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DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1933)/DERC/2021-22

Tariff Petition No. 01/2022 (True-up part)

In the matter of: **Petition for approval of True-Up for FY 2020-21.**

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001

...**Petitioner/Licensee**

Coram:
Hon'ble Justice (Retd.) Jayant Nath, Chairperson

ORDER
(Date of Order: 19.07.2024)

M/s New Delhi Municipal Council (NDMC) has filed the instant Petition for approval of True-up of expenses upto FY 2020-21 and Aggregate Revenue Requirement (ARR) for FY 2022-23. The Petition was admitted by the Commission vide Order dated 17.03.2022. The Petition along with Executive Summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders. However, this Order pertains only to the approval of True-up of expenses upto FY 2020-21.

The comments and suggestions of the stakeholders including the submissions made during the virtual public hearing held on 12.05.2022 & 13.05.2022 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers vested under the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby passes this True-up Order signed, dated and issued on 19.07.2024.

(Justice (Retd.) Jayant Nath)
Chairperson

CONTENTS

LIST OF ABBREVIATIONS

Abbreviation	Explanation
ARR	Aggregate Revenue Requirement
A&G	Administrative and General
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
ACD	Advance Consumption Deposit
AEEE	Alliance for an Energy Efficient Economy
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEE	Bureau of Energy Efficiency
BEST	Brihanmumbai Electric Supply and Transport
BHEL	Bharat Heavy Electricals Limited
BIS	Bureau of Indian Standards
BPTA	Bulk Power Transmission Agreement
BRPL	BSES Rajdhani Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CCGT	Combined Cycle Gas Turbine
CEA	Central Electricity Authority
CER	Centre for Energy Regulation
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamp
CGHS	Cooperative Group Housing Societies
CGS	Central Generating Stations
CIC	Central Information Commission
CISF	Central Industrial Security Force
CoS	Cost of Supply
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CPSUs	Central Power Sector Utilities
COVID	Corona Virus Disease
CSGS	Central Sector Generating Stations
CWIP	Capital Work in Progress
DA	Dearness Allowance
DDA	Delhi Development Authority
DERA	Delhi Electricity Reform Act
DERC	Delhi Electricity Regulatory Commission
DESL	Development Environergy Services Limited

Abbreviation	Explanation
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)
DMRC	Delhi Metro Rail Corporation
DPCL	Delhi Power Company Limited
DTL	Delhi Transco Limited
DVB	Delhi Vidyut Board
DVC	Damodar Valley Corporation
EHV	Extra High Voltage
EPS	Electric Power Survey
FBT	Fringe Benefit Tax
FERV	Foreign Exchange Rate Variation
FPA	Fuel Price Adjustment
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GTPS	Gas Turbine Power Station
HEP	Hydro Electric Power
HPSEB	Himachal Pradesh State Electricity Board
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
ICAR	Indian Agricultural Research Institute
IDC	Interest During Construction
IEX	Indian Energy Exchange
IGI Airport	Indira Gandhi International Airport
IPGCL	Indraprastha Power Generation Company Limited
JJ Cluster	Jhugghi Jhopadi Cluster
KSEB	Kerala State Electricity Board
LED	Light Emitting Diode
LIP	Large Industrial Power
LT	Low Tension
LVDS	Low Voltage Distribution System
MCD	Municipal Corporation of Delhi
MES	Military Engineering Service
MLHT	Mixed Load High Tension
MMC	Monthly Minimum Charge
MoP	Ministry of Power
MTNL	Mahanagar Telephone Nigam Limited
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station

Abbreviation	Explanation
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non-Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SDMC	South Delhi Municipal Corporation
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
TERI	The Energy and Resources Institute
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited

Abbreviation	Explanation
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Unit of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

CHAPTER 1 INTRODUCTION

1.1 This Order relates to the Petition filed by New Delhi Municipal Council (NDMC) (hereinafter referred to as 'NDMC' or the 'Petitioner') for True-Up of FY 2020-21 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as 'Tariff Regulations, 2017') and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 (hereinafter referred to as 'Business Plan Regulations, 2019').

1 NEW DELHI MUNICIPAL COUNCIL (NDMC)

1.2 New Delhi Municipal Council (NDMC) is a Municipal Council engaged in the distribution of electricity to the consumers in the New Delhi area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994. NDMC is a Deemed Licensee under the Electricity Act, 2003 in respect of the specified area in New Delhi.

2 DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by GoNCTD on 3/03/1999 and it became operational from 10/12/1999.

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

3 STATE ADVISORY COMMITTEE MEETING

1.5 The "State Advisory Committee (SAC)" have been re-constituted and notified the same vide Gazette Notification No.F.7(37)/DERC/DS/2016-19/C.F.No.5624/253 dated 23/07/2020, comprising of Chairperson and Member of DERC, officers of the Commission and Other Members of SAC (including their nominees).

1.6 The 20th State Advisory Committee Meeting was held (virtually) on 29/06/2022. Apart from the Chairperson, Member of DERC, 20th SAC Meeting witnessed participation from DMRC, MCD, NISE, DESL, NABL, IEX, TERI, AEEE, Department of Health & Family Welfare, CER, Labour Department, GoNCTD and ICAR. The SAC was also attended by officers of the Commission.

1.7 The issue which was deliberated during the meeting is listed below: -

Table 1. 1: Issues Discussed in 20th State Advisory Committee Meeting

Sr. No.	Issues Discussed
a.	Tariff Petition for True up of FY 2020-21 for GENCOs, TRANSCO and DISCOMs

4 MULTI YEAR TARIFF REGULATIONS

1.8 The Commission issued Tariff Regulations, 2017 vide Gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Transmission of Electricity under the Multi Year Tariff (MYT) framework. Further, the operational norms for Distribution utilities have also been approved by the Commission in Business Plan Regulations, 2019 under Tariff Regulations, 2017 for the period FY 2020-21 to FY 2022-23.

5 FILING OF PETITION FOR TRUE-UP OF FY 2020-21 AND ACCEPTANCE OF PETITION

1.9 NDMC filed its Petition for the approval of Truing up of Expenses upto FY 2020-21 before the Commission on 30/11/2021.

1.10 The Petition was analyzed & various defects in the Petition were communicated to the Petitioner vide letter dated 28/12/2021. Thereafter, Petitioner submitted additional documents vide letter dated 27/01/2022 and submitted that their Accounts, Power Purchase Cost and Form 2.1 (a) for FY 2020-21 are under audit and will be submitted as soon as and when the report is received.

1.11 The Commission admitted the Petitions for True up of ARR for FY 2020-21 vide its Order dated 17/03/2022 respectively, subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. Copy of the Admission Orders dated 17/03/2022 is enclosed as *Annexure I* to this Order.

1.12 The complete copy of the True-up Petition filed by the Petitioner along with additional information was uploaded on website of the Commission (www.derc.gov.in) and the Petitioner.

1.13 The Executive Summary and one-page snapshot Summary of True-up of FY 2020-21 was also prepared and uploaded on Commission's website (www.derc.gov.in) for quick glance of Tariff Petitions and for ease to consumers.

6 INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

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

1.15 The Commission relied upon the analysis conducted by various concerned Divisions of the Commission for preparation of the Order.

1.16 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was carried out. Additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner discussed key issues raised in the Petition, which included details of Long Term & Short Term Power Purchase, Sales, Billing, Collection, Capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, loss reduction trajectory, liability towards SVRS expenditure, etc.

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

1.18 The Commission decided to conduct Public Hearing for issuance of Tariff Order related to True up of FY 2020-21 and communicated the same through Public Notice published in leading newspapers on 31/03/2022 and also uploaded the same on Commission's website. Stakeholders were given additional time-period till

25/04/2022 or date of Public Hearing, whichever is later for submitting comments/suggestions on Tariff Petition filed by the utilities.

1.19 A soft copy of the Petition was made available in CD form on payment of Rs. 25/- per CD or a copy of the Petition was also made available for purchase from the Petitioner head-office on working day till 25/04/2022 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by Cash or by Demand Draft/Pay Order.

