA	8,944.30	(A+C)/2
E	Less: Average Consumer Contribution	1239.26	Table 4.34
F	Average GFA net of Consumer Contribution	7,705.05	(D-E)
G	Average rate of depreciation	4.72%	Table 3.38 of True Up for FY 23-24
H	Depreciation for the year (FY 25-26)	363.89	F*G
I	Opening Depreciation (as on 1st April' 2024)	3,364.06	Table 3.40 of True Up for FY 23-24
J	Add: Depreciation for the FY 24-25	321.22	Table 4.34 of ARR for FY 24-25



Sl. No.	Particulars	Amount (Rs Cr)	Remark
K	Closing Depreciation (as on March' 2025)	3,685.28	(I+J)
L	Closing Depreciation (as on March'2026)	4,049.17	(H+K)
M	Average Depreciation	3,867.23	(K+L)/2

### **Working Capital Requirement**

The Petitioner has computed working capital requirement 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."*

Based on the above formula computation of working capital is given below:

**Table 4.36: Computation of Change in Working Capital**

Sl. No.	Particulars	Amount (Rs Cr)		Remark
		FY 2025-26		
A	Annual revenue requirement	10,698.74		Table 4.43
B	Receivables equivalent to 2 months ARR		1,783.12	(A/12*2)
C	Power Purchase expenses	7,872.07		Table 4.29
D	Add: 1/12th of power purchase expenses		656.01	(C/12)
E	Total working capital		1,127.12	(B-D)
F	Opening working capital		995.77	Table 3.42 of True Up of FY 23-24 & Rs. (26.64) for FY 24-25 (Table 4.35 of ARR FY 24-25)
G	Change in working capital		131.35	(E-F)

**Means of Finance for Capitalization for FY 2025-26**

The Petitioner has submitted that 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.

**Table 4.37: Means of finance**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Capitalization	624.66	Table 4.35
B	Less- Consumer Contribution Capitalized during the year	100.00	Table 4.34
C	Funding Requirement	524.66	(A-B)
D	Through- Debt @ 70%	367.26	C*70%
E	Through Equity @ 30%	157.40	C*30%

**Regulated Rate Base**

Regulations 65 to 71 of the Tariff Regulations, 2017 deals with the methodology for determination of Regulated Rate Base (RRB), Weighted Average Cost of Capital (WACC) and computation of Return on Capital Employed (ROCE).

Regulation 66 of the Tariff Regulations 2017 provided that "*The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.*"

Based on the estimated capitalization and corresponding depreciation thereon, estimated consumer contribution and estimated working capital requirement as computed above, computation of Regulated Rate Base for FY 2025-26 is given below:

**Table 4.38: Computation of Regulated Rate Base**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening Balance of Fixed Assets	8,631.97	Table 4.33
B	Opening Balance of Accumulated Depreciation	3,685.28	Table 4.35
C	Opening Balance of Accumulated Consumer Contribution	1,189.26	Table 4.34
D	Opening balance of working capital	995.77	Table 4.36
E	<b>RRB – Opening</b>	4,753.20	(A-B-C+D)
F	Capitalization during the year	624.66	Table 4.35
G	Depreciation for the year	363.89	Table 4.35

S. No.	Particulars	Amount (Rs Cr)	Remark
H	Consumer Contribution, Grants	100.00	Table 4.32
I	Change in Working Capital	131.35	Table 4.36
J	<b>ΔAB (Change in Regulated Base)</b>	211.73	(F-G-H)/2+I
K	<b>RRB – Closing</b>	5,045.32	(E+F-G-H+I)
L	<b>RRB(I)</b>	4,964.94	(E+J)

### **Computation of WACC**

The Hon'ble Commission in the Business Plan Regulations, 2023 has approved Rate of Return on Equity at base rate of 14% on post-tax basis for wheeling and retail business.

Further, based on expected cost of debt for capex loans & working capital loan, the weighted average rate of interest has been considered @ 8.52% for FY 2025-26.

Considering the above cost of debt and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2025-26.

**Table 4.39 (i): Computation of equity**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening Equity for FY 2024-25	1,950.42	Table 3.45 of True Up for FY 2023-24
B	Capitalization during the FY 2024-2025	413.00	Table 4.33
C	Less: Consumer contribution & de-capitalization	(50.00)	Table 4.33 & Table 4.34
D	Net Capitalization	363.00	(B+C)
E	Equity for FY 2024-25	108.90	(D*30%)
F	Closing Equity FY 2024-25	2,059.32	(A+E)
G	Average Equity for FY 2024-25	2,004.87	(A+E)/2
H	Equity for FY 2025-26	157.40	Table 4.37
I	Average Equity for FY 2025-26	2,083.57	(G+H)/2
J	Closing Equity for FY 2025-26	2,216.72	(F+H)

**Table 4.39 (ii): Weighted Average Cost of Capital (WACC)**

Sl. No.	Particulars	Amount (Rs Cr)	Remark
A	Equity	2,083.57	Table 4.39 (i)
B	Debt- Capex	1,754.25	Balancing figure
C	Debt- working capital	1,127.12	Table 4.36
D	Return on Equity	14.00%	
E	Income Tax Rate	25.17%	Enacted tax rate
F	Grossed up Return on Equity	18.71%	D/(1-E)
G	Rate of Interest	8.52%	Cost of Debt for Capex @ 8.86% & Working capital @ 8%

Sl. No.	Particulars	Amount (Rs Cr)	Remark
H	Weighted Average Cost of Capital	12.80%	

Considering the above computed WACC of 12.80% the Petitioner has computed ROCE for FY 2025-26 as follows:

**Table 4.40: Computation of Return on Capital Employed**

S. No.	Particulars	Amount Rs Cr	Remark
A	RRB (i)	4,964.94	Table 4.38
B	WACC	12.80%	Table 4.39 (ii)
C	Return on Capital Employed	<b>635.40</b>	(A*B)

### **Non-Tariff Income**

The Petitioner has kept non-tariff income for FY 2025-26 at Rs 101.98 Cr which is in line with the methodology followed by the Hon'ble Commission in the past.

**Table 4.41: Non-Tariff Income**

S. No.	Particulars	Amount (Rs Cr)
A	Non-Tariff Income/Interest on Security Deposit	101.98
B	Additional Open Access charges	
C	Total	

### **Computation of Carrying Cost Rate**

The Hon'ble Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be considered at Base Rate of Return on Equity minus One (1.00%) percent i.e., 13.00% on pre-tax basis for computation of Weighted Average Rate of Interest for funding of Regulatory Asset/Accumulated Revenue Gap through 70% Debt and 30% Equity, as per Business Plan Regulations 2023.

Further, based on the prevailing borrowing rate of carrying cost loans, rate of interest has been taken at 8.88% for FY 2025-26 for funding of regulatory gap.

Based on the above, the carrying cost rate for FY 2024-25 computed as follows.

**Table 4.42: Computations of Carrying Cost Rate**

S. No.	Particulars	FY 2025-26
A	Rate of Return on Equity	13.00%
B	Rate of Interest on Loan	8.88%
C	Rate of Carrying Cost	10.12%

### **Computation of Aggregate Revenue Requirement**

Based on the above submissions, the total Aggregate Revenue Requirement for the FY 2025-26 comes to Rs. 10,695.91 Cr. Component wise breakup of the same is given below:

**Table 4.43: Summary of Aggregate Revenue Requirement**

S. No.	Particular	Amount (Rs Cr)	Remark
A	Cost of Power Purchase	7,872.07	Table 4.29
B	O&M Expenses including Legal expenses	1,076.76	Table 4.30
C	Depreciation	363.89	Table 4.35
D	Return on Capital Employed (Including Income tax)	635.40	Table 4.40
E	Carrying Cost	852.60	Table 4.45
F	Less: Non-Tariff Income/ Interest on consumer security deposit	(101.98)	Table 4.41
G	<b>Annual Revenue Requirement</b>	<b>10,698.74</b>	

### **Computation of Revenue (Gap)/surplus without carrying cost & DRRS for FY 2025-26**

Based on the above submission, the Petitioner has estimated Revenue Gap of Rs. (2,250.09) Cr for FY 2025-26.

**Table 4.44: Computations of Revenue (Gap) for the year without carrying Cost**

S. No.	Particular	FY 2025-26	Remark
		Estimated Rs Cr	
A	Aggregate Revenue Requirement for the year without carrying cost	9,846.14	Table 4.43
B	Revenue available for the year without DRRS	7,596.05	Table 4.16
C	Revenue (Gap)/surplus for the year	(2,250.09)	(B-A)

**Computation of Closing Revenue Gap (on Provisional basis) along with Carrying Cost upto FY 2025-26**

For the FY 2025-26, the Petitioner has estimated an amount of Rs 607.65 Cr towards 8% Deficit recovery surcharge and thereafter adjusted the said amount against the total of closing revenue gap for the year.

The summary of addition in opening Revenue Gap along with carrying cost (net of 8% Deficit Recovery Surcharge) is given below:

**Table 4.45 Computations of Closing Revenue Gap**

**(Rs. Cr)**

Sl. No.	Particular	FY 2025-26	Remark
		Estimated	
A	Opening Provisional trued up Revenue Gap up to FY 2020-21	-5,787.70	Para no. 3.374 of True up FY 20-21
B	Add: Revenue Gap sought for FY 2021-22 (including carrying cost & DRRS)	-789.04	Table 3.67 of True up petition FY 21-22
C	Revised Opening Revenue Gap up to FY 2022-23	<b>-6,576.74</b>	(A+B)
D	Impact of Various Judgement	-402.48	Table 3.58 of True up petition FY 23-24
E	Add: Revenue Gap sought for FY 2022-23 (including carrying cost & DRRS)	-846.92	Table 3.65 of True up petition FY 22-23
F	Opening Revenue Gap for FY 2023-24	<b>-7,826.14</b>	(C+D+E)
G	Add- Revenue Surplus for FY 2023-24	61.30	Table 3.58 of True up petition FY 23-24
H	Opening Revenue Gap for FY 2024-25	<b>-7,764.84</b>	(F+G)
I	Add- Revenue Gap for FY 2024-25	-1,932.83	Table 4.44 of ARR for FY 24-25
J	Estimated PPAC on the basis of DERC order for FY 2024-25	2,394.44	
K	Opening Revenue Gap for FY 2025-26	<b>-7,303.23</b>	(H+I-J)
L	Revenue (Gap)/Surplus for the year	-2,250.09	Table 4.44
M	Closing Revenue (Gap)	<b>-9,553.32</b>	(K+L)
N	Carrying Cost Rate	10.12%	Table 4.42
O	Carrying Cost	-852.60	(K+M)/2*N
P	Recovery of carrying cost from 8% Deficit Revenue Recovery Surcharge	607.65	Table 4.15 (DRRS@99.80%)
Q	Closing Revenue Gap (including carrying cost)	<b>-9,798.27</b>	M+O+P

## **COST OF SERVICE**

The Petitioner has considered same approach for determining the cost of supply for different voltage levels as adopted by the Hon'ble Commission in its earlier Tariff Orders.

The total ARR has been allocated in the Wheeling and Retail Supply business 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.

## **ALLOCATION OF WHEELING ARR**

The Petitioner has considered the gross energy sales (MU's) for the FY 2025-26 and has allocated the same to different voltage levels in the proportion of energy sales (MU's) to these voltages to total sales. The voltage wise estimated energy sales for FY 2025-26 is as shown in the following table:

**Table 5.1: Estimated Energy Sales for FY 2025-26**

<b>Particulars</b>	<b>MU's</b>
Sales above 66 kV level	136.13
Sales at 33/66 kV level	88.51
Sales at 11 kV level	1,077.66
Sales at LT level	9,479.00
<b>Total</b>	<b>10,781.30</b>

The Petitioner has thereafter grossed up the energy sales (MU's) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU's) for that level. The summary of the voltage wise distribution losses considered by the Hon'ble Commission are as follows:

**Table 5.2: Estimated Distribution Loss for FY 2025-26**

<b>Particulars</b>	<b>Percent</b>
Loss above 66 kV level	0.00%
Loss at 33/66 kV level	0.77%
Loss at 11 kV level	2.60%
Loss at LT level	7.33%



The Petitioner would like to mention that the voltage wise distribution losses considered above are estimates and based on same the Energy Input (MU's) for the respective voltage levels are shown as follows:

**Table 5.3: Estimated Energy Input for FY 2025-26**

Particulars	MU's
Input for 66 kV level	136.13
Input for 33/66 kV level	89.20
Input for 11 kV level	1,106.42
Input for LT level	10,228.71
<b>Total</b>	<b>11,560.47</b>

Pending detail evaluation of the allocation ratio between Wheeling and Retail Business, the ratio as given in Business Plan Regulations, 2023 has been considered and the wheeling ARR for FY 2025-26 is computed as below:

	Wheeling Business	Ratio	Amount Rs Cr
A	O&M Expenses	62%	667.59
B	Depreciation	77%	280.19
C	ROCE including Tax	72%	457.49
D	Carrying cost	14%	119.36
E	Non-Tariff Income	40%	40.79
F	<b>Total Wheeling ARR</b>		<b>1,483.85</b>

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 5.4: Wheeling cost for different voltages for FY 2025-26**

Particulars	Amount Rs Cr
Above 66 kV level	17.47
At 33/66 kV level	11.45
At 11 kV level	142.02
At LT level	1,312.91
<b>Total</b>	<b>1,483.85</b>

Based on the energy sales at the respective voltage levels the Petitioner has determined Wheeling Charge per unit for different voltages for FY 2025-26 as follows:

**Table 5.5: Wheeling Charges for FY 2025-26**

<b>Particulars</b>	<b>Rs-kWh Per unit</b>
Above 66 kV level	1.28
At 33/66 kV level	1.29
At 11 kV level	1.32
At LT level	1.38
<b>Average</b>	<b>1.38</b>

### **ALLOCATION OF RETAIL SUPPLY ARR**

The ratio as given in Business Plan Regulations, 2023 has been considered and the Retail Wheeling ARR for FY 2025-26 is computed as below:

<b>Retail Business</b>		<b>Ratio</b>	<b>Amount Rs Cr</b>
	<b>Expenditure</b>		
<b>A</b>	Power Purchase Cost	100%	7,872.07
<b>B</b>	O&M Expenses	38%	409.17
<b>C</b>	Depreciation	23%	83.69
<b>D</b>	ROCE including Tax	28%	177.91
<b>E</b>	Carrying Cost	86%	733.24
<b>F</b>	NTI	60%	61.19
<b>G</b>	<b>Total Retail Business ARR</b>		<b>9,214.89</b>

The Petitioner has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Petitioner 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 2025-26 is given as follows:

**Table 5.6: Retail Supply cost for different voltages for FY 2025-26**

Particulars	Amount Rs Cr
Above 66 kV level	108.51
At 33/66 kV level	71.10
At 11 kV level	881.94
At LT level	8,153.35
<b>Total</b>	<b>9,214.89</b>

Based on the energy sales at the respective voltage levels, the Petitioner has determined retail supply charges per unit for different voltages for FY 2025-26 as follows:

**Table 5.7: Retail Supply Charges at different voltages for FY 2025-26**

Particulars	Rs-kWh/unit
Above 66 kV level	7.97
At 33/66 kV level	8.03
At 11 kV level	8.18
At LT level	8.60
<b>Average</b>	<b>8.55</b>

The cost of supply determined by the Commission for the different voltage levels is shown as follows:

**Table 5.8: Tariff at different voltages for FY 2025-26**

Particulars	Rs-kWh/unit
Above 66 kV level	9.25
At 33/66 kV level	9.33
At 11 kV level	9.50
At LT level	9.99
<b>Average</b>	<b>9.92</b>

## **Tariff Rationalization**

### Measures for Tariff Rationalization

Tata Power-DDL, requests the Hon'ble Commission to determine Tariff structure in such a manner that the total revenue to be realized should be able to meet the expenditure including past recoveries of the Licensee.