1.20 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Tariff-Finance), Joint Director (Engineering), Joint Director (Performance Standards & Engineering), Deputy Director (Tariff-Economics) and Deputy Director (Tariff-Engineering) were nominated for discussion on the ARR Petitions. This was duly mentioned in the Public Notices published by the Commission.

1.21 Considering the COVID-19 situation prevalent at that time, the Commission decided to conduct Public Hearing virtually on 12/05/2022 & 13/05/2022 on Tariff Petitions for True Up of FY 2020-21.

1.22 Accordingly, the Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2020-21 on 12/05/2022 & 13/05/2022 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

1.23 The Commission also received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who responded to the comments of the stakeholders with a copy of its replies to the Commission.

1.24 The issues and concerns raised by various stakeholders have been examined by the Commission. The major issues made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

1.25 The Commission has therefore considered the inputs/comments received from various stakeholders along with the due diligence conducted by the officers of the Commission in arriving at its final decision.

7 PUBLIC NOTICE

1.26 The Commission published Public Notice in the following newspaper on 31/03/2022 inviting comments/suggestions from stakeholders on the Tariff Petitions filed by the Petitioner latest by 25/04/2022 or the date of Public Hearing, whichever is later:

(a)	Hindustan Times (English)	:	31/03/2022
(b)	The Times of India (English)	:	31/03/2022
(c)	The Hindu (English)	:	31/03/2022
(d)	The Indian Express (English)	:	31/03/2022
(e)	Navbharat Times (Hindi)	:	31/03/2022
(f)	Punjab Kesari (Hindi)	:	31/03/2022
(g)	Virat Vaibahv (Hindi)	:	31/03/2022
(h)	Roznama Rashtriya Sahara (Urdu)	:	31/03/2022
(i)	Educator (Punjabi)	:	31/03/2022

1.27 Public Notice was also uploaded on Commission's website www.derc.gov.in.

1.28 The Petitioner also published a Public Notice indicating salient features of its Petition for inviting comments from the stakeholders and requesting to submit response on the Petition latest by 25/04/2022 or the date of Public Hearing, whichever is later, in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	9/04/2022
(b)	The Mint (English)	:	9/04/2022
(c)	The Hindu (English)	:	9/04/2022
(d)	Navbharat Times (Hindi)	:	9/04/2022
(e)	Hamara Samaj (Urdu)	:	9/04/2022
(f)	Jan Ekta (Punjabi)	:	9/04/2022

1.29 The Commission issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the date and time of Virtual Public Hearing scheduled on 12/05/2022 & 13/05/2022 for comments by stakeholders on the Tariff Petition filed by the Petitioner latest by 13/05/2022 and also indicated the conducting of Virtual Public Hearing.

(a)	Hindustan Times (English)	:	25/04/2022
(b)	The Times of India (English)	:	25/04/2022
(c)	The Hindu (English)	:	25/04/2022

(d)	The Indian Express (English)	:	25/04/2022
(e)	Navbharat Times (Hindi)	:	25/04/2022
(f)	Punjab Kesari (Hindi)	:	25/04/2022
(g)	Virat Vaibahv (Hindi)	:	25/04/2022
(h)	Roznama Rashtriya Sahara	:	25/04/2022
(i)	Educator (Punjabi)	:	25/04/2022

1.30 Public Notice related to process for Virtual Public Hearing (VPH) was also uploaded on Commission's website. The platform for VPH was as follows:

Dates	12/05/2022 & 13/05/2022
Timings	11:00 AM to 01:00 PM and 02:00 PM to 05:00 PM
Last date for registration	9/05/2022 at 03:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

8 LAYOUT OF THE ORDER

1.31 This Order is organized into following Chapters:

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

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

c) **Chapter A3** provides details/analysis of the True up of FY 2020-21 and impact of past period true up based on judgement of Hon'ble Supreme Court & Hon'ble APTEL, if any, Review Order of the Commission, if any, and its directives on the matter.

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

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

b) **Annexure II** - List of the stakeholders who submitted their comments on True-up of expense for FY 2020-21.

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

9 APPROACH FOR TRUE UP OF FY 2020-21

1.33 The Commission in its Business Plan Regulations, 2019 has indicated that Regulations shall remain in force for a period of three (3) years, as follows:

> *"1(2) These Regulations shall remain in force for a period of 3 (three) years i.e., for FY 2020-21, FY 2021-22 and FY 2022-23, unless reviewed earlier."*

1.34 The Commission in its Tariff Regulations, 2017 has specified that Regulations shall be deemed to have come into effect from 1st February, 2017, as follows:

> *"(4) These Regulations shall be deemed to have come into force from 1st February, 2017 and shall remain in force till amended or repealed by the Commission. "*

1.35 Accordingly, ARR for FY 2020-21 has been Trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2019.

CHAPTER 2 RESPONSE FROM STAKEHOLDERS

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

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the determination of Tariff shall be as per Section 62 of the Electricity Act, 2003 for the Distribution Licensees on consideration of all objections/suggestions received from the public and the response of the DISCOMs response thereon to the objections/suggestions of stakeholders, issue a Tariff Order accepting the applications with such modifications or such conditions as applicable may be specified in the order.

2.3 The Commission has on examination of the issues took into consideration the comments/ suggestions offered by the various stakeholders in their written statements and also the response of the Petitioners thereon.

2.4 The comments and the suggestions of stakeholders, and the Petitioners' replies/response thereon the summarized views of the Commission are appended under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS

STAKEHOLDERS' VIEW

2.5 DISCOMs Petitions are voluminous consisting of 2500 pages documents & 30 days time duration provided for submitting comment is not sufficient. The Commission is requested to grant more time in public hearing to submit detailed reply as per Petition filed by DISCOM.

2.6 The Commission may publish all the comments received on Tariff Petitions on its website, as the Delhi Development Authority (DDA) did in case of the suggestions for MPD.

2.7 Petitions along with the Petitioner's audited accounts should be made available to the public and can be downloaded by anyone.

2.8 Objections of consumers should be decided on merit. If they are not accepted, their basis and reasons should be kept in public domain.

2.9 The Commission is requested to provide an opportunity of personal hearing in these matters. Offline Public Hearing should also be conducted.

2.10 Regulatory Assets and Fixed Charges should be mentioned in Executive summary.

2.11 Executive summary must be standardized so that the minimum information at a glance is made available.

2.12 Petition should be strictly filed according to the Regulations & should be signed by the Head of the Regulatory Department of the DISCOMs.

2.13 Three power DISCOMs i.e. TPDDL, BRPL and BYPL should be merged and there should be one power distribution company.

2.14 NIC issued email id should be used by all Central/State Governments & their Organization and usage of Gmail id is contravention to State Policy.

2.15 Public hearing recording should be uploaded on DERC website.

2.16 Public hearing was not conducted for draft DERC (Forum for redressal of Grievances of Consumers and Ombudsman) Regulations, 2018. The Appointment of CGRF and Ombudsman Chairman must be carried out with public hearing and not in a shoddy and hush manner.

2.17 Methodology of Tariff Order is not correct. Liability should not be on consumers.

2.18 Delhi government is an equal partner in the Distribution Company. Does it agree with the data furnished in the Petition?

PETITIONERS' SUBMISSION

TPDDL

2.19 As regards to stakeholder comment on conducting physical Public Hearing & display of all comments on its website, the Commission may decide on the same.

Procedure for virtual public hearing is uploaded at the website of DERC. The path for the same is http://www.derc.gov.in/notices/public-notice .

2.20 The basis and reasons for the decisions of the Commission are provided in the Tariff Order issued for the relevant year.

2.21 Other queries doesn't pertain to TPDDL.

BYPL

2.22 The stakeholder's plea may be duly considered by the Commission.

2.23 With regards to the comments of the stakeholder that only NIC issued email id should be used by all Central/State Governments and their Organizations, it is submitted that we are not in a position to reply on this comment.