Tata Power-DDL's proposals on "Tariff Rationalization" are as follows. However, brief summary is provided below for reference:

S. No	Description	Proposal	Benefits Envisaged
1	Time Bound Recovery of Regulatory Assets / Revenue Gap	Timely recovery of costs in line with National Tariff Policy, 2016 by Increase in DRRS from 8% to 20%.	Mitigate cash flow issues for DISCOM as well as carrying cost burden on consumer
2	Review of Time of Day (ToD) Tariff	Proposed Annual ToD Surcharge for consumers may be hiked on staggered basis with increase to 35% in first year followed by enhancement to 50%/60% in second year	Increasing the acceptance of ToD Tariff among consumers and allowing sufficient time to the consumers to adjust their consumption in view of increase in ToD
3	Linkage of Tariff revision to CPI	Issue Tariff Schedule for first year of control period and the Tariff of next financial years be based on a formula linked to CPI in case Tariff Order is not released by 31st March. The Tariff may be revised once the Actual Tariff Order is released.	Timely issue of tariff order not only helps DISCOMs in maintaining business financial sustainability but also help preventing the carrying cost burden on the consumers and brings better clarity to consumers as well as DISCOMs for long term planning
4	Rationalization of Tariff by matching recovery of fixed cost of DISCOMs from fixed part of Retail supply Tariff	Request to specify a trajectory for increase in Fixed Charge so as to ensure full recovery of fixed costs from fixed charges	Tariff should be cost reflective for each category of consumer as well as recover fixed cost of DISCOMs from fixed part of Tariff
5	Progressive Tariff rationalization in Domestic Consumer Segment as per Electricity Act & National Tariff Policy and Non-Telescopic Tariff for high consuming Domestic Consumers	Non-Telescopic Domestic Tariff for those consuming more than 400 units a month while Tariff for Unit Slabs of 200-400, >400 units may be rationalized	Progressively move towards cost of supplying electricity to consumers
6	Allow the levy of 8% Deficit Recovery Surcharge (DRS) on Power Purchase Adjustment Cost (PPAC)	Hon'ble Commission vide its Tariff Order dated 30.09.2021 has subsumed the revenue of Rs 626.57 Crore from PPAC for meeting the ARR requirement for the FY 2021-22 and thus PPAC has already become part of base Energy Charge and Fixed Charge Tariff and therefore DRS should be applicable on PPAC Charges	DRS is provided for liquidation of Regulatory Assets. The loss due to non-levy of DRS on PPAC (becoming part of base Tariff) will get plugged and improve cash flow situation of Tata Power-DDL
7	Green Power Tariff for consumers with less than 1 MW sanctioned	Green Power Tariff at premium of Re 1 per unit and also allow to	It would boost Renewable Power tie ups and will also

	load and Non- Open Access consumers	account this power in DISCOM's RPO obligation compliance and to carry forward the excess to next year	help in better RPO compliance
8	Mandatory Online Payment for consumers with Bill more than Rs 4000/-	Online payments for bills of more than Rs. 4000/- will help improving collection efficiency and cashflow of Discoms in line with MoP Electricity (Rights of Consumers) Rules, 2020 as amended from time to time, of online payment of any bill more than Rs. 1000/-.	Reduction in payment realization time and reduction in number of cheque bounce cases.
9	Mechanism for recovery of 100% variation in Power Purchase in line with MoP Rules.	Proposed to increase the Suo Moto limit of PPAC levy in line with Electricity (Amendment) Rules, 2022	Timely Pass through of Power Purchase Cost on monthly basis and reducing the carrying cost burden on consumers
10	Request to update the Other/Miscellaneous charges every year in the Tariff Orders.	Other/Miscellaneous charges be revised with the issuance of Tariff Orders to make them cost reflective.	Consumer availing the services would pay for the cost and other consumers will not be burdened with it. Moreover, this will increase the Non-Tariff income and have the impact of reducing the ARR of the DISCOM.
11	Tariff based Competitive Bidding (TBCB) in the Intra-State Transmission Network	Prescribe a threshold limit of INR 50 crore and introduction of the criteria for choosing the modalities to determine the tariff under Section 62 (cost-plus) or Section 63 (competitive bidding) of the Act, in the appropriate Regulations	Development of Transmission system in a cost-efficient manner, adoption of best practices and ensure competition amongst the participants. The competition will bring new technology/ innovation, achieve reduction in Tariff and achieve completion of projects in timely manner
12	Rationalization of useful life of Distribution assets in line with recommendation of Forum of Regulators (FoR)	Rate of depreciation be followed in line with National Tariff Policy, 2016	Ensuring 24 X 7 Power to consumer by timely replacement of old assets post completion of useful life
13	Subsidy Mechanism	Grant of any subsidy to any consumer or class of consumers to be linked to release of subsidy by GoNCTD in advance for the said quarter as per section 65 of the Electricity Act 2003, Standard Operating Procedure (SOP) on subsidy accounting and payment dated 03.07.2023 and Ministry of Power, GoI, Electricity (Second Amendment) Rules, 2023 dated 26.07.23	Timely release of Subsidy to Distribution Utilities to enable proper cash flow management
14	Tariff Rationalization for charging of Electrical Vehicles on the basis of usage	Cost reflective tariff with ToD tariff so as to dissuade usage at peak times	Grid imbalance will be avoided
15	For Domestic Category, fixed charges should be levied on billing demand and surcharge on excess load	Fixed charges be levied based on billing demand and a surcharge of 30% be levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during such billing cycle.  Use of load higher than the	Fixed charges for Domestic consumers if levied on billing demand will help recover costs according to the actual usage of the consumer. Also, the surcharge on excess load will help ensure discipline amongst Domestic

		sanctioned load impacts the electricity network, may lead to burning of meter and enhances consumer indiscipline	consumers
16	Impact of New Wage Code 2022	Provision for additional Statutory Impact of New Wage Code 2022 in O& M expenses should be included in ARR	Change in law and uncontrollable in hand of Distribution companies
17	Non-Levy of 1.3 times Surcharge under temporary supply for residential construction for self-use.	The wide gap in the tariffs for Renovation being at domestic tariff and new construction of residences being at 1.3 times non-domestic energy charges will be reduced.	Consumer will be motivated to take temporary supply for construction purposes.
18	Revised methodology for LPSC	Levy of higher LPSC and on full month basis for defaulters	Help change the habit of paying the bill after due date but well before completing the 15 days of notice period
19	Charging of leading power factor while billing (kVAh billing) to High End Consumers as allowed by other SERCs like Maharashtra Electricity Regulatory Commission.	Introduce kVAh billing in lag as well lead mode i.e. kVARh consumption in the leading power factor mode has to be taken into account as consumption.	This will ensure better quality and reliable supply of power for the consumers. The injection by high end consumers (More than 30 KVA) will be as per their actual requirement and proper voltage will be maintained for all the consumers. It will not only be helpful and beneficial for Tata Power-DDL but also for the concerned consumers.
20	Surcharge on Excess drawal	If in any month, the MDI exceeds its contracted demand, the excess load and corresponding energy consumption shall be billed at double the normal rate.	This will help penalize violators on two counts viz. excess demand as well as energy consumption. High cost of unplanned power purchase will be saved.
21	Restoration of "part there of" w.r.t calculation of Maximum Demand for Fixed charges of Consumers	Fixed charges calculated by rounding down the MDI be reverted back to round off to higher digit	This will help save atleast Rs. 20 Cr approx. on annual basis
22	CERC defined APPC for compensation/payment for excess generation for prosumers	Reduce the Tariff for procurement of surplus energy from Rooftop PV projects by keeping the rate at APPC as defined by CERC	APPC is the cost of procuring the power from only the conventional sources of energy for the respective DISCOM and is less than the average power purchase cost thus reducing the overall power purchase cost and burden on consumers
23	Mandatory e-bill for load above 5 kW and for Zero Amount Payable bills	E-bill be made mandatory for consumers with sanctioned load above 5 KW and for Zero Amount Payable bills.	Sending a soft copy of the bill on email or whatsapp will save wastage of paper and trees.
24	Concessions and benefits only to the consumers with clean payment record and no theft Cases	Ensure that dishonest consumers are not allowed to take benefit of concessions and only the honest avail them	Stopping the benefits to dishonest will reduce the burden on honest paying consumers
25	Levy of penalty on Harmonics and installation of PQ meters by HT/EHT consumers	Fix the penal charges at 20%-30% on Energy Charges of the respective consumer category Tariff and direct all the HT/EHT consumers to install Power Quality meter. The current option of	End users and utilities share responsibility for limiting harmonic current injections and voltage distortion



		disconnection is not practical for every Consumer.	
26	Levy of Different Slab of Energy Charges for Non Domestic consumer based upon Billing Demand	The Slab of Energy Charge to be levied should be based upon the Levy of Different Slab.	Correct charging of Energy Charges Slab in line with Actual Usage of Non Domestic Customers

## 1. Time Bound Recovery of Regulatory Assets / Revenue Gap

We would like to draw your kind attention to the Judgment dated 11<sup>th</sup> Nov 2011 in OP No. 1 of 2011 of Hon'ble Appellate Tribunal for Electricity (APTEL) regarding *Tariff Revision (Suo- Moto action on the letter received from Ministry of Power)* where-in the Hon'ble APTEL has emphasized on timely recovery of regulatory assets.

The relevant observation of the Hon'ble Tribunal in the said matter is as under:

*"65 (iv)..... **The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years** at the most and preferable within Control period. Carrying Cost of the Regulatory Asset should be allowed to utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the Distribution Licensee."*

The concern on creation of regulatory assets in future and the need for timely liquidation of the Regulatory assets has also been emphasized in the National tariff Policy. The relevant extracts have been reproduced below:

*"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 done 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."*

*"8.3(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  $\pm 20\%$  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."*

On 10<sup>th</sup> Jan 2024, Ministry of Power, Government of India has notified the Electricity (Amendment) Rules, 2024 which provide for liquidation of revenue gap at the earliest as follows:

**"23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff.—** The tariff shall be cost reflective and there shall not be any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff **except under natural calamity conditions:**

*Provided that such gap, created if any, shall **not be more than three percent** of the approved Annual Revenue Requirement:*

*Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum **three numbers of equal yearly instalments** from the next financial year:*

*Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff **existing on the date of notification** of these rules, along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in **maximum seven numbers of equal yearly instalments** starting from the next financial year."*

The Hon'ble Commission since its tariff order dated 13<sup>th</sup> July 2012 and till date has allowed for an additional surcharge of **8% towards recovery of past accumulated deficit regulatory assets.**

Regulatory assets got created due to non-cost reflective tariff for previous years. Thus, in order to fund the said Regulatory assets, Tata Power-DDL is availing loans from the market and also paying interest on the same to the banks/FIs. However, current 8% surcharge is not sufficient to recover even the interest cost of Regulatory Assets. It is pertinent to mention that the said surcharge is not sufficient to ensure recovery of entire Revenue Gap in stipulated timeframe.

It may be appreciated that a major part of the Regulatory Asset has been hovering on the petitioner for more than 17 years and recovery of the high accumulated gap continues to remain a concern for the financial health of the Petitioner, given that there is no clear roadmap stipulated for recovery of the same.

The license to Tata Power-DDL was issued with effect from 12<sup>th</sup> March 2004 for a period of 25 years which expires on 11<sup>th</sup> March 2029. As evident, the license has balance period of five (5) years. Hence, any further addition of Regulatory Assets should be avoided.

Credit rating agency ICRA in its rating has also expressed his concerns on the liquidation prospects of regulatory assets. Even a one notch down in credit rating from existing level will impact our interest rate by around 70-90 basis points. Also, absence of clear cut roadmap for the liquidation of regulatory asset severely impacts the future lending rates. Therefore, an early amortization of such huge built up Revenue Gap would further help in sustenance of the current credit rating of the Petitioner, ultimately resulting into lower cost of debt and saving of the carrying cost to the benefit of the consumers.

Recently, banks have also started raising concern for granting Capex loan for tenure beyond license period.

Table below indicates that while the Hon'ble Commission had projected a lower quantum of opening and closing revenue gap for the assessment of carrying costs for each annual revenue

requirement, the actual quantum of opening and closing revenue gap arrived at during the true-up exercise for each FY is much higher than assessed earlier.

**Rs Cr**

Trued up by DERC for Tata Power-DDL	FY 15-16	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Opening Revenue gap	(3,194)	(2,394)	(2,254)	(1,889)	(1,762)
<b>Closing Revenue (Gap)/Surplus</b>	<b>(2,454)</b>	<b>(2,254)</b>	<b>(1,889)</b>	<b>(1,762)</b>	<b>(5,788)</b>
<b>Projected by DERC in ARR</b>					
Opening Revenue Gap	(3,351)	(2,223)	(1,867)	(1,296)	(1,190)
<b>Closing Revenue (Gap)/Surplus</b>	<b>(1,896)</b>	<b>(1,555)</b>	<b>(1,068)</b>	<b>(802)</b>	<b>(794)</b>
<b>Difference between closing RA</b>	<b>(558)</b>	<b>(699)</b>	<b>(821)</b>	<b>(960)</b>	<b>(4994)</b>

As evident, the mechanism put in place by the Hon'ble Commission to amortize Regulatory Asset (RA) is wholly inadequate as Deficit Recovery Surcharge (DRS) @ 8% is not even able to meet the interest component of the accumulated revenue gap since FY 2011-12. The above assessment corroborates the aforesaid claim as the additional RA has been created each Financial Year due to, among other things, inadequate carrying costs recovered through annual revenue requirements. **Tata Power-DDL accordingly requests the Hon'ble Commission to review the applicable DRS percentage and increase it to at least 20% and ensure no fresh creation of regulatory assets (Cost reflective tariff from FY 2025-26) in order liquidate the past Regulatory Asset within seven Years from the date of Notification of MoP which was 10<sup>th</sup> Jan 2024, starting from FY 2024-25.**

## **2. Review of Time of Day (ToD) Tariff**

The Hon'ble Commission, in its Tariff Orders dated 13.07.2012 and 29.09.2015 implemented ToD Tariff wherein peak hour consumption is charged at a higher rate reflecting the higher cost of power purchase during peak hours. At the same time, a rebate was offered on consumption during the off-peak hours. This was meant to incentivize customers to shift a portion of their loads from peak hours to off-peak-hours thereby improving the system load factor, flatten the load curve and optimize the cost of power purchase which constitute over 80% of the tariff charged from the consumers.

Both these steps were envisaged to facilitate flattening of the load curves for the DISCOMs.

The Hon'ble Commission, in its Tariff Order dated 29.09.2015 had reviewed the ToD time slots and restricted the applicability of ToD Tariff for the period May – September instead of the whole year as below:

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%

We have analyzed the Demand curves for the past 15 years (given below) and following are evident from these curves:

1. Two distinct peaks and two distinct off-peak periods are noticed in the load curves for summer as well as winter months.

**2. Summer:**

- a. Peak Periods: 0000 – 0100 hrs, 1300 – 1700 hrs. and 2100 – 2400 hrs;
- b. Off-peak Period: 0300 – 0900 hrs.

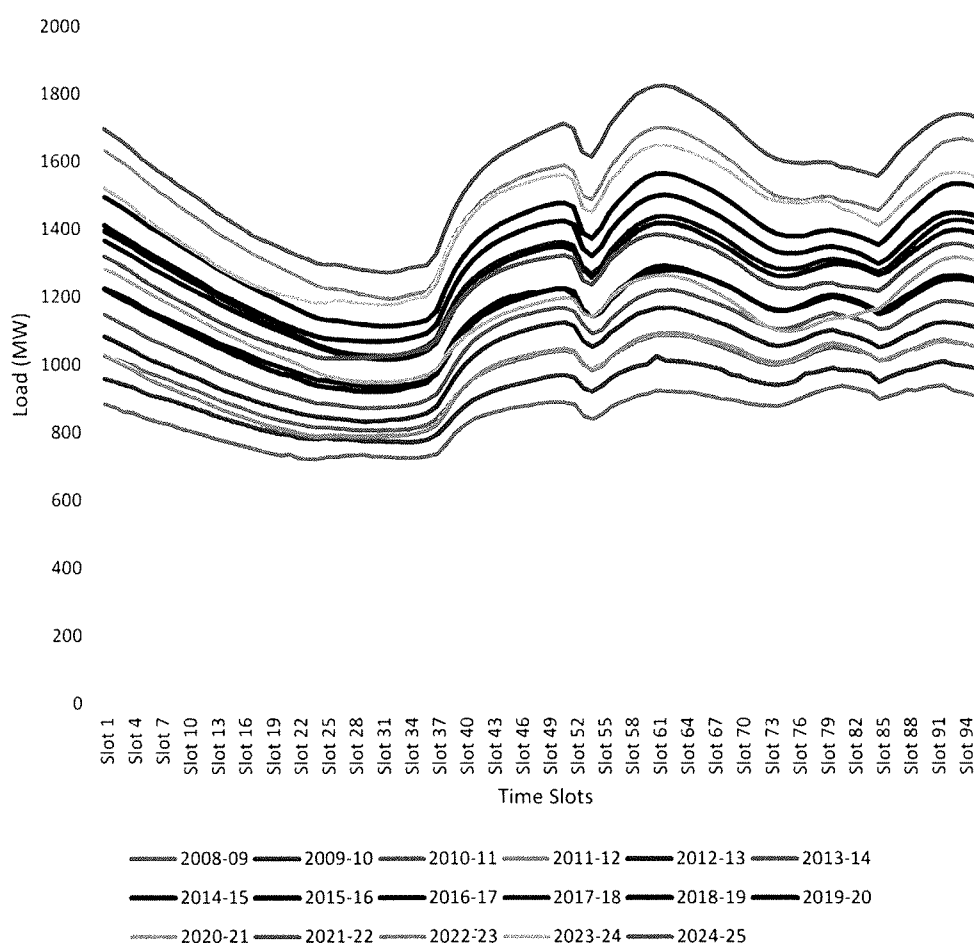
**3. Winter:**

- a) Peak Periods: 0600 – 1200 hrs, and 1700 – 2200 hrs;
- b) Off-peak Period: 0000 – 0400 hrs.