2.24 The Audited Accounts duly approved and signed by the Board of the Petitioner is submitted along with the Petition for True-up of FY 2020-21 to the Commission. The entire Petition along with the Petitioner's audited accounts are available in the public domain and can be downloaded by anyone desirous of doing so from the website of the Commission.

2.25 With regard to the comment on merging of utilities, it is submitted that DISCOMS were awarded licenses for taking over the management and operations of Power Distribution in various parts of Delhi. Thus, there was public-private partnership for the three Distribution Businesses in Delhi, viz. BRPL, BYPL and TPDDL.

2.26 ARR Petition is filed strictly in terms with the provisions of Tariff Regulations, 2017. There is no such mandate that the ARR Petition has to be signed by the Head Regulatory Department of DISCOM. Any person who is authorized by the company under Delegation of Powers can sign the ARR Petition.

2.27 The stakeholder has submitted comments on draft DERC Forum for Redressal of Grievances of Consumers and Ombudsman) (First Amendment) Regulations, 2021 which does not pertain to the ARR Petition.

BRPL

2.28 Delhi Government nominated persons are the Board Member of the DISCOM. The Audited Accounts are finalized after approval of all the Board Member.

2.29 The stakeholder has submitted comments on draft DERC Forum for Redressal of Grievances of Consumers and Ombudsman) (First Amendment) Regulations, 2021, which does not pertain to the ARR Petition.

2.30 With regard to the comment on merging of utilities, it is submitted that DISCOMS were awarded licenses for taking over the management and operations of Power Distribution in various parts of Delhi. Thus, there was public-private partnership for the three Distribution Businesses in Delhi, viz. BRPL, BYPL and TPDDL.

2.31 Other issue does not pertain to the ARR Petition. However, the stakeholder's plea may be duly considered by the Commission.

NDMC

2.32 The party is not in NDMC area.

COMMISSION'S VIEW

2.33 The Commission endeavors to issue Tariff Orders as per provisions of the Electricity Act, 2003.

2.34 The Commission vide its Public Notice dated 31/03/2022 sought comments/suggestions on petitions for True-Up of Expenses for FY 2020-21 and Aggregate Revenue Requirement (ARR) for FY 2022-23 filed by Generating Companies, Transmission Licensee and Distribution Licensees by 25/04/2022 to take a final view on issues concerning the principles and guidelines for Tariff determination.

2.35 For ease of consumers, Executive Summary of Tariff Petitions which is a 10 to 15 pages document & highlights salient features of the Tariff Petition was uploaded on Commission's website. Further, a one-page snapshot summary of True-up of FY 2020-21 & ARR for FY 2022-23 was also prepared and uploaded at the DERC website for quick glance of the Tariff Petitions.

2.36 The Commission decided to conduct Public Hearing for issuance of Tariff Order related to True-up of FY 2020-21 and ARR of FY 2022-23 and communicated the same through Public Notice published in leading newspapers on 31/03/2022 and also uploaded the same on Commission's website. Stakeholders were given additional time period till 25/04/2022 for submitting comments/suggestions on Tariff Petition filed by the utilities.

2.37 A soft copy of the Petition was made available in CD form on payment of Rs. 25/- per CD or a copy of the Petition was also made available for purchase from the respective Petitioner head-office on working day till 25/04/2022 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.

2.38 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, Six officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Tariff-Finance), Joint Director (Engineering), Joint Director (Performance Standards & Engineering), Deputy Director (Tariff-Economics) and Deputy Director (Tariff-Engineering) were nominated for discussion on the ARR Petitions. This was duly mentioned in the Public Notices published by the Commission.

2.39 Considering the COVID-19 situation prevalent at that time, the Commission decided to conduct Virtual Public Hearing on 12/05/2022 & 13/05/2022 on Tariff Petitions for True Up of FY 2020-21 and ARR for FY 2022-23.

2.40 Various Stakeholders requested the Commission to extend last date of Submission of Comments / suggestions on Tariff Petitions filed by various Utilities by at least four to five weeks as the same are voluminous and requires more time to study and preparation of comments.

2.41 Based on request received from various stakeholders to extend last date of submission of comments / suggestions on Tariff Petitions, the last date of receiving Comments / Suggestions which was earlier till 25/04/2022 was extended till 13/05/2022.

2.42 Accordingly, the Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2020-21 and ARR for FY 2022-23 on 12/05/2022 & 13/05/2022 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

2.43 The Commission received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who responded to the comments of the stakeholders with a copy of its replies to the Commission.

2.44 The issues and concerns raised by various stakeholders have been examined by the Commission. The major issues made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

2.45 The Commission therefore has provided sufficient time & considered the inputs/comments received from various stakeholders along with the due diligence conducted by the officers of the Commission in arriving at its decision.

2.46 The Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2022-23, like Power Purchase Cost, O&M cost, CAPEX, financing cost, the gap in True-up of FY 2020-21 and carrying cost for the Regulatory Assets etc. The Petitioners submitted the audited accounts to substantiate their claims which is also made part of their Petition. The Tariff Petitions are duly scrutinized and admitted only if found in order as per the DERC (Comprehensive Conduct of Business) Regulations, 2001. The Petitioners furnished clarifications/additional information, as and when required by the Commission.

2.47 The Commission appointed C&AG Empanelled Auditors for Regulatory Audit of DISCOMs i.e. NDMC, BRPL, BYPL & TPDDL for True-up of FY 2020-21. The Regulatory Audit assignment for FY 2020-21 was awarded to Shridhar & Associates for NDMC & TPDDL, Grand Mark & Associates for BRPL and Adroit & Co. for BYPL. Based on their reports and prudence check by the Commission and after considering various components of cost mentioned in the Petitions, the Tariff Order is issued with due analysis and justification.

ISSUE 2: BUSINESS PLAN & SOP REGULATION

STAKEHOLDERS' VIEW

2.48 As per Performance data, BRPL has achieved 99.91% to 100 % Collection Efficiency in their Petition, which seems incorrect.

2.49 DERC has not prepared Business Plan Regulations, 2017 and 2019 with due diligence and DISCOMs are getting benefitted.

2.50 Best Parameters of other states DISCOMs should be made benchmark for all Delhi DISCOMs.

PETITIONERS' SUBMISSION

TPDDL

2.51 Formation of Regulations in accordance with the Act is the sole prerogative of the Commission. The Commission may like to decide on the same as it may deem fit.

BYPL

2.52 The Commission while fixing the O&M norms in Business Plan Regulation, 2017 has given the detailed reasons in SOR. Further, the facts and figures mentioned by stakeholder pertains to other DISCOMs, hence, we are not in a position to respond to the same.

2.53 The Commission in November, 2019 had issued the Public Notice along with Draft Business Plan Regulations requesting the stakeholders to provide the comments on the Draft Regulations within the specified time limit. The stakeholders including consumers were provided the opportunity to make their respective objections/suggestion on the draft including specified operational targets. Pursuant to the receipt of comments from various stakeholders, the Commission had notified the Business Plan Regulations, 2019 applicable for the Tariff period FY 2020-21 to FY 2022-23 on 27/12/2019.

2.54 Further, on 29/01/2020, the Commission issued an Explanatory Memorandum providing the basis and justification while finalization of the norms determined in Business Plan Regulations, 2019.

2.55 The Commission issues Tariff Order only after prudence check of the Petitions submitted by the DISCOMs and after considering each element of the cost projected in the Petitions with due analysis and ensuring proper justification. The Petitioner furnished clarifications/additional information, as and when required by the Commission.

BRPL

2.56 The Commission in November, 2019 issued the Public Notice along with Draft Business Plan Regulations requesting the stakeholders to provide the comments on the Draft Regulations within the specified time limit. The stakeholders including consumers were provided the opportunity to make their respective objections/suggestion on the draft including the specified operational targets.

2.57 The Commission uploaded the draft of Business Plan Regulations, 2019 on its website and had invited comments from stakeholders through Public Notices published in leading newspapers, which was also uploaded on the Commission's website. Pursuant to the receipt of comments from various stakeholders, the Commission had notified the Business Plan Regulations, 2019 applicable for the tariff period FY 2020-21 to FY 2022-23 on 27/12/2019.

2.58 Further, on 29/01/2020 the Commission had issued an Explanatory Memorandum providing the basis and justification while finalization of the norms determined in DERC (Business Plan) Regulations, 2019.

2.59 Accordingly, the Commission has issued the Business Plan Regulations after incorporating comments of all the stakeholders.

2.60 The Commission issue Tariff Order only after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification. The Petitioner furnished clarifications/additional information, as and when required by the Commission. Further, DISCOM submits Performance data to the Commission on periodical basis.

2.61 In accordance with Regulation 61 of the Electricity Act, 2003, the State Commission specified terms and conditions for determination of Tariff. In terms of Regulation 4 of Tariff Regulations, 2017, as follows:

> *"The following parameters shall be contained in the Business Plan Regulations:*
> *(1) Rate of Return on Equity,*
> *(2) Margin for rate of interest on Loan,*
> *(3) Operation and Maintenance Expenses,*
> *(4) Capital Investment Plan,*
> *(5) Mechanism for sharing of incentive-disincentive mechanism,*
> *(6)Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset,*
> *(7) Generating Norms:*
> …………
> *(8) Transmission Norms:*
> …………..
> *(9) Distribution norms:*
> *(a) Distribution Loss Target;*
> *(b) Collection Efficiency Target;*
> *(c) Targets for Solar and Non Solar RPO;*
> *(d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions*
> *(e) The ratio of various ARR components for segregation of ARR into Retail Supply and Wheeling Business."*

NDMC

2.62 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.63 The Commission is guided by Principles of Electricity Act, 2003 and ensures to safeguard interest of consumers & ensures recovery of the cost of electricity in a reasonable manner. The relevant extract of the said Regulation is as follows:

> "61. *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:-*
> …
> *(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;"*

2.64 Further, the Electricity Tariff is determined in accordance to provisions of Section 62 of Electricity Act, 2003 as stated below:

> *"62. (1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –*
> *(a) supply of electricity by a generating company to a distribution licensee:*
> *Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;*
> *(b) transmission of electricity;*
> *(c) wheeling of electricity;*
> *(d) retail sale of electricity."*

2.65 The Commission in exercise of powers conferred under Section 181 read with Section 61 and Section 86(1)(b) of the Electricity Act, 2003 (Act 36 of 2003) notified DERC (Business Plan) Regulations, 2019. The said Regulations shall remain in force for a period of 3 (three) years i.e., for FY 2020-21, FY 2021-22 and FY 2022-23, unless reviewed earlier.

2.66 A transparent public consultation process before enactment of any Regulations keeping in mind the interest of consumers of Delhi, Distribution Licensees, Transmission Licensee and GENCOs. The DERC (Business Plan) Regulations, 2019 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft DERC (Business Plan) Regulations, 2019 was uploaded on DERC website and stakeholders' comments were invited via Public Notice and comments received from the stakeholders were considered in the final Business Plan Regulations approved by the Commission. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019. These Regulations are applicable upto FY 2022-23.

2.67 Further, on 29/01/2020, the Commission had issued an Explanatory Memorandum explaining the rationale and objective behind every issue of Draft Business Plan on which comments can be given

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

2.69 For instance, Electric Power Transmission & Distribution Losses of various countries from the World Bank website for top 50 countries were compared over a period of 2003 to 2014 & analysis is mentioned in the statement of Reasons on Business Plan Regulations 2017. Even the Transmission & Distribution Losses are benchmarked against various states/ Private Distribution Companies like Torrent-Ahmedabad (Gujarat), Noida Power Company (Uttar Pradesh) and Maharashtra in the Statement of Reasons on Business Plan Regulations, 2017.

2.70 The stakeholder view that DISCOMs are getting benefited is not correct and Transmission & Distribution Losses are already benchmarked against DISCOMs of other states & other top 50 countries. There is also provision of penalties on DISCOMs for non-compliance to the following parameters:

a) Renewable Purchase Obligations- Promotion of Green Energy
b) Sustained deviation- Grid Discipline
c) Additional UI changes- Grid Discipline
d) Dis-incentive / MOD violation penalties- Optimization of PPC
e) Distribution Loss Targets- Reduction of losses
f) Collection Efficiency – Improvement of Revenue Collection

2.71 Based on above, the Business Plan Regulations, 2017 & Business Plan Regulations, 2019 is competitive in nature with Incentive/ Dis-incentive based on the performance of DISCOMs against the targets set by the Commission. If any Utility doesn't meet the Targets as per the Norms defined in Business Plan Regulations, 2019 then penalty has been levied in the past against the DISCOMs, as follows:

Table 2. 1: DISCOM wise penalty levied from FY 2017-18 to FY 2019-20 **Rs. Cr.**

Parameters	**BRPL**			**BYPL**			**TPDDL**			**NDMC**		
	FY 18	**FY 19**	**FY 20**	**FY 18**	**FY 19**	**FY 20**	**FY 18**	**FY 19**	**FY 20**	**FY 18**	**FY 19**	**FY 20**
Non- Compliance to RPO		8.89	14.62	6.24	7.22	8.97		3.16		0.28	0.34	0.63
Additional UI	3.19	4.42	8.73	2.03	2.61	3.95	1.98	3.46		0.02		
Sustained		12.37	8.82		2.19	1.46		3.44				4.52
Sale of Power in UI above 5%	0.67	18.86	23.36			1.18	5.48			2.64	0.92	4.15
Dis-incentive / MOD violation penalties											2.21	

Parameters	BRPL			BYPL			TPDDL			NDMC		
	FY 18	FY 19	FY 20	FY 18	FY 19	FY 20	FY 18	FY 19	FY 20	FY 18	FY 19	FY 20
Impact of Regulation of	0.06											
Distribution Loss Targets										28.5		3.69
Under achievement of Collection										21	42.51	
Cash transactions above Rs. 4000/-					0.02			0.02		0.82	0.02	
Total			**103.99**			**35.87**			**17.54**			**112.25**

2.72 Further, various penalties have been imposed in the Tariff Order for FY 2022-23 which are discussed in Chapter 3 of this Tariff order.

ISSUE 3: ADHOC O&M EXPENSES

STAKEHOLDERS' VIEW

2.73 Calculation of O&M expenses is based on Adhoc data without scientific basis and the same should be reversed.

2.74 The O&M expenses were arbitrarily increased from Business Plan Regulations, 2017 to Business Plan Regulations, 2019, which will be continued till year 2023.

2.75 Benchmarking of Operations for efficiency gain should be as per competition within the Industry.

2.76 O&M expenses are doubtful and need to be disallowed. Disallowance of Rs. 150 Crore is clearly visible in O&M Expenses of BYPL.

2.77 The normative O&M expenses needs to be revisited with strict prudence check to determine all such charges.

2.78 O&M charges includes 7th Pay commission enhancement charges and annual enhancement charges and hence no further expenses can be allowed over O&M expenses.

2.79 O&M expenses allowed by the Commission, seem to have been prepared considering 7th CPC. Hence, O&M expenses needs to be revisited with strict prudence check.

2.80 O&M expenses and Working Capital should be allowed to DISCOMs as per norms defined in Business Plan Regulations, 2019.

2.81 Savings in interest on Working Capital can be more than Rs. 100 Crores for all three

DISCOMs if receivable are reduced by 15 days.

2.82 Loss on sale of retired Assets should be on account of DISCOMs.

2.83 Verify extraordinary O&M expenses of DISCOMs i.e. Legal Expenses and incremental GST impact.

2.84 The allowed O&M Charges should be based on ckt/km length of the Distribution Lines & should not be decided arbitrarily.

2.85 The old method of O&M Charges based on value of Assets should be adopted since present O&M charges were decided in arbitrary manner resulting in increased O&M expenses.

2.86 Legal charges cannot be allowed under O&M expenses. Corporate social responsibility should also be borne from profits of DISCOM.