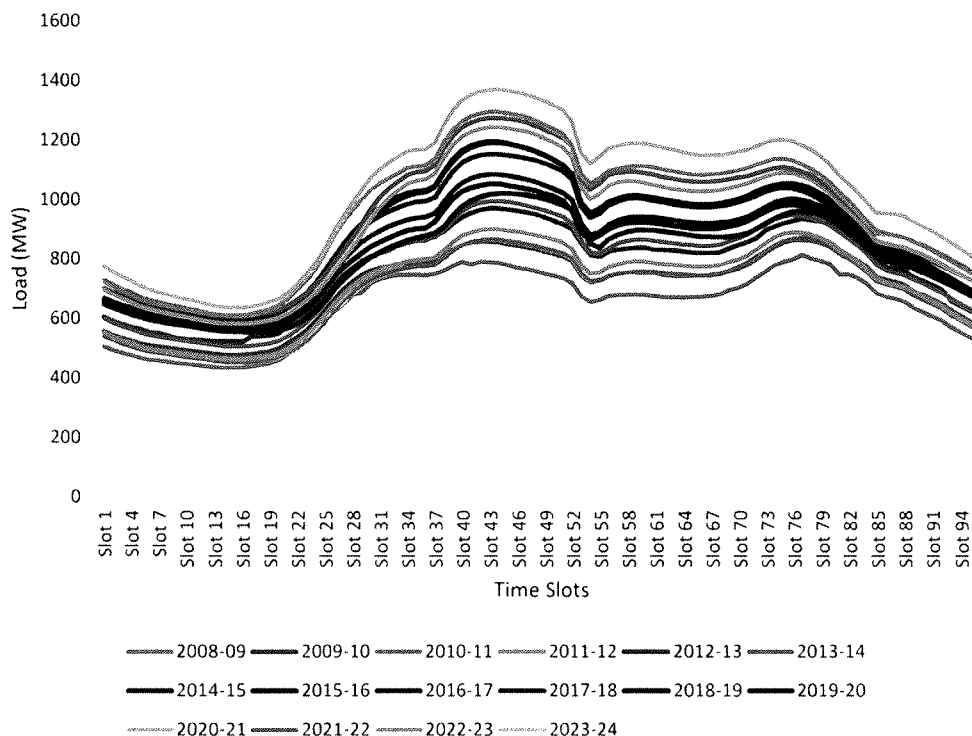
4. Base load of 1400 MW is noticed during April – September and 900 MW during October-March.

5. While the average power purchase cost at base load @ 1400 MW April – September and @ 900 MW during October – March is almost the same based on the Merit Order Despatch (MOD) principles, the power purchase cost increases by ~ 150% to meet the peak load during April – September and ~ 30% to meet the peak load during October - March.

Summer Load Curve (Average April to September)



### Winter Load Curve (Average Oct to March)



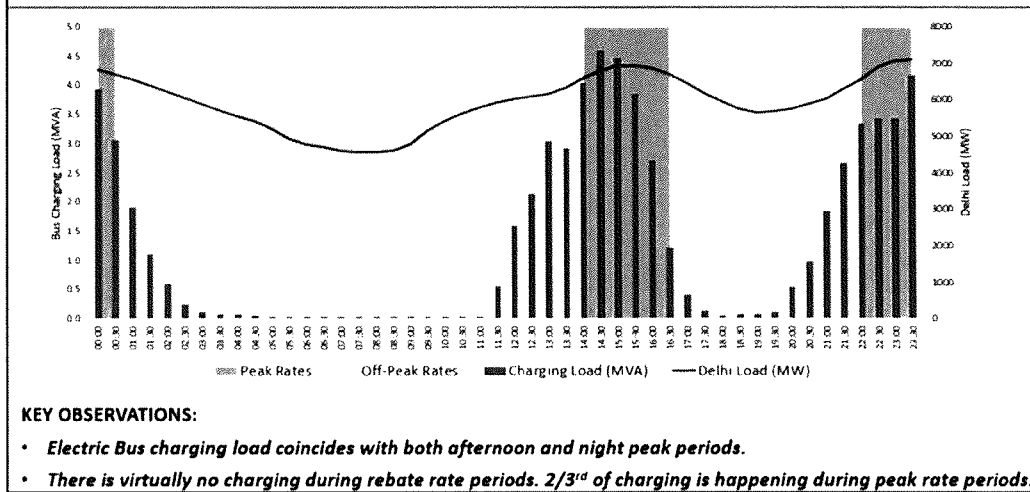
The load curve for the past 16 years shows that curve has not flattened with current ToD rebate and surcharge offered. This requires a relook on the Surcharge and Rebate being offered as only a large differential Tariff will force/incentivize the consumer for shift to the Off Peak Period.

Further, Peak load of Discoms will increase with increase in EV absorption. The load of EV charging will be during the daytime only at the charging stations. This will again reverse the load curves flattened due to TOD and lead to Grid imbalance. Hence, to dissuade EV owners from getting them charged during peak hours, there needs to be an all month peak and off peak defined separately for the EV charging Category.

We have analyzed the Demand Curve of recently energized Delhi Transport Corporation Electric Bus Depot in Sec-37 Rohini and observed that the Peak Demand of Depot coincides with Peak of Discoms leading to further imbalance in peak and off peak load of the Discoms. The demand curve of DTC EV depot is given below for reference:



### RG-37 EV Depot Charging Profile vs. Delhi Load



Hence, it is necessary that ToD Tariff for EV Consumers should have large differential between Peak Surcharge and Rebate so that consumer is motivated to shift its load from peak slots.

Accordingly, Tata Power-DDL submits the following proposal to the Hon'ble Commission for approval on applicability of the Time of Day (ToD) Tariff from 01.04.2025 onwards:

Consumer Type	Months	Peak Period	Surcharge on Energy Charges	Off-Peak Period	Rebate on Energy Charges
Other Consumer	April – September	0000 – 0100 hrs. 1300 – 1700 hrs. 2100 – 2400 hrs.	50%	0300 – 0900 hrs.	20%
	October – March	0600 – 1200 hrs. 1700 – 2200 hrs.	20%	0000 – 0400 hrs.	20%
Electric Vehicle Charging	April – September	0000 – 0100 hrs. 1300 – 1700 hrs. 2100 – 2400 hrs.	60%	0300 – 0900 hrs.	20%
	October – March	0600 – 1200 hrs. 1700 – 2200 hrs.	60%	0000 – 0400 hrs.	20%

The aforesaid ToD Tariff is applicable since last 8 years and hence, Tata Power-DDL requests the Hon'ble Commission to review its performance basis the load curves noticed during the summer months [April – September] and winter months [October – March] in its distribution area and appropriately modify the ToD Tariff for flattening the load curve.

### **3. Linkage of Tariff revision to CPI**

Tariff order should be ideally issued by March end of each financial year for implementation from start of next financial years.

- a) Electricity Act 2003 provides for timelines of 120 days for SERCs to determine the Tariff under Section 64 from the date of filing ARR.
- b) Tariff Policy 2016 also provides for SERCs to take suo moto action in case of delay in filing of Tariff Petition by Licensee and that the Tariff changes should come into effect from the date of commencement of each financial year.
- c) MoP, GoI vide communication no. 23/02/2021-R&R [257091] dated 1/04/2021 has released advisory regarding issuing Tariff Order before 1<sup>st</sup> April of the tariff year.

Timely issue of tariff order not only helps DISCOMs in maintaining business financial sustainability but also help preventing the carrying cost burden on the consumers. Further, issue of Tariff Schedule for entire Control period brings clarity to consumers as well as DISCOMs for long term planning. Industrial and commercial consumer can estimate in advance regarding its input cost of electricity and thereby plan for future productions.

Timely release of Tariff Order is an important element for recovery of ARR which ensures that the required ARR is recovered in timely manner and on Financial Year basis.

However, it was observed that there was delay in issue of last few Tariff Orders and Tariff Order was not issued at all for FY 2022-23, FY 2023-24 and FY 2024-25. Such delay not

only impacts the DISCOMs by non-recovery of actual cost but also leads to the unwarranted carrying cost burden on the Consumers.

Thus, to prevent the above delays, it is requested that the Hon'ble Commission may consider the Automatic Revision of Tariff from 1<sup>st</sup> April of each year based upon the CPI Inflation Index. Such Automatic Revision will be suitably adjusted once the True Up is Completed.

The 85% - 90% cost of any Distribution Company is Power Purchase and O & M Expenses which are directly affected by the rise in Inflation. Increase in cost of Coal, Gas and Transportation directly impact the long term and short-term Power Purchase Cost. Though the PPAC formula covers the increase in long term power purchase cost to some extent, however there is delay of at least 4 months from incurring the cost to recovery and recovery is also limited up to maximum of 8.75% on Suo Motto Basis. There is considerable delay in recovery of rest of differential cost through adjudication of differential PPAC Petition. Further, Current PPAC mechanism doesn't include short term power purchase cost.

Further, Hon'ble Commission also provide increase in yearly O & M expenses by linking it to Inflation. Hence, though the O & M expenses of Discoms increases from 1<sup>st</sup> April of every year, the corresponding increase in Tariff is not reflected till Tariff Order is released.

Therefore, the inflation indexed approach will help in compensating the annual increases in Average Cost of Supply. Looking at past trends, the general Consumer Price Inflation (CPI-IW) index seems to be a convenient fit, since the CPI inflation rates for Delhi (taken from <https://labourbureau.gov.in> ) compared for the December months of past years are around 5%.

CPI-IW						
S. No.	Base Year	State	Year	Month	Index	Inflation rates (%) based on CPI (General)-Industrial workers(YoY)
1	2016	DELHI (NCT)	2023	Dec	130.2	1.17%
2	2016	DELHI (NCT)	2022	Dec	128.7	6.89%
3	2016	DELHI (NCT)	2021	Dec	120.4	7.21%
4	2016	DELHI (NCT)	2020	Dec	112.3	

Further, irrespective of CPI inflation, actual annual increase can be capped at 6%. **This method for ensuring timely tariff changes has been notified by the Hon'ble Tamil Nadu Electricity Regulatory Commission (TNERC) while issuing the Tariff for FY 2022-23 to FY 2026-27.** It states that the applicable tariff for ensuing years of control period shall be as per ***"prevailing tariff x (1+(CPI of April of respective financial year – CPI of April of previous financial year)/ CPI of April of previous financial year) or 6% whichever is lower"*** with effect from 1<sup>st</sup> July of respective financial year.

As the final CPI figures are usually released by Labour Bureau, Ministry of Labour and Employment, GoI around 3 months from end of the month and hence for the implementation of the Tariff changes from 1<sup>st</sup> April, it would require the CPI of Dec month which would be available by March month.

Hence the following formula for Tariff each financial year for a control year is proposed:

**Lower of the following two:**

- a) ***prevailing tariff x (1+(CPI of December of previous financial year – CPI of December of previous to previous financial year)/ CPI of December of previous to previous financial year)***

***or***

- b) ***6%***

Hence, the Hon'ble Commission is requested to kindly issue Tariff Schedule for first year of control period and the Tariff of next financial years be based on the aforesaid formula for timely implementation if the Tariff Order is not released by 31<sup>st</sup> March and also for better clarity to consumers as well as DISCOMs for long term planning. The Tariff may be revised once the Actual Tariff Order is released.

#### **4. Rationalization of Tariff by matching recovery of fixed cost of DISCOMs from fixed part of Retail Supply Tariff**

We have analyzed the cross subsidy of different categories of consumers as allowed by the Hon'ble Commission in True up orders of Tata Power-DDL from FY 13 to have a more realistic understanding. Progressive reduction of cross subsidies of domestic consumer has been reversed in last two year's Tariff Orders. In fact, instead of the reducing trend, the cross subsidy of domestic customers has increased from 30% (FY13) to 57% (FY22) in last nine years.

Further, the Hon'ble Commission released an approach paper on Tariff Rationalization in Feb'18, wherein it agreed that in the present scenario, there is a mismatch between the actual Fixed and Variable Cost liability incurred by DISCOMs to the proportion of cost recoverable through Fixed Charge and Energy Charge. As a way forward, the Hon'ble Commission had proposed that the bifurcation between Fixed charges and Energy charges should be adjusted gradually, say over a period of three to five years, so as to make the retail tariff reflective of the actual Fixed Cost, so as to minimize the Cross Subsidy between Fixed & Energy Charges. Recovery from fixed charges as per Tariff Order for FY 21-22 is only around 16.8 % against around 65.32% fixed cost of the ARR.

**Percentage of fixed cost catered through Retail Tariff for last 5 Trued Up years is tabulated below:**

<b>Particulars</b>	<b>FY 20-21</b>	<b>FY 19-20</b>	<b>FY 18-19</b>	<b>FY 17-18</b>	<b>FY 16-17</b>
Fixed cost provided in True Up	4,352.29	4,190.79	3,999.48	4,006.71	3,820.29
Fixed cost collected from consumers	1,070.82	1,267.18	1,422.91	534.53	476.94
Percentage of fixed cost catered through Retail Tariff	24.60%	30.24%	35.58%	13.34%	12.48%

One of the objectives of the Tariff Policy is to ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance for reliability of supply of electricity to consumers as per Section 4 (i) of the Tariff Policy, 2016. Lower recovery of fixed costs of a distribution utility from the Fixed Charges increases the

variability of recovery of its costs as recovery of Energy Charges depends on the consumption thereby pushing the distribution utility to cut down on building efficient network.

Further, as per Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the components of Fixed Charge of the Distribution Licensee have been defined in Regulation 130 and is reproduced below for ready reference:

*130. The Fixed Charge of the Distribution Licensee shall consist of the following components:*

*(a) Capacity Charges of Generating Stations as approved/adopted by the appropriate Commission;*

*(b) Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate Commission;*

*(c) Fixed Cost of Distribution Licensee:*

*(i) Return on Capital Employed;*

*(ii) Depreciation; and*

*(iii) Operation and Maintenance expenses.*

There is an urgent need of gradual balancing of the fixed charge recovery from the consumers through tariff with the fixed charge obligation of the distribution utilities. The details of applicable fixed charges in Domestic Category for FY 18-19 and FY 2024-25 for various states like Delhi, Maharashtra (MSEDCL), UP and Rajasthan is given below. It is only in Delhi that the fixed charges have been reduced creating a mismatch in recovery of fixed cost as Fixed Charge forming part of the Tariff.

State	Domestic Slab	FY 24-25	FY 18-19
Delhi (for FY 21-22 applicable for FY 24-25 also)	Upto 2 kW	20 Rs./kW/month	125 Rs./kW/month
	> 2kW and ≤ 5 kW	50 Rs./kW/month	140 Rs./kW/month
	> 5kW and ≤ 15 kW	100 Rs./kW/month	175 Rs./kW/month
	>15kW and ≤ 25 kW	200 Rs./kW/month	200 Rs./kW/month
	> 25kW	250 Rs./kW/month	250 Rs./kW/month
Maharashtra (MSEDCL)	All loads	Single Phase : Rs.128 per month Three Phase - Rs. 424 per month	Single Phase : Rs.80 per month Three Phase - Rs. 300
Uttar Pradesh (Govt. Owned Discoms) (For FY 23-24)	All loads	Rs. 110.00 /kW/Month	Rs. 100.00/ kW/Month
Rajasthan	Consumption Upto 150 units/month	Rs. 250/ connection /Month	Rs. 200/ connection /Month
	Consumption above 150 units & upto 300 units/month	Rs. 300/ connection / month	Rs. 220/ connection / month
	Consumption above 300 and upto 500 units/month	Rs. 400/ connection / Month	Rs. 265/ connection /Month
	Consumption above 500 units/month	Rs. 450/ connection /Month	Rs. 285/ connection /Month

In light of the facts highlighted above and in the interest of consumers and financial viability of the Delhi DISCOMs, the Hon'ble Commission is requested to kindly **revert to the fixed charges of FY 2018-19** and specify a trajectory for increase in Fixed Charge so as to ensure full recovery of fixed costs from fixed charges considering our submissions and ensure that the ensuing tariff should be cost reflective for each category of consumer as well as recover fixed cost of DISCOMs from fixed part of Tariff.