PETITIONERS' SUBMISSION

TPDDL

2.87 The normative O&M expenses has been set by the Commission in accordance with the Tariff Regulations, 2017 and Business Plan Regulations, 2019. Accordingly, O&M expenses are claimed and allowed to DISCOMs as per norms defined in Business Plan Regulations 2019.

2.88 Legal expense is not part of normative O&M expense, and allowed separately by the Commission as per Regulation 23 of Business Plan Regulations, 2019, as follows:

> *"23(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:*
> *Provided that the legal expenses 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."*

2.89 The Business Plan Regulations, 2019 provides that

> *"6(3) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check."*

2.90 Working Capital to DISCOMs is allowed in line with the Tariff Regulations, 2017 as also provided to Generation and Transmission Companies.

2.91 CSR is a statutory liability and any change in statutory levy is uncontrollable in the hands of the DISCOMs.

BYPL

2.92 The Petitioner, in its ARR Petition, has claimed O&M expenses for FY 2020-21 in accordance with the Regulation 23 of Business Plan Regulations, 2019.

2.93 Further, Regulation 4(3) read with Regulation 87/ 92 of the Tariff Regulations, 2017 provides that Utilities shall be allowed O&M Expenses on normative basis as specified by the Commission in its Business Plan Regulations for the respective Control Period. Accordingly, O&M expenses for FY 2020-21 are claimed in accordance with the norms under Regulation 23 of Business Plan Regulations, 2019.

2.94 O&M expenses for a financial year is determined and approved by the Commission on normative basis as per Regulation 23 (1) of the Business Plan Regulations 2019 based on Actual Assets installed at the site and its maintenance to provide services to the consumer. O&M Expenses vary as per the consumer mix i.e., Domestic/Non Domestic/Industrial etc. & supply at different voltage levels i.e., LT/11kV/33kV/66kV. The relevant extract of the Business Plan Regulation, 2019 is reproduced here as follows:

> "23. OPERATION AND MAINTENANCE EXPENSES
> (1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

Table 9: Norms for O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ckt. km	4.857	5.043	5.236
33 kV Line	Rs. Lakh/ckt. km	4.857	5.043	5.236
11kV Line	Rs. Lakh/ckt. km	2.036	2.114	2.195
LT Line system	Rs. Lakh/Ckt. km	9.173	9.524	9.890
66/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
33/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/MVA	2.534	2.631	2.732

"

2.95 The Commission in Regulation 23 (6) of Business Plan Regulations, 2019 has provided that Distribution Licensee may claim the expenses for raising loan for Working Capital and Regulatory Assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence. Accordingly, such expenses are claimed in the Petition for True Up for FY 2020-21. Further, Working Capital requirement is determined by the Commission in line with the Regulation 84(4) of the Tariff Regulations, 2017, as follows:

"WORKING CAPITAL
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; and"

2.96 The Legal expense and incremental GST impact is claimed in accordance with Business Plan Regulations, 2019 and Tariff Regulations, 2017.

2.97 The Commission has approved consumption at substation as per Regulation 23(2) of Business Plan Regulations, 2019. The Regulation 23(2) is stated as below:

"(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:
(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year."

2.98 Distribution business is a regulated business under the aegis of the Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, all prudently incurred legal expenses without any distinction should be allowed as an expense in the ARR.

2.99 Further, the Commission while determining the norms for O&M expenses in Business Plan Regulations, 2019 has not considered legal expenses as the same shall be allowed based on prudence check at the time of true of ARR. Hence, the Petitioner has made its claim of Legal Expenses as an additional expense as provided for in Business Plan Regulations, 2019.

2.100 Further, with respect to stakeholder comment on incremental GST impact, it is submitted that the factor of prevailing Service Tax @ 12% to 15% till June, 2017 and GST @18% from July, 2017 onwards has diluted the impact for one year and three months i.e. from April, 2016 to June, 2017, while deriving the norms of O&M expenses.

2.101 Further, as per Business Plan Regulations, 2019, the Commission has allowed the GST charges on normative basis for FY 2020-21 by considering an escalation factor of 3.83% on the average value of FY 2017-18 to FY 2018-19. However, the Commission, while deriving the normative rates for O&M expenses, has considered the GST impact from July, 2017 to April, 2019 as the GST rate is applicable from July, 2017 which has diluted the impact for one year and three months i.e. from April, 2016 to June, 2017. Accordingly, the Petitioner has claimed the incremental GST charges impact over and above the actual GST paid during FY 2020-21. In order to bring the parity of the O&M expenses being incurred by the Licensee with the norms in the Business Plan Regulations, 2019, incremental GST impact is being claimed which is the difference between the actual GST paid during the year and the impact of GST/service tax present in the norm for the year.

2.102 In regard to the stakeholder comment on 7th Pay Commission arrears, it is submitted that the Petitioner has claimed the incremental impact of 7th Pay Commission during FY 2020-21 as provided in Regulation 23(6) of Business Plan Regulations, 2019.

2.103 Further, the Commission while fixing the O&M norms in Business Plan Regulation 2017 & 2019 has given the detailed reasons in respective explanatory memorandum. In the Statement of reasons (SOR), it is stated that while fixing the norms of O&M expenses, the interim relief for 7th Pay Commission has been considered as given to the employees of the Licensee while determination of norms for O&M Expenses and any impact of difference of actual amount on account of actual of Seventh Pay Revision and such interim relief, if any, will be considered at the time of True up of ARR for relevant Financial year subject to prudence check.

2.104 Tariff Regulations, 2017 provides the methodology regarding De-capitalization of Assets before and after useful life. Said Regulations further provides for allowance of claim on account of loss/gain on such retired assets. Hence, the claim is made by the

Petitioner in terms of the applicable Regulations.

2.105 Distribution business is a regulated business under the aegis of the Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, all prudently incurred legal expenses without any distinction should be allowed as an expense in the ARR.

2.106 Further, the Commission while determining the norms for O&M expenses in Business Plan Regulations, 2019 has not considered legal expenses as the same shall be allowed based on prudence check at the time of true of ARR. Hence, the Petitioner has made its claim of Legal Expenses as an additional expense as provided for in Business Plan Regulations, 2019.

2.107 Regulation 45 Tariff Regulations, 2017 provides for the methodology regarding De-capitalization of Assets before and after useful life, as follows:

> *"45. Loss or Gain due to de-capitalisation 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."*

2.108 Thus, the Petitioner has claimed the loss due to retirement of assets as per Audited Accounts for FY 2020-21 as it pertains to meters which were replaced due to incompatibility to read kVA parameters.

2.109 Regulations further provides for allowance of claim on account of loss/gain on such retired assets. The claim is made by the Petitioner in terms of the applicable Regulations.

2.110 As regard to Additional O&M Expenses – Uncontrollable Expenses, it is submitted that additional O&M expenses has been claimed in accordance with Regulation 87 of Tariff Regulations, 2017 which states as under:

> *"87.*
> *…*
> *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."*

Also, Regulation 11 of DERC Tariff Regulations, 2017 states as under:
"11. The Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial year which shall contain:
...
(9) Actual and expected additional expenses on account of O&M beyond the control of Distribution Licensee for the ensuing & previous year respectively;
..."

Thus, in accordance with the above regulations, the Petitioner has claimed the additional O&M expenses which are uncontrollable in nature and not covered in the normative O&M expenses.

BRPL

2.111 O&M expenses for a financial year is determined and approved by the Commission on normative basis as per Regulation 23 (1) of the Business Plan Regulations, 2019 based on Actual Assets installed at the site and its maintenance to provide services to the consumer. The relevant extract of the Business Plan Regulation, 2019 is reproduced here as follows:

"23. OPERATION AND MAINTENANCE EXPENSES
(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

Table 8: Norms for O&M Expenses for BRPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ckt. km	3.855	4.002	4.156
33 kV Line	Rs. Lakh/ckt. km	3.855	4.002	4.156
11kV Line	Rs. Lakh/ckt. km	1.150	1.194	1.239
LT Line system	Rs. Lakh/ckt. km	6.148	6.384	6.629
66/11 kV Grid S/s	Rs. Lakh/MVA	1.033	1.073	1.114
33/11 kV Grid S/s	Rs. Lakh/MVA	1.033	1.073	1.114
11/0.415 kV DT	Rs. Lakh/MVA	2.563	2.661	2.763

"

2.112 The working capital requirement for a financial year is determined by the Commission in line with the regulation 84(4) of the DERC Tariff Regulations 2017, relevant excerpt is reproduced here as follows:

"WORKING CAPITAL
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; and"

2.113 The per unit rates for normative O&M computation in Business Plan Regulations, 2019 was specified by the Commission after due diligence of the data submitted by Petitioner. Hence, the Commission is allowing the O&M expenses as per norms defined in Business Plan Regulation, 2019.

2.114 The Petitioner has claimed Legal expense as per Tariff Regulations, 2017.

2.115 In regard to stakeholder comment on Loss on sale of retired assets, it is submitted that Tariff Regulations, 2017 provides for the methodology regarding de-capitalization of assets before and after useful life. Regulations further provides for allowance of claim on account of loss/gain on such retired assets. The claim is made by the Petitioner in terms of the applicable Regulations.

2.116 With respect to stakeholder comment on incremental GST impact, it is submitted that the factor of prevailing Service Tax @ 12% to 15% till June, 2017 and GST @18% from July, 2017 onwards has diluted the impact for one year and three months i.e. from April, 2016 to June, 2017, while deriving the norms of O&M expenses. In order to bring the parity of the O&M expenses being incurred by the Licensee with the norms in the Business Plan Regulations 2019, incremental GST impact is being claimed which is the difference between the actual GST paid during the year and the impact of GST/service tax present in the norm for the year.

NDMC

2.117 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.118 The Commission conducts prudence check on the issues related to O&M expenses that are submitted by the utilities for approval of O&M expenses during a control period. The period of allowance/ disallowances for additional O&M expense are available in Chapter-3 (True-up of ARR) of Tariff Order.

2.119 As regards to stakeholder comment on Legal Charges, it is submitted that the Distribution Licensee may claim legal expense as per Regulation 23 (7) of *Business Plan Regulations, 2019*, which will be subjected to prudence check at the time of True up of Petition.

ISSUE 4: PHYSICAL VERIFICATION OF ASSETS

STAKEHOLDERS' VIEW

2.120 Physical verification of Assets & True up of CAPEX of DISCOMs since privatization has not been completed under long term tenure of various DERC officers and same should be completed in a time bound manner by Sept, 2022.

2.121 The Petition for capitalization of assets for each MYT period is pending.

2.122 Physical verification of Regulatory Assets & verification of related party transaction from 2002 to 2021 to be completed urgently.

2.123 DERC could not complete GIS compliant physical verification of Assets since 2003.

PETITIONERS' SUBMISSION

TPDDL

2.124 Physical verification has already been completed by the Commission from FY 2005-06 to FY 2018-19. Physical verification for FY 2019-20 has been initiated by the Commission.

2.125 The Commission is requested to provide impact of Physical verification in the ensuing Tariff Order.

BYPL

2.126 BYPL agrees with the suggestion of the stakeholder that Commission must make Physical Verification of the Assets, True-up of capital expenses and the Commission is requested to consider the same.

2.127 Other comments of the stakeholders pertain to other Distribution Licensee and therefore, we are not in a right position to respond to the same.

BRPL

2.128 Comments of the stakeholders pertain to other Distribution Licensee, and therefore, we are not in a right position to respond to the same.

NDMC

2.129 The Party is not in NDMC area.

COMMISSION'S VIEW

2.130 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity Act, 2003.

2.131 The Distribution Licensees (BRPL, BYPL & TPDDL) have claimed Capital Expenditure of Rs. 10,736 Cr. for the period from FY 2004-05 to FY 2015-16 against which the Commission has provisionally approved Rs. 8,930 Cr. in its previous Tariff Orders. The balance is under scrutiny before the Commission on account of physical verification by Consultants/in-house.

2.132 The Commission has engaged consultants for Capex Review & capitalization of the DISCOMs. External Consultants are engaged to verify the year-wise capitalization from FY 2004-05 to FY 2016-17. While verifying the year-wise capitalization, the Consultant have to examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice and payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment have been procured. Also, examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment has been procured, analyse various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc., with respect to approvals, guidelines and instructions issued by the Commission from time to time. Further Consultants has to physically verify 100% EHV, HT and LT schemes. The Consultant submitted the Reports. The Commission has finalized the said reports considering the comments of DISCOMs. Accordingly, the impact of the physical verification of assets is provided in the current Financial Year whose impact has been added in the Regulatory Assets till True up of FY 2020-21.

2.133 Further, the Commission has also undertaken the physical verification of Assets post FY 2016-17 internally through its staff consultants appointed for this specific assignment. The said physical verification was completed for FY 2017-18 whose impact has been provided in the Tariff Order dated 30/09/2021. For FY 2018-19 onwards, physical verification is under process and the impact of the same. Further, as soon as year wise capitalization is completed by the Commission, the effect of the reports will be provided in the subsequent True up orders.

ISSUE 5: POWER PURCHASE COST & ENERGY SALES

STAKEHOLDERS' VIEW

2.134 Energy Purchase Cost under the Long Term Power Purchase Agreement should be optimized.

2.135 As per DISCOMs, Tariff rate should be increased because of the shortage of coal which is not acceptable.

2.136 PPAC should be adjusted in Tariff and there should not be separate head for PPAC.

2.137 DISCOMs shall open LC or make payment through NEFT for payment to Generators within 3 days of receipt of bill to avail 2% rebate.

2.138 Projections based on de-growth under certain segments on the basis of COVID-19 duration appears to be under reporting and needs to be realistic in view of improved Economic Situations.

2.139 Energy Sales should be verified during Prudence check.

2.140 Short-term & other available options should be considered for optimizing the power purchase costs to meet the energy requirements of DISCOMs. Further, Surplus Hydro RE Power should be sold over exchanges.

2.141 Cash flow of DISCOMs should be eased so that power can be purchased and there are no outages.

2.142 Redevelop Badarpur Thermal Power Station (BTPS) as Joint Venture with NTPC and BHEL as Ultra Mega Power Plant (UMPP).

PETITIONER'S SUBMISSION

TPDDL

2.143 All CERC approved available options in short term market are utilized by the DISCOMs to meet the Energy requirements.

2.144 In order to meet the peak demand of FY 2022-23, sufficient quantum of Power is planned to be purchased from the Power Exchanges and Short Term Contracts. However, as per 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 Power purchase/ sale.

2.145 TPDDL agrees with suggestion of Stakeholder that Cash flow of DISCOMs should be eased so that power can be purchased and there are no outages.

2.146 Also, Business Plan Regulation, 2019 allow Suo Moto levy of PPAC by Distribution Licensee limited to 8.75%. A Petition is required to be file Petition and seeking approval of the 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. This delays the cash flow for DISCOMs, increases the carrying cost impact and consequently, may increase the applicable Tariff.

2.147 The Commission is requested to suitably amend the current PPAC mechanism for Automatic pass through of 100% variation in fuel and Power Procurement Cost.

2.148 Stakeholder comment regarding BTPS & Investment is Generation is not related to Tariff petition.

BYPL

2.149 BYPL continuously endeavor to optimize its Power Portfolio by buying/selling competitive rate electricity at Power Exchange as per applicable Regulations/Order of the Commission.

2.150 The concept of normative rebate is based on the assumption that the system is perfect and business is conducted as usual. However, the impact of Covid-19 pandemic, which is also acknowledged as Force Majeure condition by the Commission, there was a steep decline in the revenue collection by the Petitioner and they could not make payment of Power Purchase bills to any of the Generating Company and Transmission Licensee through LC. Therefore, the Petitioner has requested the Commission to not consider normative rebate.

2.151 Energy sales estimated for FY 2022-23 is based on prevailing trend of energy consumption and the reason of the same has been submitted in Petition.