**5. Progressive Tariff rationalization in Domestic Consumer Segment as per Electricity Act & National Tariff Policy and Non-Telescopic Tariff for high consuming Domestic Consumers:**

One of the salient objectives of the electricity reforms beginning with the Electricity Act, 2003 (EA 2003) was reduction in the level of cross subsidies in tariff. The EA 2003, the National Electricity Policy, 2005 and the Tariff Policy, 2016 specify the framework to



reduce cross subsidies in retail tariffs in India.

The EA 2003 prescribes that cross subsidies in electricity tariffs should be reduced. It was envisioned that post reforms, tariffs would progressively move towards cost of supplying electricity to consumers. Wherever subsidization is required (in case of Lifeline consumers, agriculture etc.), the EA 2003 favoured a more transparent method of direct subsidies over cross subsidies.

But even after 21 years of power sector reforms, the Delhi Electricity Tariff is yet to achieve significant progress in reducing cross subsidies prevailing in the system. Instead of reducing the cross subsidies, the cross subsidy of domestic consumers has increased in recent years.

**Cross Subsidy as per Tata Power-DDL Tariff Order FY 2021-22**

S. No.	Category	ACoS (Rs./unit)	ABR at Revised Tariff (Rs./unit)	Cross Subsidy (Rs./unit)	Cross- subsidy with respect to ACoS (%)
A	Domestic	7.64	4.35	3.29	43.06%
B	Non- Domestic	7.64	10.9	(3.26)	(42.67%)
C	Industrial	7.64	9.39	(1.75)	(22.91%)
D	Agriculture	7.64	4.3	3.34	43.72%
E	Public Utilities	7.64	7.65	(0.01)	(0.13%)
G	E-Vehicle Charging Stations	7.64	4.5	3.14	41.10%

Cross Subsidy burden is exceptionally high for domestic consumers. In fact, such high Cross Subsidy burden has not been provided for any other category except Agriculture and EV charging stations. Hence, it is submitted that there is a need for rebalancing of the Tariffs for domestic category. This would enable rationalization of the Cross Subsidy across categories while at the same time creating a predictable and level playing field.

It is proposed that the category-wise Energy Charges be such that the cross-subsidy with respect to the ACoS across consumer categories is reduced from the present levels, and the Tariff of most of the consumer categories comes within the +/-20% of the ACoS as suggested in the Tariff Policy 2016.

The absence of the cost reflective tariff in the past years has resulted in creation of the Regulatory Asset and Delhi DISCOMs have already been facing problem of non-liquidation of this accumulated Revenue Gap in a time bound manner creating a liquidity crunch situation. Further, the concern on creation of Regulatory Assets in future and the need for timely liquidation of the Regulatory Assets has also been emphasized in the Tariff Policy, 2016.

Further on comparison of Different Slabs of Domestic Tariff of Delhi with Mumbai, it can be observed that the highest slab in Mumbai starts from 501 Units while in Delhi the Highest Slab Starts from 1200 Units. The Tariff of Highest Slab in Mumbai is INR 16.64 per unit while in Delhi it is INR 8 per unit

MSDCL-Maharashtra for FY 24-25				Tata Power-DDL-Delhi for FY 21-22 applicable till date				
	Fixed charges	Energy charges	ACoS	Fixed Charges		Energy Charges		ACoS
Unit slab	Rs./ Connection/ month	Rs./unit	Rs./ unit	Sanctioned load slab	Rs./ kW/ month	Unit slab	Rs./ unit	Rs./ unit
				Upto 2 kW	20	0-200	3	7.64
0-100	128	4.71	8.14	> 2kW and ≤ 5 kW	50	201-400	4.5	7.64
101-300	128	10.29	8.14	> 5kW and ≤ 15 kW	100	401-800	6.5	7.64
301-500	128	14.55	8.14	>15kW and ≤ 25 kW	200	801-1200	7	7.64
Above 500	128	16.64	8.14	> 25kW	250	>1200	8	7.64

This clearly indicates that the domestic consumer in Delhi are highly cross subsidized even at higher consumption level of > 400 Units and highest slab of domestic tariff need to be brought down from current 1201 unit to 401 unit to make tariff equal to cost of supply.

Consumption is getting higher and higher in Delhi with changing times and lifestyle changes. Domestic category has lower tariffs for lower consumption slabs and as the consumption increases, tariff also increases. But the high consuming ones also get the benefit of lower tariff according to the slabs. A domestic consumer in Delhi on an average should have a consumption not more than 400 units a month.

In order to deter the high consumption consumers and to limit their consumption and keep it at some lower level, the benefit of lower tariff slabs of domestic category should be disallowed to those consuming more than 400 units a month. For consumers using more than 400 units, one flat rate should be specified without any slabs. This will help reduce wasteful consumption, contribute in combating climate change, make consumers more energy saving conscious and will help only the economically weaker sections to take the benefit of cheaper power on lesser consumption.

**For the reasons cited above, the Hon'ble Commission may kindly notify a separate flat rate for high consumption in Domestic Category.**

Further, following is the summary of ratio of ABR to PPC as per approved ARR over past 5 years:

As per Tariff Order					
FY	PPC per Kwh	ACOS per Kwh	ABR – Domestic	ABR / PPC	ABR / ACOS
FY 17-18	5.63	7.63	5.87	104%	77%
FY 18-19	5.19	7.34	5.42	104%	74%
FY 19-20	5.44	7.32	4.96	91%	68%
FY 20-21	5.34	7.40	4.73	89%	64%
FY 21-22	5.55	7.64	4.35	78%	57%

By analyzing the above table it can be concluded that as the % of ABR / ACoS is reducing from 77% in FY 17-18 to 57% in FY 21-22 (i.e. cross subsidy is increasing from 23% to 43%) & the DISCOM is not even in the position to recover its approved Power Purchase Cost.

**Delhi Electricity Tariff is yet to achieve significant progress in reducing cross subsidies prevailing in the system. Instead of reducing the cross subsidies, the cross subsidy of domestic consumers is being increased.**

**Therefore, in view of above submission, the Hon'ble Commission is requested for:**

1. Non-Telescopic Domestic Tariff for those consuming more than 400 units a month. Current slabs are at 0-200, 201-400, 401-800, 801-1200 & > 1200 units. This will change to 0-200, 201-400 & >400 units (Non-telescopic). Non-telescopic Tariff is already implemented in states like Haryana, Assam, Kerala, Tripura, Jharkhand and Arunachal Pradesh.
2. Rationalization in tariff in line with paying capacity of consumers. Tariff for Unit Slabs of 200-400, >400 units may be rationalized as these are a relatively smaller base of consumers and can afford to pay as per cost of supply.

**6. Allow the levy of 8% Deficit Recovery Surcharge (DRS) on Power Purchase Adjustment Cost (PPAC)**

The Hon'ble Commission in its Tariff Order dated 13.07.2012 on True Up for FY 2010-11 & Multi Year Tariff Order for FY 2012-13 to FY 2014-15, had introduced a surcharge @ 8%, now known as Deficit Recovery Surcharge (DRS), for meeting the carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap (or regulatory asset). The relevant para is reproduced below for ready reference:

*"5.10 For meeting carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission has decided to introduce a **surcharge of 8% over the revised tariff.**"*

Thus, the surcharge was introduced over the **entire tariff** applicable for the year which include Fixed and Variable Charge at that time.

Further, DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides for the following which are relevant in the present context:

*"129. The recovery of ARR for supply of electricity to be billed by the Distribution Licensees shall comprise of:*

*(1) Fixed Charge, and;*

*(2) Variable Charge*

*130. The Fixed Charge of the Distribution Licensee shall consist of the following components:*

- (a) Capacity Charges of Generating Stations as approved/adopted by the appropriate Commission;*
- (b) Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate Commission;*
- (c) Fixed Cost of Distribution Licensee;*
  - (i) Return on Capital Employed;*
  - (ii) Depreciation; and,*
  - (iii) Operation and Maintenance Expenses*

*131. The Variable Charge of a Distribution Licensee shall consist of the following components:*

- (a) Energy Charges (Power Purchase Cost excluding Capacity Charges);*
- (b) Trading Margin, if any; and*
- (c) Open Access Charges, if any.*

*132. The Commission shall design the Tariff Schedule, indicating Tariff for various categories of consumers in the area of the Distribution Licensee, in the relevant Tariff Order in order to enable recovery of ARR.:”*

**Now the Hon'ble Commission vide its Tariff Order dated 30.09.2021 has subsumed the revenue of Rs 626.57 Crore from PPAC for meeting the ARR requirement for the FY 2021-22. Thus, the PPAC has been subsumed in the Tariff Charges by the Hon'ble Commission.**

The PPAC subsumed by the Hon'ble Commission for FY 2021-22 has been depicted in the following table of Tariff Order dated 30.09.2021:

**Table 4. 72: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)**

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement (ARR)	6939.44
2	Add: Carrying Cost for FY 2021-22	92.25
3	Add: PPAC Cost Subsumed	13.69
4	<b>Revised ARR (1+2+3)</b>	<b>7045.38</b>
5	Revenue at Revised Tariff	6443.76
6	Add: Revenue from PPAC	626.57
7	<b>Total Revenue (5+6)</b>	<b>7070.33</b>
8	<b>Revenue (Gap)/Surplus (7-4)</b>	<b>24.95</b>

Therefore, the Hon'ble Commission utilized the Revenue from PPAC listed at srl no. 6 of the above table to meet the Annual Revenue Requirement (ARR) for FY 2021-22.

PPAC is levied 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. However, it becomes apparent from the above submissions that the Hon'ble Commission has notified the Tariff for various consumer categories by utilizing this PPAC amount in revenue of ARR. Hence, PPAC has already become part of Fixed Charge or Variable / Energy Charge as the revenue is considered against both as a whole.

**In other words, PPAC has become part of base Energy Charge and Fixed Charge Tariff (excluding Taxes surcharges etc.) and DRS should be applicable on PPAC Charges.**

Therefore, the Hon'ble Commission is requested to allow recovery of DRS on applicable PPAC since DRS is levied on basic tariff as per the following provision of Tariff Order dated 30.09.2021:

*"7. 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. for the consumers of BRPL, BYPL & TPDDL:*

*(a) 8% towards recovery of accumulated deficit, and,*

*(b) 7% towards recovery of Pension Trust Charges of erstwhile DVB  
Employees/ Pensioners as recommended by GoNCTD."*

**Accordingly, the Hon'ble Commission is requested to allow recovery of DRS on applicable PPAC.**

**7. Green Power Tariff for consumers with less than 1 MW sanctioned load and Non- Open Access consumers**

Ministry of Power, GoI had issued guidelines dated 22.03.2021 regarding exiting from conventional plants which are more than 25 years old. As Renewable Tariffs have reduced considerably over a period of time, further tie ups would reduce the Power Purchase costs and ultimately would reduce the end consumer Retail Tariffs. There are schools, institutions, hospitals and other large consumers who may be having sustainability goals; they will also get benefit by opting for such green tariff and meet sustainability goals.

Tata Power-DDL seeks to enhance the Renewable Energy consumption amongst the consumer base of Tata Power-DDL on voluntary basis. Tata Power-DDL also wishes to encourage procurement of Renewable Power amongst our consumers through supply of 100% Renewable Power on payment of Green Power Tariff in the form of surcharge which will be in addition to applicable Retail Tariff as approved by the Hon'ble Commission from time to time. Mechanism proposed as above would boost Renewable Power tie ups and exit from conventional sources of energy. Green Power Tariffs would not have negative impact on the existing Retail Tariffs but would operate as cost plus model in the form of surcharge over existing Retail Tariffs and would be totally voluntary in nature.



Consumers have opted for Renewable power under open access but such a prerogative is available only to consumers with 1 MW and above of sanctioned load. Green Power Tariff being voluntary in nature will give choice to consumers who have not opted for open access or are having sanctioned load of less than 1 MW to opt for Renewable power. The extra charges for procurement of Renewable Power being charged from specific customers would not increase the cost to be borne by other consumers. Tata Power-DDL would be buying power at economical rates leading to reduction of power purchase costs and Tariffs.

Even the Electricity Act, 2003 mandates promotion of Renewable Energy by the Appropriate Commission as given below in the following Sections of the Act:

**"Section 61. (Tariff regulations):**

*\* The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-*

.....

*(h) the promotion of co-generation and generation of electricity from renewable sources of energy;*

....."

**"Section 86. (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -**

.....

*(e) 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;"*

.....

Also, it is worth noting that in the National Tariff Policy, 2016 in its objectives, lists the promotion of generation of Electricity through Renewable Sources and the relevant extract is reproduced below:

**"4.0 OBJECTIVES OF THE POLICY**

*The objectives of this tariff policy are to:*

.....

*(e) Promote generation of electricity from Renewable sources;*

....."

The Ministry of Power, Government of India has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 along with its amendments which provides for determination of tariff for green energy by the Appropriate Commission and the relevant extract is reproduced below:

**"4. Renewable Purchase Obligation**—(2) Any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods:-

.....

*(C) By requisition from distribution licensee.— (a) Any consumer may elect to purchase green energy either upto a certain percentage of the consumption or its entire consumption and they may place a requisition for this with their distribution licensee, which shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for solar and non-solar;*

.....

*(c) The tariff for the green energy shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;"*

Green Tariff has already been implemented in some States as listed below:

1. Kamataka
2. Andhra Pradesh
3. Maharashtra
4. Gujarat
5. Haryana
6. Madhya Pradesh
7. Odisha
8. Uttarakhand
9. Uttar Pradesh

**More recently, Green Tariff has been introduced in Gujarat, Haryana, Madhya Pradesh, Odisha, Uttarakhand and Uttar Pradesh at some additional premium over convention power as follows:**

- a) In Gujarat, Hon'ble GERC has set the Green Tariff for Government owned DISCOMs and Torrent Power in the Tariff Order for FY 2024-25 at Rs 1.00/ kWh for all consumers.
- b) In Haryana, Hon'ble HERC has set "green energy premium" as the charge which such consumers opting for green energy will have to pay to the Discoms @ Rs. 0.88/unit above the normal tariff applicable in its Tariff Order for FY 2024-25.
- c) In Madhya Pradesh, Hon'ble MPERC has set Green energy Tariff in the Tariff Order for FY 2024-25 at Rs. 0.56/unit.
- d) In Odisha, Hon'ble OERC in the Tariff Order for FY 2024-25 has set Green Tariff as additional Rs. 0.20 per unit in premium over and above the normal rate of energy charges for a period of one year.
- e) In Uttarakhand, Hon'ble UERC in the Tariff Order for FY 2024-25 has set the Green Power Tariff of Rs. 0.28/kWh.

f) In Uttar Pradesh, Hon'ble UPERC in the Tariff Order for FY 2023-24 has set the Green Power Tariff of Rs. 0.44/kWh except for Domestic and Agricultural category consumers.

g) In Kerala, Hon'ble KSERC in the Tariff Order for FY 2023-24 has set the Green Tariff at Rs.0.77 per unit.

**The Hon'ble Commission is requested to allow Green Power Tariff on voluntary basis at premium of Re 1 per unit and also allow Tata Power-DDL to account this power in its RPO obligation compliance and to carry forward the excess to next year.**

This option can be exercised by the consumer by giving a request one month in advance to Tata Power-DDL in writing before commencement of billing period. Such sourcing would be for at least one year period.

**A detailed petition, Petition No. 32/2021, was filed by Tata Power-DDL and the Hon'ble Commission had disposed off the petition with Remark for considering it during Annual Tariff Exercise.**

#### **8. Mandatory Online Payment for consumers with Bill more than Rs 4000/-**

The Hon'ble Commission had made the online payment mandatory for monthly electricity bills exceeding Rs. 20,000/- in the Tariff Order for FY 2021-22 issued on 30.09.2021 and the relevant Note 17 of the Tariff Schedule is reproduced below for ready reference:

*"The payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- shall be paid Digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc."*

Consequent to the implementation of online payments as per the above directions of the Hon'ble Commission, our payment realization time has reduced and number of cheque bounce have also reduced.

Further, the Hon'ble Commission has allowed cash payments for bills only upto Rs. 4000/- vide its Tariff Order for FY 2021-22 issued on 30.09.2021.