2.152 COVID-19 affected the normal human life as well as caused slowdown in various sectors in Economy. The lockdown due to COVID-19 has severely affected the demand of Power in FY 2020-21 and FY 2021-22 and, therefore, Energy Sales of FY 2020-21 and FY 2021-22 was not considered for projecting sales for FY 2022-23. In order to estimate the energy sales for FY 2022-23, the Petitioner has considered FY 2019-20 as base year for projections instead of FY 2021-22 and applied growth factor on FY 2019-20. Therefore, demand forecast is based on the assumption that the past consumption growth trend will continue in the future also excluding FY 2020-21 and FY 2021-22..

2.153 The source wise details of electricity and charges during a year is part of the ARR Petition

2.154 With respect to Stakeholder’s concern regarding exploring options to invest in

Generation and redevelopment of BTPS, it is submitted that it is not under the purview of the DISCOMs and is under the purview of Central /State Government.

BRPL

2.155 The Petitioner takes a number of steps in order to reduce the burden of high cost of Power on consumers by trying to surrender costly Power. The Petitioner based on its Demand-Supply scenario has requested Hon'ble Power Minister of Delhi to surrender/re-allocate the quantum of power.

2.156 Further, with regard to the comment on optimization of Power purchase cost, it is submitted that Power Purchase cost for the Generating Stations is considered on the basis of the Generation Tariff approved by CERC.

2.157 As regards to stakeholder comment on verification of Energy Sales, it is submitted that the Commission approves the sales of the Petitioner after prudence check and verification of database of the Petitioner.

2.158 Further, determination of Electricity Tariff to be charged from consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.159 BRPL continuously endeavors to optimize its Power Portfolio by buying/selling competitive rate electricity at Power Exchange as per applicable Regulations/Order of the Commission.

2.160 With respect to Stakeholder's concern regarding exploring options to invest in Generation and redevelopment of BTPS, it is submitted that it is not under the purview of the DISCOMs and is under the purview of Central /State Government.

NDMC

2.161 The Party is not in NDMC area.

COMMISSION'S VIEW

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

2.163 The Commission has specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as well as in earlier Tariff Orders, that the Merit Order Despatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also an incentive and disincentive mechanism for sale of surplus power to maximise the revenue from the sale of surplus power. Further, as per the provision of Business Plan Regulations, 2017 and Business Plan Regulations, 2019, the contingency limit for the sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.

2.164 The Commission has already approved various Power Purchase Agreements (PPA) entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21/10/2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.

2.165 The Commission had projected Power Purchase Cost net of the rebate as per the provisions of *DERC (Terms and Condition for Tariff Determination) Regulations, 2017*. The power purchase cost is allowed to the distribution licensee after considering maximum normative rebate available for each generating stations.

2.166 The provision for reallocation of power among Delhi DISCOMs has been made in DERC (Terms and Condition for Tariff Determination) Regulations, 2017 as follows:

> *"121.. (4) The gap between the average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee:*
>
> *Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India."*

2.167 The rebate on payment of bills of GENCO and Transmission Utilities is determined in accordance with Regulation 138 of the DERC (Terms and Conditions for

Determination of Tariff) Regulations, 2017, as follows:

> *" For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed :*
> *Provided that in case payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed."*

2.168 As regard to stakeholder comment on no outages, DERC held an Emergency Meeting on 9/10/2021 to take stock of the situation arising out of current Coal & Gas shortage which led to non-availability of 24X7 Power in Delhi and Electricity prices soaring to extraordinary high levels at Power Exchanges. Accordingly, various relaxations were granted to NDMC, BRPL, BYPL, and TPDDL with immediate effect in order to ensure 24X7 supply of power to the consumers of Delhi, GTPS was directed to declare its availability on any alternative fuel, ensuring additional 270 MW of power in order to bridge the Gap between the current demand-supply and MoP, GoI, was requested to urgently intervene in the matter and facilitate adequate supply of fuel to the Power Plants in order to avoid any Outage and maintain continuous supply of Power to the Delhi State.

2.169 As pro-active measure, the Commission conducted Summer Preparedness Meeting with DISCOMs (BRPL, BYPL, TPDDL and NDMC), DTL, GENCOs and SLDC on 16/03/2022 and a detailed strategy was discussed to evaluate the Preparedness of the Utilities for upcoming summers.

2.170 Further, during the Power crisis due to coal shortage and supply in FY 2022-23, the Commission held an Emergency Meeting on 29/04/2022 with State Load Despatch Centre (SLDC), Delhi Transco Limited (DTL), DISCOMs (NDMC, BRPL, BYPL & TPDDL) and State GENCOs (IPGCL & PPCL) to take stock of the current Power crisis expected to be arising out of current Coal Shortage and Skyrocketing Short Term Power Prices.

2.171 In an endeavor to mitigate such Power Crisis and safeguard the interest of the Consumers & Distribution Licensees, the Commission vide its letter dated 29/04/2022, as an interim measure, allowed intra DISCOM Banking facility, overlapping of Banking & Bilateral Transactions, pass-through of Additional Deviation & Sustain Deviation Charges etc. with immediate effect till 31/07/2022 or till further orders. Further, SLDC, DISCOMs & DTL were directed to maintain Grid Discipline, Availability of Transmission & Distribution Network and 24X7 supply of power to the consumers of Delhi.

2.172 In compliance to Hon'ble Delhi High Court Order dated 1/06/2022 in Writ Petition No. 5340 of 2022 filed by BSES DISCOMs and Writ Petition No. 6735 of 2022 filed by TPDDL, MoP, GoI vide its Office Memorandum dated 28/06/2022 reallocated around 500 MW of Delhi's share to Haryana and balance 228 MW was continued to be utilized by Delhi till 31/10/2022. The impact of Reallocation of power of Dadri-II is majorly to BRPL resulting into loss of approx. 373 MW of Power to BRPL.

2.173 Still there has been blending with Imported Coal in various Central Sector Generating Stations, regulated by Central Electricity Regulatory Commission (CERC), from which Delhi is sourcing Power. For instance, Aravali Jhajjar, Farakka-I, Dadri-II, Kahalgaon-I still have blending with Imported Coal ranging from 10% to 20% which has increased the cost of Coal from around Rs. 5000/ MT in the months of Mar '22 to around Rs. 8000/ MT in the months of Apr '22 to Jul '22. Also, ECR of Gas Power Plants have increased 3 to 4 times.

2.174 The Commission took following steps after re-allocation of 500 MW of Delhi's share in NTPC Dadri-II to Haryana to mitigate the impact of the same and provide un-interrupted 24x7 power supply to consumers of Delhi:

a) Re-allocation of Power of Aravali Jhajjar from TPDDL to BRPL: Immediately, after MoP Office Memorandum dated 28/06/2022 wherein they reallocated Dadri-II 500 MW of power of Delhi's share to Haryana and balance 228 MW was continued to be utilized by Delhi till 31/10/2022, the Commission issued an Order on 30/06/2022 and Temporary reallocated 125 MW of Power of Aravali Jhajjar from TPDDL to BRPL w.e.f. 1/07/2022 till 31/10/2022. It was done because the impact of Reallocation of power of Dadri-II was mainly to BRPL resulting into loss of 373 MW of their Power.

b) Relaxation in Directives due to Power Crisis: The Commission vide its letter dated 2/08/2022, based on the requests of DISCOMs and due diligence thereafter, extended certain relaxations till 31/10/2022 which were earlier valid 31/07/2022 and were allowed during the period of Power Crisis of April 2022. Such extension of relaxations will catalyse DISCOMs in meeting consumer demand 24x7.

c) Petition No. 34 of 2022: The Commission vide its Order dated 18/08/2022 has accorded In-principal approval to BRPL and BYPL to initiate the process for procurement, under Section 63 of the Electricity Act, 2003, of 500 MW of Power applicable for next 7 years

2.175 Further, for long-term Power Tie-up, the Commission granted 'In-principal' approval for 255 MW Wind Solar Hybrid Power for 25 years to TPDDL vide Order dated 27/07/2022.