In today's times everybody is using internet and digital payments. Hence, consumers with Bill of Rs. 4000/- and above can be assumed comparatively well off and to be better equipped for handling such online transactions. These consumers can be asked to pay bill by digital modes only like e-wallets, Net Banking, NEFT, RTGS, debit card etc. Following are the Benefits of E-payment for the consumers using it:

- a. Hassle-free
- b. Safe & Secure
- c. Environment Friendly
- d. Saves Time
- e. Cashback, if any provided by wallet operator.

Digital payments also help in improving collection efficiency and cashflow of Discoms which in turn help consumer with reduced tariff burden.

**Therefore, the Hon'ble Commission is requested make this online payment mandatory for connections with Bill amount more than Rs. 4,000/-.**

**9. Mechanism for recovery of 100% variation in Power Purchase in line with MoP Rules.**

The Distribution Licensee is 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.

In this respect, the following suggestions/comments are noteworthy:

- (a) Regulation 134 of the Tariff Regulations, 2017 provides that:  
*"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."*

(b) As evident from above, the current PPAC mechanism allows pass through of costs linked to the power procurement/sale from long term sources excluding variations, if any, related to any short term/medium term power purchase/ sale and/or any uncontrollable costs like consequential impact of decisions of higher courts or Tribunals or Review Orders passed by the Appropriate Commission.

(c) A simple analysis of power purchase approved and actually utilized from long term & short term/medium term sources for a number of years show a huge variance as depicted in below table:

**Power purchase approved and actually utilized from long term & short term/medium term sources**

Financial Year	Particulars	ARR	Actual	Variation
FY 2018-19	Long Term purchase MUs	10,558	10,980	4%
	Short term/medium term purchase MUs	0	1,095	100%
	Short Term/medium term sale Mus	645	2,086	223%
FY 2019-20	Long Term purchase MUs	10,430	8,179	-22%
	Short term/medium term purchase MUs	262	2,354	798%
	Short Term/medium term sale Mus	119	504.06	324%
FY 2020-21	Long Term purchase MUs	7,563	8,521	13%
	Short term/medium term purchase MUs	1,663	1,565	-6%
	Short Term/medium term sale Mus	0	811	100%
FY 2021-22	Long Term purchase MUs	9663	9,841	2%
	Short term/medium term purchase MUs	572.39	999	75%
	Short Term/medium term sale Mus	0	981	100%

*Note: No ARR has been issued for FY 22-23 for Tata Power-DDL*

(d) As evident, while the long-term power purchase transactions have been almost similar to that approved by the Hon'ble Commission while approving the ARR, the short term/medium term transactions have increased exponentially thereby necessitating the need for adjustment to the existing PPAC mechanism.

(e) The BPR, 2023 allows suo- moto levy of PPAC by distribution licensee limited to 8.75% only on a quarterly basis. A petition is required to be filed and approved by the Hon'ble Commission for the recovery of balance power purchase cost variation. This increases the time for recovery of PPAC and at times it gets subsumed in the True-Up Tariff Order. Needless to mention, such delays increase the carrying cost impact on the consumers and consequently, may increase the applicable tariff to the consumers. The actual PPAC applicable and the suo-moto PPAC levied by Tata Power-DDL are summarized as follows:

**Actual PPAC applicable and the suo-moto PPAC levied by Tata Power-DDL**

S. No.	PPAC for the Quarter	Actual PPAC to be applicable (%)	Suo-Moto PPAC levied (%)	Differential PPAC Filed through Petition (%)	Differential PPAC approved later (%)	Date of filing petition for allowing Differential PPAC	Date of DERC's Order
1.	Q1 FY 2020-21	2.13	1.92	0.21	Subsumed in Tariff Order	27.08.2020	01.11.2021
2.	Q2 FY 2020-21	1.23	1.11	0.12		24.11.2020	01.11.2021
3.	Q3 FY 2020-21	8.35	7.51	0.84		22.02.2021	01.11.2021
4.	Q4 FY 2020-21	---	---	---	---	---	---
5.	Q1 FY 2021-22	1.27	1.14	0.13	Subsumed in Tariff Order	09.09.2021	01.11.2021
6.	Q2 FY 2021-22	1.82	1.64	0.18	-0.53%	02.12.2021	16.12.2022
7.	Q3 FY 2021-22	11.85	6.76	5.09	4.80%	14.02.2022	16.12.2022
8.	Q4 FY 2021-22	9.80 (9.70% revised by DERC)	8.52	1.18	1.28%	12.05.2022	16.12.2022
9.	Q1 FY 2022-23	14.37	8.75	5.62	5.68% (2.84% levied; 2.84% to be subsumed in ensuing Tariff Order)	10.08.2022	09.01.2023
10.	Q2 FY 2022-23	21.42	-----	21.42		18.11.2022	



S. No.	PPAC for the Quarter	Actual PPAC to be applicable (%)	Suo-Moto PPAC levied (%)	Differential PPAC Filed through Petition (%)	Differential PPAC approved later (%)	Date of filing petition for allowing Differential PPAC	Date of DERC's Order
11.	Q3 FY 2022-23	27.46	-----	27.46	29.13%	03.02.2023	07.06.2023 (combined order)
12.	Q4 FY 2022-23	20.86	-----	20.86		28.04.2023	
13.	Q1 FY 2023-24	19.72	-----	19.72	29.13%	13.09.2023	03.01.2024
14.	Q2 FY 2023-24	16.25	-----	16.25	29.13%	09.01.2024	08.03.2024
15.	Q3 FY 2023-24	16.29	8.75	7.54	27.58%	16.02.2024	25.07.2024 (combined order)
16.	Q4 FY 2023-24	12.79	8.75	4.04		24.06.2024	
17.	Q1 FY 2024-25	12.02	8.75	3.27	-----	23.09.2024	-----

(f) The above table still does not include the impact on PPAC due to increased short-term power purchase transactions.

(g) Further, Power Purchase cost approved in the Tariff Order and the actual power purchase cost incurred have been compared for the last six years and it is found that there is substantial under recovery in each of the six years as tabulated below:

**Table: Power Purchase as approved in Tariff Order and as per actuals**

FY	Power Purchase as per Tariff Order			Tata Power-DDL Actuals			Variance		
	Units (Mus)	Amount (Rs. Cr.)	Per Unit Cost	Units (Mus)	Amount (Rs. Cr.)	Per Unit Cost	Units (Mus)	Amount (Rs. Cr.)	Per Unit Cost
FY 18-19	9661	5119	5.3	9631	5910	6.14	-30	792	0.84
FY 19-20	10321	5710	5.53	9752	6358	6.52	-569	648	0.99
FY 20-21	9030	4893	5.42	8950	5367	6	-80	475	0.58
FY 21-22	9983	5634	5.64	9425	6037	6.41	-559	403	0.76
FY 22-23*	9983	5634	5.64	10622	7578	7.1	639	1944	1.46
FY 23-24*	9983	5634	5.64	10661	7324	6.87	678	1690	1.23

\*As no Tariff order was released by DERC for FY 22- 23 & FY 23-24 therefore power purchase cost for FY 21-22 is considered for both FY 22-23 & FY 23-24

(h) As evident, there is large variation in the Power Purchase Amount approved in Tariff Order to Actual Power Purchase Cost incurred leading to increase in Regulatory Assets of DISCOMs. The major reasons for such gap in recovery of power purchase cost through PPAC mechanism is mainly due to:

- Non-inclusion of cost variation in power purchase from short term/medium term sources.
- Non-inclusion of cost variation in power sale through short term/medium term.
- Non-inclusion of cost variation towards meeting the RPO requirement.
- Cap on automatic levy of PPAC without going through regulatory proceedings,
- Non-inclusion of any uncontrollable costs related to power purchase like consequential impact of decisions of higher courts or Tribunals or Review Orders passed by the Appropriate Commission.
- PPAC computation on quarterly basis instead of on monthly basis.

(i) If the above parameters are suitably incorporated in current PPAC mechanism, almost full recovery of power purchase cost variation can be recovered by distribution utility without any delay thereby reducing the carrying cost implication.

**In this respect, Tata Power-DDL has reviewed mechanisms, similar to applicable PPAC mechanism, of few other states and found that entire power purchase cost including short term power purchase/sale is allowed to be recovered in PPAC formula in Maharashtra, Gujarat, Haryana, Goa & UTs- Daman & Diu, Chandigarh, Puducherry and Dadra & Nagar Haveli.**

It is also pertinent to mention here that the Tariff Policy, 2016, clause 5.11(h)(4), implies speedy recovery of all uncontrollable costs including power purchase costs without differentiating between long term and short term/medium term sources:

***"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events."***

**Further Electricity (Amendment) Rules, 2022 notified in Dec, 2022 provide for Fuel and power purchase adjustment surcharge as follow:**

- (a) If this surcharge is  $\leq 5\%$  as per formula, 100% cost recoverable of computed surcharge by distribution licensee shall be levied automatically.

- (b) If this surcharge is >5% as per formula, [5%+90% of balance] will be recoverable automatically i.e.  $5 + 90\% \times 95 = 90.50\%$  (max) while the differential claim shall be recoverable after approval by the State Commission during true up.
- (c) Power purchase variations considered for power purchase from all sources i.e. Long-term, Medium –term and Short-term Power purchases.
- (d) Bulk power sale considered from all sources.
- (e) To be levied on a monthly basis.
- (f) To be billed to the consumers in (n+2)th month, on the basis of actual variation in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month.
- (g) To be trued up and for any financial Year it shall be completed by 30<sup>th</sup> June of the next financial year.

The following states have already implemented the PPAC as per the above said Rules:

S. No.	State/UT
1	Sikkim
2	Daman and Diu & Dadar and Nagar Haveli
3	Goa
4	Chandigarh
5	Haryana
6	Gujarat
7	Puducherry
8	Punjab
9	Madhya Pradesh

Moreover, the Hon'ble Commission has regularly directed the Delhi DISCOMs to ensure 24X7 availability of power to the consumers and that they shall meet the shortage of power, if any, through purchase of power through various mechanisms like IDT, power exchange, banking, bilateral contracts etc. in accordance with the applicable guidelines issued by the Hon'ble Commission from time to time. Tata Power-DDL has been actively

purchasing power on power exchanges under Day Ahead Contracts and Real Time Contracts to meet the demand of its consumers.

During peak summers and winters, exchange rates are rising continuously and have also resulted into partial clearing of buy bids. Further, with the onset of summer season, the situation is likely to aggravate further. Considering the fact that Gas stations in the portfolio of Delhi DISCOMs have an incremental generation cost of around Rs. 10/- to 15/- per unit, dependency on exchange purchase has increased further. Such unprecedented increase in exchange rates poses serious threat towards sufficient power availability and also puts unnecessary financial burden on the end consumers in the form of increased power purchase cost.

**Accordingly, we request the Hon'ble Commission to include the following in PPAC mechanism to ensure early recovery of power purchase cost:**

(a) In the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 as below:

*"134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on **monthly** 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 **all sources** of Generation;*
- (b) Variation in Fixed Cost **and/or Energy Cost** on account of Regulatory Orders from **all sources** of Generation;*
- (c) Variation in Transmission Charges;*
- (d) **Variation in all costs towards meeting the RPO;***
- (e) **Variation in all costs for DSM.***
- (f) **Bulk power sale considered from all sources.***

***Provided that such monthly recovery shall be True-up on annual basis and for any financial Year it shall be completed by 30<sup>th</sup> June of the next***

*financial year;"*

(b) The delay in recovery of revenue by virtue of PPAC mechanism by the Distribution Licensee shall be trued up along-with the Power Purchase Cost of the relevant year and associated Carrying Cost shall be allowed due to under-recovery of revenue for the same year;

(c) The treatment of PPAC computation as per the specified formula shall be as follows:

*(a) in case PPAC is upto 5% for any month, the Distribution Licensee may levy PPAC at 100% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.*

*(b) in case PPAC exceeds 5% for any month, the Distribution Licensee may levy PPAC of 5% and 90% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim.*

(d) Time bound disposal of differential PPAC petitions filed with Hon'ble Commission within one month of filing the petition. Else, DISCOMs be allowed to levy the balance PPAC without waiting for the order along with carrying cost.

(e) PPAC should be calculated and levied on monthly basis e.g. PPAC for nth Month should be levied from start of n+2 month.

(f) In case, PPAC is negative (credit) for a particular month, it will be carried forward to the next month and adjusted with PPAC for that month till the cumulative PPAC is positive (debit) and thereafter the treatment of PPAC will be as per point "C" mentioned above.

**(g) In case of carry forward of PPAC by the Hon'ble Commission, carrying cost should also be included in PPAC to be levied.**

**10. Request to update the Other/Miscellaneous charges every year in the Tariff Orders.**

Electricity Act, 2003 allows Distribution Licensees to recover charges from its consumers for supply of electricity supplied to them. These will be in accordance with tariff determined by the respective State Electricity Regulatory Commissions. The charges thus include variable charge, fixed charges, rent or other charges for electric meter or other equipment provided by licensees.

Section 45 of Electricity Act, 2003 provides for as follows:

*"45 (3) The charges for electricity supplied by a distribution licensee may include*

- (a) a fixed charge in addition to the charge for the actual electricity supplied;*
- (b) a rent or other charges in respect of any electric meter or electrical plant provided by the distribution licensee.*

The Hon'ble Commission had issued the Schedule of Charges and the procedure under Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 on 31.08.2017 which is applicable till date.

These charges are mainly for recovery of cost incurred for availing supply of electricity and various other services provided to the consumers. Provision for schedule of charges has been made so that other consumers are not burdened due to service provided to a specific consumer and that individual consumer only bears the cost. Income from these charges are made part of the non-tariff income in the Aggregate Revenue Requirement filed by the DISCOM. It thus saves other consumers from getting burdened. Moreover, income from these charges is passed on to all the consumers of the DISCOM as they reduce the ARR and the more they are cost reflective, the lesser they will be burdensome on the ARR.

These charges were notified by the Hon'ble Commission in the year 2017 and the costs of the Utilities have increased since then. Due to the Covid-19 pandemic and the subsequent

lockdowns imposed by the Government, there were disruptions to supply chains, increase in prices of commodities/raw materials and transportation charges. This pushed up inflation. Besides, the Employee Expenses, Administrative and General Expenses, cost of services, cost of vendors, cost of materials have all increased.

The change in Daily Minimum Wages of labour in Delhi as per the orders of the Office of the Commissioner (Labour) Govt. of NCT of Delhi is 35.59% from 2017 to 2024. The details are given below:

Variation in Daily Minimum Wages in Delhi (In Rupees)			
Type of Labour	2017	2024	Change from
			2017 to 2023
Un- Skilled	513	695	35.48%
Semi-Skilled	565	767	35.75%
Skilled	622	843	35.53%
Average Change			35.59%

The average yearly inflation derived based on the monthly Wholesale Price Index (WPI) (only for the Commodities used in distribution business) as per the Office of Economic Advisor of Government of India since the year of issuance of Schedule of Charges by the Hon'ble Commission in the year 2017 is depicted below and it is seen that the **increase is significant at 43.53%.**

Commodity	WPI Index	WPI Index	Change from 2017 to 2024
	Aug-17	Aug-24	
Copper shapes - bars/rods/plates/strips	97.7	142.5	45.85%
Aluminium shapes - bars/rods/flats	110.7	162.0	46.34%
Cast iron, castings	105.6	139.4	32.01%
Alloy steel castings	115.1	154.2	33.97%
Copper bolts, screws, nuts	108.8	127.6	17.28%
Bolts, screws, nuts & nails of Iron & steel	101.7	147.0	44.54%
Aluminium/Alloy Conductor	118.5	166.7	40.68%
Aluminium wire	112.4	166.9	48.49%
Copper wire	96.5	176.2	82.59%
Average change			43.53%

Further, the Hon'ble Commission in the Statement of Reasons (SoR) issued for *DERC (Business Plan) Regulations, 2023*, has computed the Inflationary Growth rate by considering 60% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index for All Commodities as per the Office of Economic Advisor of Government of India and 40%

weightage to the average yearly inflation derived based on the monthly Consumer Price Index for All Commodities as per the Labour Bureau, Government of India which is reproduced below for ready reference.

**Inflationary Growth Rate Computation**

Year	WPI for all commodities	Percentage Growth	CPI for all commodities	Percentage Growth
2016-17	111.60		130.33	
2017-18	114.90	2.96%	135.00	3.59%
2018-19	119.80	4.26%	139.61	3.41%
2019-20	121.80	1.67%	146.27	4.77%
2020-21	123.40	1.31%	155.28	6.16%
2021-22	139.40	12.97%	163.83	5.51%
	<b>Average</b>	<b>4.63%</b>		<b>4.69%</b>
<b>Inflationary Growth Rate = (4.63%*60%+4.69%*40%)= 4.66%</b>				

The Inflationary Growth rate is 4.66% as computed by the Hon'ble Commission which brings the increase in 7 years to 33% approximately.

Thus, all the data provided above point to an increase in labour charges and material cost of around 35% average.

Further, in the State of Maharashtra, Hon'ble MERC requires the DISCOMs to file proposal for approval of Schedule of Charges.

As per Regulation 19.1 of the MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (Supply Code Regulations, 2021), Distribution Licensees are required to submit the proposal before the Commission for approval of Schedule of Charges (SoC) for such matters required by the Distribution Licensee to fulfil its obligation to supply electricity to its consumers along with every application for determination of tariff under Section 64 of the Electricity Act, 2003 together with such particulars as the Commission may require under the Electricity Act, 2003 and other relevant Regulations.

Hon'ble MERC has provided different escalations in the following categories of other charges:

**(a) Service Connection Charges for New Connection**

Hon'ble MERC found it appropriate to apply escalation on the approved SoC in MYT Order dated 30 March 2020 for arriving the revised SOC for FY 2023-24 and FY 2024-25. For escalating the approved SoC rates in MYT Order, the Hon'ble MERC



has considered the Wholesale Price Index (WPI) published by the Government of India for FY 2020-21, FY 2021-23 and FY 2022-23.

**(b) Cost of Meter, Metering Cubical**

Hon'ble MERC has considered average of 3 years WPI inflation rate in case of a burnt or a lost meter or where a consumer opts to purchase the meter from DISCOM.

**(c) Application Registration and Processing Charges**

For Application Registration and processing Charges, Hon'ble MERC has considered the three year average of CPI and WPI with 50% weightage to each to escalate previously approved charges under MYT Order dated 30 March 2020.

**(d) Miscellaneous and General Charges**

As most of the activities (e.g. Installation Testing Fees, Reconnection Charges, meter shifting, Shifting of Utility's services, etc.) are labour intensive, the Hon'ble MERC has considered the three year average of CPI published by the Labour Bureau, Government of India to escalate previously approved charges in Order dated 30 March 2020 on compounded basis.

Further, there are various other States/UTs that update the Other/Miscellaneous charges in their Tariff Orders. They are listed below.

- I. Goa
- II. Chandigarh
- III. Dadra Nagar Haveli Daman and Diu
- IV. Lakshadweep
- V. Puducherry
- VI. Andhra Pradesh
- VII. Himachal Pradesh
- VIII. Maharashtra
- IX. Manipur
- X. Mizoram
- XI. Nagaland
- XII. Odisha

- XIII. Sikkim
- XIV. Telangana
- XV. Tripura
- XVI. Uttar Pradesh
- XVII. Uttarakhand

In line with the above, to help recover costs at the existing rates, Hon'ble Commission is requested to consider revision of Other charges in the Tariff Orders so as to increase the Non-Tariff Income and reduce the ARR leading to lesser burden on the consumer Tariffs.

#### **11. Tariff based Competitive Bidding (TBCB) in the Intra-State Transmission Network**

The Hon'ble Commission in BPR 2023 has stated that the Capitalisation for the Transmission Licensee may undergo revision subject to Tariff based Competitive Bidding (TBCB) in the Intra-State Transmission Network.

TBCB has been already implemented by various SERCs in states like Assam, Haryana, Punjab, Rajasthan and UP.

The Hon'ble Commission has issued the draft DERC (Threshold Limit for the Development of Intra-State Transmission Projects under Tariff Based Competitive Bidding) Regulations, 2024 and Tata Power-DDL has submitted the comments on the same.

The Commission has, in these draft Regulations, fixed the Threshold Limit of Rs. 150 Crores above which the new Intra-State Transmission (InST) projects will be awarded under TBCB.

Further, within Delhi, we have been facing Transmission constraints. Moreover, considering the cost of schemes which DTL has executed in the past and those that are to be executed in

future, it may be noted that major ones are more appropriately covered if the Threshold value is kept at Rs. 100 Cr. Besides, the states near to Delhi have the Threshold value of Rs. 100 Cr. The same are listed below:

- Haryana-Rs. 100 Cr.
- Himachal Pradesh-Rs. 75 Cr.
- Uttarakhand- Rs. 100 Cr.
- Gujarat-Rs. 100 Cr.

**Hence, it is requested to kindly consider lowering the Threshold value to Rs. 100 Crores for development of Intra-State Transmission System through Tariff Based Competitive Bidding for wider development of Transmission system in a cost-efficient manner.**

**12. Rationalization of useful life of Distribution assets in line with recommendation of Forum of Regulators (FoR).**

The Hon'ble Commission had issued the Depreciation Schedule of Assets as Appendix 1 to DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

As Per National Tariff Policy 2016, State Electricity Regulatory Commission has to follow the rate of depreciation as notified by Hon'ble CERC with appropriate modification as may be evolved by the Forum of Regulators. The relevant extract of National Tariff Policy is given below for reference:

*"The Central Commission may notify the rates of depreciation in respect of generation and transmission assets. The depreciation rates so notified would also be applicable for distribution assets with appropriate modification as may be evolved by the Forum of Regulators."*

We would like to refer to a recent study by the Forum of Regulators (FoR) on the **"Evolving Principles of Depreciation for Distribution Assets and Operating and Financial norms for Distribution Sector"** published in December 2021.

Forum of Regulators had set up a working group for detailed assessment for categorization of power distribution assets and their useful life based on consultations with various state-owned utilities, manufacturers, international practices, contractors of power distribution systems and CERC and SERC's regulations.

**Tata Power-DDL requested Hon'ble Commission for adoption of depreciation rate as per "FoR" study vide its letter no. TPDDL/Regulatory/CAPEX/2021-22/504 dated 31.03.2022.**

Time and again, we have taken up with the Hon'ble Commission the issue of rationalization of useful life of Distribution assets. We have also expressed our views with regards to the useful asset life specific to meters, in our submission vide letter nos. TPDDL/Regulatory/2019-20/3/198 dated 26.08.2019, TPDDL/Regulatory/CAPEX/2021-22/504 dated 31.03.2022, TPDDL/Regulatory/2024-25/03/10 dated 09.04.2024 and TPDDL/Regulatory/2024-25/03/73 dated 31.05.2024

As per FoR Study, it was found that a significant number of components and equipment are used in the power distribution business which have varying useful life and therefore are required to be replaced at different intervals. Even for a substation, life of the parts could vary significantly, thus causing concerns for identifying a single useful life for the overall system. Therefore, various categories and sub-categories of distribution assets have been prepared for estimating their useful life of these assets. While identifying the various categories / sub-categories, the number of assets have been limited with respect to the significance of each part in terms of overall cost, as also prescribed in the Companies Act.

**On the basis of above principles, Forum of Regulators report created various sub categories of assets classes and recommended life based upon voltage level, usage, type of equipment and the inputs from above mentioned stakeholders.**

The Forum of Regulators recommended useful life of key distribution assets along with corresponding recommended life as per DERC Tariff Regulation, 2017 is tabulated below for reference:

Comparison of Useful Life (In years) of Assets			
S. No.	Equipment	DERC Tariff Regulations, 2017	Recommended by Forum of Regulators
1	Distribution Transformers (>100kVA)	25	20
2	Distribution Transformers (<100kVA)	25	15
3	Circuit Breakers (33kV S/S)	25	15
4	Circuit Breakers (LV)	25	10
5	Bus Couplers	25	15
6	Instrument Transformer and relays	25	15
7	Isolators	25	10
8	Insulators	25	10
9	Ring Main Unit	25	10
10	Lightning Arrestors	25	10
11	Underground cable including joint boxes and disconnected boxes	35	25
12	LT Lines	25	20
13	Consumer/ Electronic/ Interface or Energy Audit Meters	15	10
14	Self-Propelled Vehicles	10	05
15	Communication System including hardware	15	07
16	IT (end user i.e. desktop/laptop)	06	03
17	IT software	06	05
18	Capacitor banks	25	20

**The report also made following recommendations with regards to asset useful life:**

- Depreciation rates based on the useful life of the asset. Such useful life determination may be periodically reviewed especially in the cases where there are technological developments in the asset that impacts their usage. Such periodic determination of the useful life must be done keeping in mind the following factors as per the Accounting Standards:
  - a. expected usage of the asset.
  - b. expected physical wear and tear including the expected repair and maintenance.
  - c. technical or commercial obsolescence
  - d. legal or similar limits on the use of the asset
- To the extent possible, the depreciation rates by all State Regulatory Commissions may be standardized. This would help in normalizing the distribution tariffs across all States.

- The percentage of salvage value (normally at 10%) may also be reviewed considering that costs of removal / disposal of assets and the realization of scrap for these assets is not so significant.

A table of comparison for the useful life of all the assets as per the "DERC Tariff Regulations 2017" and the FoR Study on "Evolving Principles of Depreciation for Distribution Assets and Operating and Financial norms for Distribution" is given below.

S. No.	As per DERC Tariff Regulations 2017		Recommendations as per Forum of Regulators	
	Asset Particulars	Useful Life (years)	Asset Particulars	Useful Life (years)
		<b>A</b>		<b>A</b>
1	Land owned under full title	Infinity	Land owned under full title	-
2	Land held under lease		Land held under lease	-
(A)	For investment in land	The period of lease or the period remaining unexpired on the Assignment of the lease	For investment in land	-
(B)	For cost of clearing site	The period of lease remaining unexpired at the date of clearing the site	For cost of clearing site	-
3	Assets Purchased New		Assets Purchased New	-
(A)	Plant and machinery in generating stations including plant foundations		Plant and machinery in generating stations including plant foundations	-
(i)	Steam-electric NHRS & Waste Heat Recovery Boilers / Plants	25	Steam-electric NHRS & Waste Heat Recovery Boilers / Plants	-
(ii)	Diesel electric & Gas plant	25	Diesel electric & Gas plant	-
(B)	Cooling towers and circulating water systems	25	Cooling towers and circulating water systems	-
(C)	Buildings		Buildings	
(i)	Offices, showrooms and residential buildings	50	Office and Show rooms	60
(ii)	Buildings other than Offices & showrooms	30	Buildings other than Offices & showrooms	30
(iii)	Temporary erection such as wooden structures	0	Temporary Structures and erections	1
(iv)	Roads other than	50	-	-

S. No.	As per DERC Tariff Regulations 2017		Recommendations as per Forum of Regulators	
	Asset Particulars	Useful Life (years)	Asset Particulars	Useful Life (years)
		A		A
	Kutcha roads			
(v)	Others	30	Others	30
(D)	Transformers, Kiosk, sub-station equipment & other fixed apparatus (including plant foundations)	25	Power Transformers	25
			Distribution Transformers (<100kVA)	15
			Distribution Transformers (>100kVA)	20
(E)	Switchgear including cable connections	25	Circuit Breakers (33kV S/S)	15
			Circuit Breakers (LV)	10
			Bus Couplers	15
			Isolators	10
			RMU	10
(F)	Lightning arrestor		Lightening Arrestors	10
(i)	Station type	25		
(ii)	Pole type	25		
(iii)	Synchronous condenser	25		
(G)	Batteries	5	Batteries	5
(H)	Underground cable including joint boxes and disconnected boxes	35	Underground cable including joint boxes and disconnected boxes	25
(I)	Overhead lines including cable supports	25	O/H Lines 11kV and above	25
			LT Lines	20
(j)	Meters	15	Consumer/Electronic/Interface or Energy Audit Meters	10
(K)	Vehicles	10	Self Propelled Vehicles	5
(L)	Air Conditioning Plants			
(i)	Static	25		-
(ii)	Portable	10		-
(M)	Office furniture and related equipment's	10	Office furniture /fixtures/fittings/internal wiring/street light fittings	10
(N)	Communication equipment			
(i)	Radio and high frequency carrier system	15	Information and Communication System including hardware	7
(ii)	Telephone lines, Fibre Optic and telephones	15		7

S. No.	As per DERC Tariff Regulations 2017		Recommendations as per Forum of Regulators	
	Asset Particulars	Useful Life (years)	Asset Particulars	Useful Life (years)
		A		A
(O)	I. T Equipment including software (salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable)	6	IT Hardware (server)	6
			IT (end user i.e. desktop/laptop)	3
			IT software (amortization of licensing cost or in house developed software)	5
			Insulators	10
			Tools and tackles	10
			PPEs	5
	Any other assets not covered above	As per Companies Act 2013 amended from time to time.		As per Companies Act 2013 amended from time to time.

Keeping in view of the above facts presented in the study by Forum of Regulators, it would be prudent that useful life of distribution assets be rationalized taking into account the key recommendations of the study.

Therefore, Hon'ble Commission is requested to revise the useful life of various asset classes in the Depreciation Schedule 1 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 to accommodate the suggestions of the FOR study. This move shall not only be a progressive measure but also help in ensuring 24 X 7 Power to consumer by timely replacement of old assets post completion of useful life.

### 13. Subsidy Mechanism

Hon'ble Commission's letter no. F.3(211)/Tariff/DERC/2007-9/4885 dated 20.03.2008 and Section 65 of the Electricity Act, 2003 mandate that the Government of NCT of Delhi



(GoNCTD) release the subsidy in advance for each Quarter of the Financial Year at the beginning of that Quarter to Distribution Utilities to extend the benefit of subsidy to the identified consumer categories. We draw your kind attention to the proviso forming part of the Section 65 of the Electricity Act, 2003:

*"Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard."*

The Electricity (Second Amendment) Rules, 2023 dated 26.07.2023 and Standard Operating Procedure (SOP) on Subsidy Accounting and Payment dated 03.07.2023 have been issued by the Ministry of Power, Government of India.

However, we are facing considerable delay in release of subsidy from GoNCTD. Therefore, we request Hon'ble Commission to include the following clause in Tariff Order or any suitable regulation to streamline the process of Subsidy Mechanism.

*"If GoNCTD requires grant of any subsidy to any consumer or class of consumers, the GoNCTD shall as per Section 65 of the Electricity Act 2003, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner specified in these Regulations, as a condition for the license or any other person concerned to implement the subsidy provided for by the GoNCTD."*

*A. The Government shall, by notification, declare the consumers or class of consumers to be subsidized.*

*B. The licensee shall make an estimate of subsidy to be provided to the consumers or class of consumers as per the Government notification and file the same with the Government for approval before 60 Days from the start of Financial Year.*

*C. The Government shall scrutinize the estimate and may require further details, data, documents in support of the estimates, which the licensees are required to file with the Government within the stipulated time and Government shall approve the amount before 30 days from start of financial year.*

*D. The Government shall pay the approved subsidy amount to the licensees in advance before start of every quarter of financial year.*

*E. The amount of subsidies shall be available to the licensees without any adjustments with any other dues owed by the Licensees to GoNCTD irrespective of whether they are sub judice or not.*

*F. The licensee shall pay the subsidy received from the Government to the entitled class of consumers in proportion to their energy consumption on actual basis by way of adjustment in the electricity bill.*

*G. The licensee shall raise bill of subsidy due, to the concerned department of GoNCTD within 30 days of the end of the relevant quarter with copy to the Hon'ble Commission and the concerned department of GoNCTD shall ensure that the balance payment of the subsidy shall be paid within 30 days of receipt of Subsidy bill from the licensee and this shall not be linked with the advance subsidy payment of the next quarter.*

*H. The licensee shall keep proper accounts of subsidy in such a manner as approved by the Commission and provide auditor certificate to the Commission within 45 days of the closure of the Quarter.*

*I. The difference between the subsidy received from the Government and actual disbursement to the entitled class of consumers shall be trued up by the Commission within 60 days of closure of the relevant quarter.*

*J. Provided that no such direction of the GoNCTD shall be operative if the payment*

*is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard."*

*K. Without prejudice to the mechanism of raising of bills at full tariff (without subsidy), State Government shall also pay interest at the rate of late payment surcharge in accordance with Electricity (Late Payment Surcharge & Related matters) Rules, 2022 for the period of delay in balance payment beyond the period of 30 days and also for delay in payment of advance subsidy or part thereof.*

Therefore, in view of above Rules issued by Ministry of Power, Government of India, Tata Power-DDL requests the Hon'ble Commission to issue suitable Guidelines to Distribution Utilities regarding Subsidy Accounting and Payment.

#### **14. Tariff Rationalization for charging of Electrical Vehicles on the basis of usage**

The Tariff for EV charging was first notified by Hon'ble Commission in the Tariff Order for FY 2017-18 which was Rs. 5 per unit for High Tension (HT) and Rs. 5.5 per unit for Low Tension (LT). This was reduced to Rs. 4 per unit for HT and Rs. 4.5 per unit for LT in the Tariff Order for FY 19-20 and it has remained same till date. The actual Average Cost of Supply (ACoS) for Tata Power-DDL for FY 2023-24 is Rs. 8.74 per unit which means that Discoms are supplying power for EV charging at about 50% of the cost leading to burden on other subsidizing industrial and commercial consumers.

Ministry of Power, Govt. of India had issued the Guidelines and Standards on the subject "Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024", on 17.09.2024 which mentions of Tariff for EV Charging Stations to be the **Average Cost of Supply till 31<sup>st</sup> March 2028**. The relevant provision is reproduced below:

#### **"9. Tariff for supply of electricity to EV charging stations**

*(1) The tariff for supply of electricity to EV Charging Stations **shall be single part and**  
**shall not exceed "Average Cost of Supply" till 31st March 2028."***

It may be noted that the Tariff for EV charging in others states is equal to or greater than the ACoS of Distribution utility in most of the states. A comparative table as per Tariff Order of FY 24-25 (except Delhi which is for FY 21-22) is given below for your reference please:

S. No	State	ACoS (Rs / Unit)	EV Average Tariff- LT (10 kW) (Rs / Unit)	EV Average Tariff - HT (100 kW) (Rs / Unit)
1	Delhi [TPDDL]	8.74 (FY 23-24)	4.50	4.00
2	Madhya Pradesh	6.90	6.90	6.90
3	Haryana	6.97	7.08	6.81
4	Uttarakhand	7.27	7.00	7.00
5	Mizoram	11.61	12.10	10.70

Accordingly, its Tariff can be categorized as follows:

**A. EV Owners** using their **existing connections** for EV charging, be continued to be charged at the same tariff of their existing consumer category.

**B. EV Owners using a separate meter** installed along with associated service line and related infrastructure: The tariff for supply of electricity be single part tariff and be equal to the Average Cost of Supply of the Distribution Utility till 31<sup>st</sup> March 2028 as per MOP notification dated 17<sup>th</sup> Sep 2024.

The monthly maximum units for which the above tariff will be applicable is **300 Units** Per Month and consumption post this monthly maximum unit be charged at Non-Domestic Tariff.

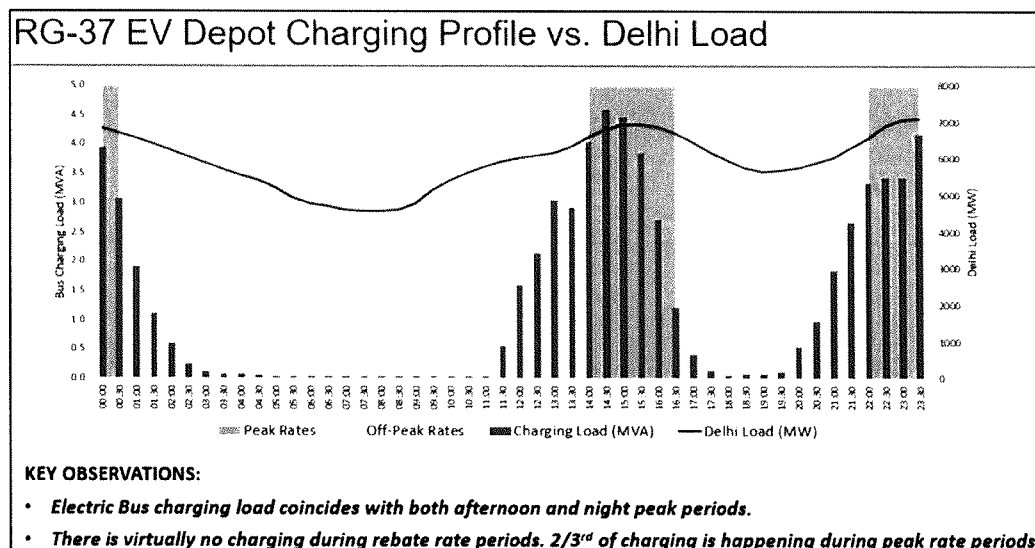
**C. Commercial Public Charging Stations:** Tariff for public charging of EV station be that of Non-Domestic category as the purpose is purely commercial and also the Tariff charged by such Public charging stations from EV consumers is also very high in range of Rs 15/- kW to Rs 20/- kW.

**D. Captive charging stations for 100% internal use for a company's own**

**fleet/ State Transport Undertaking:** Tariff for Captive charging need to be equal to the Average Cost of Supply of the Distribution Utility till 31<sup>st</sup> March 2028 as per MOP notification dated 17<sup>th</sup> Sep 2024.

**E. ToD Tariff:** The Peak load of Discoms will increase with increase in EV absorption. The load of EV charging will be during the daytime only at the charging stations. This will again reverse the load curves flattened due to ToD and lead to Grid imbalance. Hence, to dissuade EV owners from getting them charged during peak hours, there needs to be an **all month** peak and off peak defined separately for the EV charging Category.

We have analyzed the Demand Curve of recently energized Delhi Transport Corporation Electric Bus Depot in Sec-37 Rohini and observed that the Peak Demand of Depot coincides with Peak of Discoms leading further imbalance in peak and off peak load of the Discoms. The demand curve of DTC EV depot is given below for reference:



Hence, it is necessary that ToD Tariff for EV Consumers should have large differential between Peak Surcharge and Rebate so that consumer is motivated to shift its load from peak slots. Accordingly, applicability of the Time of Day (ToD) Tariff for EV charging should be as follows:

Consumer Type	Months	Peak Period	Surcharge on Energy Charges	Off-Peak Period	Rebate on Energy Charges
Electric Vehicle Charging	April – September	0000 – 0100 hrs. 1300 – 1700 hrs. 2100 – 2400 hrs.	60%	0300 – 0900 hrs.	20%
	October – March	0600 – 1200 hrs. 1700 – 2200 hrs.	60%	0000 – 0400 hrs.	20%

The summary of above EV Tariff Rationalization proposals is as follows:

S. No.	Category of usage	Tariff Proposed
1	<b>Owners</b> using their <b>existing connections</b>	Same tariff as their existing consumer category
2	<b>Owners using a separate meter</b>	Average Cost of Supply up to 300 Units.
3	<b>Public Charging</b> Stations	Non-Domestic category Tariff
4	<b>Captive charging</b> Stations	Average Cost of Supply
5	<b>ToD Tariff for all EV Connections</b>	60% Peak Surcharge and 20% Off Peak Rebate throughout the year

We request the Hon'ble Commission to kindly consider the above proposals for EV tariff as per category of use in the ensuing Tariff Order in order to ensure cost reflective Tariff for EV Category.

#### **15. For Domestic Category fixed charges should be levied on billing demand and surcharge on excess load.**

For all categories other than domestic, fixed charges are levied based on billing demand. Further, a surcharge of 30% is levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during such billing cycle. The sanctioned load is enhanced based on the highest of an average of Maximum Demand readings recorded as per billing cycle covering any four consecutive calendar months in the preceding financial year and not immediately on exceeding the sanctioned load. Hence, the charges on enhanced load are collected only after the completion of the relevant financial year of usage which is delay in recovery of cost according to load used by the domestic consumer which is not the case for other categories.

For Domestic consumers, there is no timely updation by the consumer of enhanced load being used by them since there is no surcharge levied on excess load. This leads to excessive use of electricity which has a definitive impact on the electricity network.

DISCOMs have to arrange for network augmentation since network has to be in conformity with load being supplied. **Such excessive load at times leads to burning of meter and fire in the premises leading to loss of life & equipment. Thus, timely updation of consumer enhanced load is necessary for safety of customers.**

Fixed charges for Domestic consumers if levied on billing demand will help recover costs according to the actual usage of the consumer. Also, the surcharge on excess load will help ensure discipline amongst Domestic consumers.

Moreover, the Electricity (Rights of Consumers) Rules, 2020 along with its amendments as issued from time to time by Ministry of Power, Government of India provide for billing on actual recorded maximum demand in case it exceeds the Sanctioned Load as follows:

*"(5B) In case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month, the bill, for that billing cycle, shall be calculated based on the actual recorded maximum demand and consumers shall be informed of this change in calculation through Short Message Service or mobile application:"*

Therefore, in the interest of consumer and financial viability of the power sector, the tariff should be cost-reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset also results in carrying cost burden on the consumers.

Hence, we request the Hon'ble Commission to allow levy of fixed charges for domestic category on billing demand and allow levy of surcharges as applicable to other categories.

## **16. Impact of New Wage Code 2022**

During the presentation of Union Budget 2021, the Central Government has created four new codes by combining a total of 29 labour laws. The four new codes include the Industrial Relations Code, Code on Occupational Safety, Health and Working Conditions Code, and the New Wage Code. Several modifications have been made to the existing labour laws. However, the biggest change is to the definition of 'wage'. As per the regulations of new Wage Code Bill, the basic salary of employee cannot be less than 50% of the total salary (CTC).

The compensation structure, Salaries, Provident Funds, leave encashment and Gratuities will all be directly impacted by these new reforms due to change in the definition of "wage". The monthly basic compensation of an employee must equal at least 50% of the net CTC in accordance with the New Wage Code's revised definition of "wages".

When the 'New Wage Code Bill' comes into effect, the CTC of the employee will have to be restructured. If an employee's basic salary is less than 50% of total CTC, then it should have to be raised to comply with the requirement of the new Wage Code Bill.

In our case (for CTC structured employees), the basic salary component is less than 50% of total CTC of employee. Therefore, it needs to be increased/restructured as per the new wage code. The following changes are expected in the payroll cost primarily due to increase in basic pay of employee:

1. **Higher Leave encashment cost:** - Increase in Leave Salary expense due to increase in basic salary of employee will have substantial impact on staff cost due to restatement of opening leave encashment liability and its consequential impact in future years.
2. **Higher Gratuity cost:** Increase in Gratuity expense due to increase in basic salary of employee will have substantial impact on staff cost due to restatement of opening Gratuity liability and its consequential impact in future years.
3. **Higher Provident Fund (PF) contribution:** - Increase in contribution to Provident Fund (PF) due to higher basic pay component shall have a negative impact on the take home salary of employee which may have to be compensated in the form of salary revision.
4. **Increase in other salary Components:** Change in other components due to salary correction to maintain same cash pay-out to the employee.



Therefore, it is requested to the Hon'ble Commission to suitably allow the Provision in ARR for allowing the impact of 'New Wage Code' on the basis of actuals during True Up.

**17. Non-Levy of 1.3 times Surcharge under temporary supply for residential construction for self use**

In recent tariff orders issued by the Hon'ble Commission, the Tariff Category applicable in respect of temporary connection for new construction or reconstruction after complete demolition for building residences **for self-use** is non-domestic.

However, the Energy Charges have been kept as 1.3 times the applicable tariff while keeping the fixed charges same.

On the other hand, the Hon'ble Commission has allowed **one exception** to the above of **Renovation** of Existing Property being used by the **domestic consumer for their own use** which shall be considered under domestic category connection if advance notice is given to distribution licensee and that the alteration/addition (i.e. Renovation) is as per the prevailing Building Bye-Laws.

This creates a wide gap in the tariffs for Renovation and new construction of residences.

As non-domestic tariff is already levied, for new construction of residence, penalizing with 30% more energy charges can be done away with, so as to give respite to the consumer who is not earning profit out of this construction as it is for self-use.

**Considering the above points, we request the Hon'ble Commission to allow levy of non-domestic tariff on all new construction of residences for self only instead of 1.3 times the energy charges.**

### **18. Revised methodology for LPSC.**

It has been observed that few consumers are taking undue benefit of change in the methodology for calculation of LPSC on daily basis as well as regulation of 15 days' notice period before disconnection. Some frequently defaulting consumers have made the habit of paying the bill after due date but well before completing the 15 days of notice period as a result of which Tata Power-DDL is neither able to disconnect consumer supply nor able to charge full month LPSC. This is seriously hampering our efforts for reducing AT&C losses and is affecting honest paying Consumers. Further, it is unnecessarily increasing DISCOM's operational expenditure for sending DN and Follow Up for payment. Therefore, the Petitioner requests the Hon'ble Commission to modify guidelines as follows at least for High End Consumer with Load > 10 KW as amount involved is very high:

- (a) The Consumers who default the payment twice or more in last six month should not be given the additional notice period of 15 Days in case consumer defaults bills and the bill itself should be treated as disconnection Notice.
- (b) The Consumers who default the payment twice or more in last six month, Full Month LPSC should be levied on consumer in case of default and the surcharge should be 2% per month or part thereof.

We have come across levy of higher Delayed payment surcharge in Tariff Orders of different states. Brief details are given below:

**Daman & Diu-** Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 2% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paise shall be ignored and amount of 50 paise or more shall be rounded off to the next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

**Dadra and Nagar Haveli -** Delayed payment surcharge shall be applicable to all

categories of consumers. Delayed payment surcharge of 2% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paise shall be ignored and amount of 50 paise or more shall be rounded off to the next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

**Manipur-** If payment is not received within due date surcharge @ 2% at simple interest on the outstanding principal amount for each 30 days successive period or part thereof will be charged, until the amount is paid in full.

**Andaman & Nicobar-** Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 2% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amounts less than 50 paise shall be ignored and amounts of 50 paise or more shall be rounded off to the next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only upto the month of permanent disconnection.

The Petitioner requests the Hon'ble Commission to implement above guidelines at least for High End Consumer (>10KW), so that honest paying and small consumers are not affected due to malpractice of frequent defaulters.

#### **19. Charging of leading power factor while billing (kVAh billing) to High End Consumers**

The present billing scenario is based on lagging reactive power only. Since the reactive lagging as well as leading power both occupy the capacity of electricity network and reduce the useful capacity of system for generation and distribution, it is necessary and imperative to include the lead Reactive Power under billing process. At present, utilities overlook leading Power Factor (PF) values while billing the consumption. This tempts consumers to use capacitors indiscriminately for availing PF incentives but it does more harm than good to the installations of both the utilities and consumers.

Consumer equipment and installation are not provided with appropriate and adequate capacitor installations but mostly with use of fixed capacitors, bulk compensation on HT in fixed mode, use of substandard controllers having erratic and inconsistent performance, thereby leading to additional Reactive (lead) Power Charges, which is causing undesirable unwarranted burden on Tata Power-DDL. It is important to note that, more particularly, during winter season, there is hardly any reactive injection, and due to high capacitive injection by high end consumers, the voltage becomes very high and sometimes so much so that it becomes difficult to control the same.

The reactive compensation is effective when it is nearer to the load and the extra reactive compensation by industrial consumers cannot be used / compensated against extra reactive energy drawl by agricultural section. Current is higher at lagging or leading power factor as compared to unity power factor and hence losses are also higher. Under leading power factor, excessive over voltages may occur thus endangering the system stability. As a result, in both situations, system stability of Tata Power-DDL is hampered. Also, for serving the same load, a transformer of higher capacity is required due to increase in current due to lead power factor. In view of the above facts, it can be seen that injection of leading power factor in excess is not always beneficial for the system. It is thus imperative that every section of consumer has to shoulder its responsibility to maintain the system power factor within permissible limits only to maintain Grid stability and full utilisation of Installed capacity of Distribution network. Absence of any punitive measures for overcompensation prompted the consumers to use capacitors indiscriminately, much in excess of their requirements. CEA mandates that power factor of the bulk consumer shall be within  $\pm 0.95$  and hence the lead power factor also has to be within prescribed limits and to maintain it, adequate reactive compensation is to be provided and its burden is also on the bulk consumer apart from the distribution licensee.

Maharashtra Electricity Regulatory Commission in its order dated 12th Sep 2018 in Case No. 195/2017 regarding **Mid-Term Review Petition of Maharashtra State Electricity Distribution Company Limited for Truing-up of Aggregate Revenue Requirement (ARR) of FY 2015-16 and FY 2016-17, Provisional Truing-up of ARR of FY 2017-18 and Revised Projections of ARR for FY 2018-19 and FY 2019-20** has kept the power factor penalties at the same rate for leading as well as for

lagging power factor. **No state treats the leading power factor as unity and are not allowing incentive for leading factor.**

The most effective remedy to remove such anomaly is to introduce kVAh billing in lag as well lead mode i.e. kVARh consumption in the leading power factor mode has to be taken in account as consumption. Introduction of kVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises.

Therefore, to ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on kVAh basis so that the injection by high end consumers (More than 30 KVA) is as per their actual requirement and proper voltage is maintained for all the consumers. It will not only be helpful and beneficial for Tata Power-DDL but also for the concerned consumers.

The Petitioner requests the Hon'ble Commission to incorporate appropriate and necessary modification/changes/additions in the ensuing Tariff Order.

## **20. Surcharge on Excess drawl**

Fixed charges as part of tariff is levied so as to be able to cover the fixed expenses / costs of DISCOMs. DISCOMs need 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 DISCOM is required to have such infrastructure in place.

In case of excess drawl by a consumer as compared to the sanctioned/connected load, the DISCOM needs to arrange the unplanned power and buy it at the available Tariff. DISCOMs need to pay more for such power and hence such consumers should also be penalized. The present levy of surcharge of 30% on the fixed charges corresponding to excess load in kW/kVA for such billing cycle is insufficient. The network usage increases as well as the energy consumption also. Hence, there is a need to penalize them on two

counts viz. excess demand as well as energy consumption.

The following guidelines of States and UTs in this regard are worth considering:

**Daman & Diu-** The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the JERC Supply Code Regulation. If such over-drawal is more than 20% of the contract demand, then the connections shall be disconnected immediately.

**Dadra and Nagar Haveli** -The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the JERC Supply Code Regulations. If such over-drawal is more than 20% of the contract demand, then the connections shall be disconnected immediately.

**Goa-** The billing shall be on the maximum demand recorded during the month or 85% of contracted demand whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal energy rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations notified by JERC. If such over-drawal is more than 20% of the contracted demand then the connection shall be disconnected immediately.

**Lakshadweep-** The billing in case of HT shall be on the maximum demand recorded during the month or 75% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the JERC Supply Code Regulations, 2018. If such overdrawl is more than 20% of the contract demand then the connections shall be disconnected after due notice to the consumers.

**Puducherry-** The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations notified by JERC. If such over-drawal is more than 20% of the contract demand, then the connections shall be disconnected immediately.

**Andaman & Nicobar-** The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of the contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations, 2018 notified by JERC. If such over-drawl is more than 20% of the contract demand then the connection shall be disconnected immediately.

**Himachal Pradesh-** In the event, the actual Maximum Demand (in kVA) recorded on the energy meter during any consecutive 30 minute block period, exceeds the Contract Demand (in kVA), the consumer shall be charged 'Contract Demand Violation Charges'

(CDVC) (in Rs/ kVA) at a rate which shall be three (3) times the rate of the demand charges (DC) (referred to in para 'L') to the extent the violation has occurred in excess of the Contract Demand.

We request the Hon'ble Commission to allow levy of rates for excess drawal as per the guidelines of UTs that if in any month, the MDI exceeds its contracted demand, the excess of the sanctioned load/ contracted demand and corresponding energy consumption shall be billed at double the normal rate.

**21. Restoration of "part thereof" w.r.t calculation of Maximum Demand for Fixed charges of Consumers:**

Hon'ble Commission in FY 2021-22 Tariff Order removed the "part thereof" in Note 2 forming part of the Annexure – Electricity Tariff Schedule for FY 2021-22 during calculation of fixed charges of consumers. Now the consumer fixed charges are calculated by rounding down the MDI. As a result of this, DISCOMs are facing revenue loss in fixed charges.

We have estimated on basis of year of change, that there is Revenue loss of at least Rs 20 Cr annually on conservative basis. Therefore, we request the Hon'ble Commission to revert back to earlier methodology for calculation of fixed charges.

The estimation of fixed charges is as follows (Amount in Rs Crore):

Calculation Methodology	Base Revenue	8% Surcharge	7 % Pension Trust	12% Average PPAC	Total Revenue
Part thereof (earlier)	942.6	75.4	66	113.1	1197.1
Round down (now)	928.2	74.3	65	111.4	1178.8



## **22. CERC defined APPC for compensation/payment for excess generation for prosumers**

Under the Net-metering arrangement it is expected that the consumer will install Rooftop PV for self-consumption only. Surplus, if any, would not be a planned one which can be purchased by the DISCOM. Analysis of Tariff Orders of various other states also support this thought. SERCs have defined the rate at which the surplus power from Net-Metering is purchased by DISCOMs to be lower than the average power purchase cost. It is procured at APPC which is the cost of procuring the power from only the conventional sources of energy for the respective DISCOM. In this regard, rates of few such States/UTs are listed below:

- a. Goa-Rs. 3.71/unit for FY 2024-25
- b. Chandigarh- Rs. 3.95/unit for FY 2024-25
- c. Assam- Rs. 5.33/unit

A case in point is that of Gujarat which is elaborated below:

Vide 2<sup>nd</sup> Amendment to GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016, in the year 2020 GERC decided to replace the APPC rate to the compensation mechanism for surplus energy at the fixed rate. It felt that solar rooftop are set up primarily for self-consumption and therefore it should not be compared with solar or other generating plants set up exclusively for sale of electricity to the distribution licensee. Accordingly, the procurement rate for surplus energy injected into the licensee's grid from such plants after self-consumption should be treated differently.

Earlier looking to the overall supply- demand scenario and cost of generation from Rooftop Solar PV systems, GERC decided to keep APPC rate as procurement rate for surplus energy from such systems. However, in view of the reduction in the cost of generation as well as resultant tariff rates under competitive bidding mechanism, it felt the requirement to revisit the procurement rate by distribution licensees.

State Government also notified various policies for facilitations and promotion of Rooftop Solar PV system by Residential and MSME (Manufacturing) Enterprises.

Energy and Petrochemicals Department requested Hon'ble GERC to approve the rate of Rs. 2.25 per kWh for purchase of surplus energy under SURYA Scheme. Average tariff of Rs. 2.65 per kWh was discovered through competitive bidding process undertaken by GUVNL for purchase of solar power on committed capacity basis. Further, the Government also provided subsidy support under the SURYA Scheme. In view of the above, it was considered reasonable and prudent to allow tariff rate of Rs. 2.25 (85% of tariff of Rs. 2.65) per kWh so as to maintain equity between the project set up exclusively for sale to Distribution Licensee on firm capacity basis and the Rooftop projects selling/ injecting only surplus power on infirmed capacity basis.

State Government for MSME Manufacturing Enterprise considered the rate of Rs. 1.75 per kWh for purchase of surplus energy from such consumers.

In view of the difference in revenue realization rates of Residential/ Government Consumers and Other Consumers and impact on revenue of Distribution Licensee due to installations of Rooftop Solar PV system by such consumers, Hon'ble GERC found it reasonable to fix the surplus injection compensation (SIC) rate for Residential/ Government Consumers at Rs. 2.25 per kWh and Rs. 1.75 per kWh for other consumers not covered under REC. Further, the surplus injection compensation rates for REC projects were fixed at Rs. 1.50 (85% of Rs. 1.75) per kWh.

It was required to promote and facilitate installations of Rooftop Solar PV system mainly for self-consumption, hence it is proposed to keep the tariff / compensation rate for surplus energy exported by such systems to grid at such a level that there should not be adverse impact of the same on other electricity consumers.

The solar power projects set up for captive use/ third party sale and solar rooftop are set up primarily for self-consumption and have infirm nature of generation of electricity from such systems and therefore these should not be compared with solar or other generating plants set up exclusively for sale of electricity to the DISCOM which supply power on firm basis. Accordingly, the procurement rate for surplus energy injected into the licensee's grid from such plants after self-consumption should be treated differently. Delhi Government has also notified various policies for facilitations and promotion of

Rooftop Solar PV system.

The Average Power Purchase Cost allowed by Hon'ble Commission in Delhi is landed cost of power purchase at DISCOM's periphery. Other states allow the APPC as defined by CERC.

CERC defines Average Power Purchase Cost (APPC) as "Pooled Cost of Purchase" which is the weighted average pooled price at which the distribution licensee has purchased the electricity including cost of self-generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be."

APPC at the National level has been worked out by CERC as Rs. 3.85/kWh based on the tariff orders issued by the SERCs/JERCs for FY 2020-21, which shall be applicable during FY 2021-22 or until further orders, CERC has noted that for Delhi it is Rs. 4.11/unit. In Delhi, the Hon'ble Commission has directed the surplus power from Net-Metering to be purchased at Rs. 5.55/unit in Tariff Order FY 2021-22.

Hence, we request the Hon'ble Commission to reduce the Tariff for procurement of surplus energy from Rooftop PV projects by keeping the rate at APPC as defined by CERC.

### **23. Mandatory e-bill for load above 5 kW and for Zero Amount Payable bills**

DISCOMs send paper electricity bills to lakhs of consumers every month which is not only wastage of paper but also for resources; this means thousands of trees are cut every year just to send electricity bills to consumers.

In this era of internet, this wastage can be saved by usage of email and WhatsApp. A soft copy of the bill can be sent to the consumer on WhatsApp or on their email. These e-Bills will also help in providing additional features to consumers.

Features that can be configured in the e-Bill are:

- a) Billing Details
- b) Service Request
- c) Important Information Request like - Know Your Tariff and Total Energy Charges
- d) Know Your Meter – video explaining the meter
- e) Consumer Profile - Display Email & Contact Number of Consumer
- f) Billing Analysis – Last 6 months details of Billed Amount
- g) Payment History and Consumption Pattern
- h) Payment Centers & Schemes/ Offers Section

This can be made mandatory for those connections having sanctioned load of above 5 KW. These consumers, one can hope, to definitively have internet connectivity. This initiative will have the following benefits:

- a) Environment Friendly
- b) Easy Access
- c) Saves Time
- d) Less Documentation

Approx. 1.2 Crore Bills were raised in the last two financial years with "Nil" amount payable due to Government Subsidy. It is proposed that for those consumers wherein email id or mobile numbers is updated with DISCOMs, the "Nil" amount payable bill information will be sent only in electronic form through SMS or email or WhatsApp.

Bills raised with "Nil" amount payable summary is as follows:

<b>"Nil" amount payable bills raised</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Total</b>	<b>1,05,19,800</b>	<b>97,57,436</b>	<b>73,20,494</b>	<b>47,37,042</b>

Nearly 50% of all bills issued are with "Nil" amount payable i.e. these are for fully subsidized consumers. DISCOMs will provide physical bill only in cases wherein request is received from consumer for particular physical bill.

**Zero Payable bills are only for records of the consumer and can be kept in soft copy. Those who wish to receive hard copy of such bill will be charged Rs. 5 (excluding taxes) per bill in such cases. This is in line with cost charged by IGL for hard copy of the bill. Duplicate bill in any case is charged Rs. 20 as already notified by Hon'ble Commission.**

Thus, the Hon'ble Commission is requested to make e-bill mandatory for consumers with sanctioned load above 5 KW and for Zero Amount Payable bills.

#### **24. Concessions and benefits only to the honest consumers**

The Hon'ble Commission has been making efforts to provide lower tariff to consumers and has also made provisions for some benefits to some categories of consumers. It also needs to ensure that dishonest consumers are not allowed to take benefit of these concessions and only the honest avail them. Those who are defaulting on their bill payments or avoiding to pay it on time or pay only when the connection is to be disconnected should not be given these benefits. Defaulters be dissuaded from taking the benefit. Also, some consumers engage in theft of electricity, the burden of which is passed on to other consumers.

Therefore, all such consumer should not get the following benefits if they engage in Payment Default or Theft of Electricity:

- a) Domestic Consumers – Such Consumers should be charged on Average cost of supply (ACoS) for any energy consumption
- b) No TOD or Other Rebate should be provided
- c) No Subsidy Benefit if Consumer is Domestic
- d) No Security Interest should be provided
- e) LPSC to be charged on monthly basis

This will help in reducing the ARR of DISCOMs and also the burden of honest paying consumers.

## **25. Levy of penalty on Harmonics and installation of PQ meters by HT/EHT consumers**

Power Quality is an area of growing concern for end users as well as utilities due to their financial impact and health of equipments. The characteristics of loads and the requirements of electrical systems have been changing continuously. With the increasing penetration of renewables, the proliferation of electric vehicles and charging facilities and the rise of decentralized generation, the stress on the transmission and distribution grid has increased manifold. Presently, the awareness for power quality parameters and its impact on the network as well as load is very low. There is severe lack of data afflicting both utility as well as consumers.

The presence of harmonic distortion is highly detrimental to the health of electrical network. Current harmonics in the system are invariably produced by nonlinear loads of the consumers such as speed drives, LEDs, SMPS, arc furnaces, welding loads, data processing equipment of the consumers and causes power pollution. Further, Harmonic causes increased system losses, interference with communication lines, errors while indicating electrical parameters, probability to produce resonant conditions, etc. The main sources of harmonic distortion will ultimately be end-user loads only. The harmonic currents passing through the impedance of the system cause a voltage drop for each harmonic. Thus, harmonic current distortion leads to voltage distortion. When several power users share a common power line, the voltage distortion produced by harmonic current injection of one user can affect the other users. Thus, it is important to limit the harmonic distortion that a facility might produce not only for the benefit of that facility but also for the benefit of the other consumers on the electrical network at the point of common coupling.

Bulk consumers of electricity have higher capability to inject current harmonics in the network by virtue of large nonlinear loads. The Forum of Regulators has specified such group of customers as "Designated customers" based on their potential to inject harmonics in the electrical network. They include commercial buildings (Healthcare, Hotels, Airports, malls etc.), IT/ITES and Banking, Finance & Service Industries (BFSI)

grid connected distributed generating resource and Electric Vehicle Charging infrastructure etc.

The end users and utilities share responsibility for limiting harmonic current injections and voltage distortion at the point of common coupling. Since there are two parties involved in limiting harmonic distortions, the evaluation of harmonic distortion is divided into two parts: measurements of the currents being injected by the load and calculations of the frequency response of the system impedance. Measurements should be taken continuously over a sufficient period of time so that time variations and statistical characteristics of the harmonic distortion can be accurately represented. Sporadic measurements should be avoided since they do not represent harmonic characteristics accurately given that harmonics are a continuous phenomenon. Also, short duration temporary Power Quality Monitoring System cannot detect events such as voltage sags, interruptions and transients, which are among the main Power Quality issues.

Regulation 8 of DERC (Supply Code and Performance Standards) Regulations, 2017, also talks of penal charges on non-compliance which are to be notified by the Hon'ble Commission. This Regulation is reproduced below for ready reference:

*"(5) Failure to comply with the permissible limits of Harmonics after inspection as in sub-regulation (3) above may attract penal charges, as may be notified by the Commission from time to time:"*

However, Hon'ble Commission has not notified any penal charges till date.

On the basis of above submission and current regulations, we request the Hon'ble Commission to:

- i. Fix the penal charges at 20%-30% on Energy Charges of the respective consumer category Tariff in respect of those connected or seeking connectivity at 11 kV and above when they fail to provide adequate harmonic filtering equipment to avoid dumping of harmonics into DISCOM's network beyond the permissible limits as specified by CEA Regulations;
- ii. Direct all the HT/EHT consumers to install Power Quality meters in accordance to

Central Electricity Authority (Technical Standards for Connectivity of the Distributed Generation Resources) Amendment Regulations, 2019 and also specify the periodicity for sharing the recorded data of PQ meters with the DISCOMs as stipulated in the Amended Regulations of CEA.

**26. Levy of Different Slab of Energy Charges for Non-Domestic consumer based upon Billing Demand.**

The Hon'ble Commission has sub-categorized Non-Domestic as consumers with sanctioned load upto 3kVA and above 3kVA. A lower Energy Charge of Rs 6.00 Rs./kVAh is charged from Non-Domestic Customer with Sanctioned load up to 3 KVA and Energy Charge of Rs 8.50 Rs./kVAh is charged from Non-Domestic Customer with Sanctioned above 3 KVA.

The above sub-categorization was introduced in FY 2019-20 Tariff Order and earlier there was no sub-categorization of Non-Domestic Customer. Recently it has been observed that due to such lower energy charge for sanctioned load up to 3 KVA, New non-domestic customers are applying for load up to 3 KVA though their actual usage is higher than the 3 KVA. This leads to excessive use of electricity beyond the sanctioned load which has a definitive impact on the electricity network.

DISCOMs have to arrange for network augmentation since network has to be in conformity with load being supplied. **Such excessive load at times leads to burning of meter and fire in the premises leading to loss of life & equipment.**

Energy charges for non-domestic consumers if levied on billing demand will help in preventing such under report of sanctioned load and also help in recover costs according to the actual usage of the consumer. Also, the energy charges in accordance to billing demand will help ensure discipline amongst Non-Domestic consumers.

It has to be noted that Hon'ble Commission has already allowed levy of Fixed Charges based on Billing Demand.

Hence, it is requested to the Hon'ble Commission to allow the levy of Energy Charges for Non-Domestic consumer category based on Billing demand.



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