2.176 For Short Term Power (STP) tie-up, the Commission granted 'In-principal' approval to various LOIs such as 675 MW STP purchase for BRPL vide Order dated 25/02/2022 in Petition no. 13/2022, 200 MW STP purchase vide Order dated 13/04/2022 in Petition no. 21/2022, 200 MW STP purchase vide Order dated 11/05/2022 in Petition no. 27/2022 , upto 200 MW Short Term Power from Teesta Urja Ltd.-III vide letter dated 30/05/2022, 300 MW RTC conventional Short Term Power, 150 MW Non-Solar Power, 25 MW HPO Tender in Petition no. 22 & 23/2022 for TPDDL vide Order dated 29/04/2022.

ISSUE 6: RENEWABLE PURCHASE OBLIGATION & NET METERING

STAKEHOLDERS' VIEW

2.177 TPDDL purchased Rs. 129 Crore worth RPO certificate in FY 2019-20. Consumer should not be burdened to pay for paper certificate in lieu of Renewable Energy.

2.178 No relaxation should be given to DISCOM for non-compliance to RPO.

2.179 Introduce platform for electricity trading between consumers.

2.180 Green Tariff should be implemented in Delhi also.

2.181 Distribution Companies should be given an option of purchasing Renewable Power to avoid purchase of REC.

2.182 Excess power from Net Metered consumers be purchased at Average Power Purchase Cost (APPC) as determined by CERC instead of present mandated higher cost.

2.183 Renewable Power option should be made available to the consumers.

2.184 Solar Energy generation scheme at Residential Houses should be provided incentives.

2.185 Solar Energy should be used & installation of Solar panels on Roof should be promoted.

2.186 Solar Power should be promoted. DERC can make policies to promote Solarization.

PETITIONERS' SUBMISSION

TPDDL

2.187 TPDDL in collaboration with a Blockchain Technology Partner, has conducted a pilot project to test the technical viability and value proposition of P2P energy trading at the identified sites, and for prosumers and consumers within their network and develop a suitable business model for Blockchain enabled Peer to Peer (P2P) energy trading in Delhi. This was in a sandbox environment without any actual financial transaction or Energy trade. Everything is virtual.

2.188 The Pilot project helped in putting together recommendations to DERC to consider a bespoke Network Tariff and trading rules to promote the P2P trading of electricity from Roof Top Solar PV in Delhi.

2.189 Benefits of P2P Trading to Prosumers are given below:

a) Increased earnings from his excess solar energy
b) Faster payments
c) Increased earnings
d) Satisfaction
e) Priority Trading Model

2.190 Sections 61(h) and 86(e) of Electricity Act mandated promotion of Renewable Energy by the Appropriate Commission. The National Tariff Policy, 2016 in its objectives, also lists the promotion of Generation of Electricity through Renewable Sources.

2.191 The Petitioner seeks to enhance the Renewable Energy consumption amongst the consumer base on voluntary basis. They also encourage procurement of Renewable Power amongst their 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 Commission from time to time.

2.192 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. The extra charges for procurement of Renewable Power being charged from specific customers would not increase the cost to be borne by other consumers. TPDDL would be buying power at economical rates leading to reduction of Power Purchase Costs and Tariffs. The Renewable power thus provided to the consumers would help avoid buying RECs to comply the RPO targets.

2.193 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.

2.194 APPC at the National level has been worked out by CERC as Rs. 3.85/kWh while for Delhi APPC is Rs. 4.11/unit for FY 2021-22. In our licensed area, the surplus power from Net-Metering is purchased at around Rs. 5.5/kWh.

2.195 Net metering 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. TPPDL agrees to the suggestion and it is in overall consumer interest as well as the financial viability of the Power sector.

2.196 As regard to stakeholder comment on Solar energy scheme at Residential Houses, it is submitted that this is the prerogative of the GoNCTD.

BYPL

2.197 As regard to stakeholder comment pertaining to Electricity Trading, it is submitted that the issue pertains to other DISCOMs & the observations may be duly addressed by them.

2.198 Purchase of RECs burden the DISCOMs and ultimately consumers with no Actual Power. It is always prudent to procure Renewable Energy which fulfills RPO instead of procuring REC Certificate. However, setting of RPO Targets and its associated deferment is prerogative of the Commission to consider.

2.199 Moreover, various other states have relaxed the RPO Target in view of delayed RE Project and outbreak of COVID pandemic. Following states relaxes/ carry forward the RPO Target:

a) The Punjab State Electricity Regulatory Commission (PSERC) has approved the carry forward of the shortfall in the compliance of RPO in FY 2019-20 to FY 2020-21.

b) The Gujarat Electricity Regulatory Commission (GERC), in a recent ruling, directed MPSEZ Utilities Private Limited (MUPL) to make up for the past shortfall (FY 2017-18) in solar RPO within the FY 2020-21.

c) The Bihar Electricity Regulatory Commission (BERC) has approved the request of the Bihar State Power Holding Company Limited (BSPHCL) to carry forward the shortfall in its RPO for the FY 2019-20 to FY 2020-21. BERC further added that the power company could purchase either solar power or solar RECs to fulfil the RPO shortfall for FY 2019-20.

d) The Rajasthan Regulatory Commission pointed out that the DISCOMs had made every effort to comply with RPO targets and had signed a sufficient number of PPAs under which the required quantum of Electricity could have been obtained. The regulatory authority pointed out that even though the DISCOMs signed an adequate number of PPAs in the past, the Generation in terms of energy was not to the expected level. Consequently, there was a shortfall in RPO compliance. The Commission noted that there was no case to initiate action against the DISCOMs or impose a penalty as they had tried their best to comply with the targets. The Commission directed the DISCOMs to assess the energy requirements more realistically in advance and sign the PPAs accordingly in the future. It also asked the DISCOMs to make up for the RPO shortfall in the next three years.

2.200 The Petitioner is making consistent efforts for the last few years to procure Renewable Energy to meet RPO targets as specified by the Commission. The Petitioner has arrangements for purchasing Non-Solar Power from Delhi based Plants such as DMSW, SDMC. In addition to the existing sources the petitioner has executed PPAs with Renewable Energy Developer through SECI for Wind Power. However, there are various external factors which might affect the Petitioner to comply with RPO targets like COVID- 19, delay in Scheduled Commercial Operation Date by RE-developers, halt in REC trading and other factors which are beyond the control of the Licensee.

2.201 Therefore, in view of the above, various efforts have been made by the Petitioner in meeting the RPO Targets and all above mentioned constraints which are beyond the control of the Licensee and should be allowed carry forward/waiver of RPO Target of FY 2020-21. The Commission is requested to consider the same while issuing the Tariff Order.

2.202 BYPL is continuously exploring the avenues of procuring actual Renewable Power from Solar and Non-Solar sources.

2.203 With regard to the suggestion for Green Power Tariff, it is submitted that determination of Electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003

2.204 The Petitioner purchases excess energy by Net Metering consumer as per Regulation 9(7) of DERC (Net Metering for Renewable Energy) Regulations, 2014. Petitioner is obligated by the aforesaid Regulation. The Regulation 9(7) is quoted below:

> *"At the end of each Financial Year, any net energy credits, which remain unadjusted, shall be paid for by the distribution licensee to the consumers as per the rates notified by the Commission from time to time."*

2.205 As enquired in reference to the Solar Power to all, the Government has set a target of installing 40 GW of Grid connected Rooftop Solar capacity in the Country including Delhi and National Capital Region (NCR) by year 2022. As per the Delhi Solar Policy, 2016 notified by Government of NCT of Delhi, target has been set for installation of 2 GW of solar power by year 2025 in Delhi.

2.206 The Government is promoting development of Solar Energy in the Country by providing various fiscal and promotional incentives such as Accelerated Depreciation, waiver of Inter State Transmission System (ISTS) charges and losses, financing solar Rooftop Systems as part of home loan, and permitting Foreign Direct Investment up to 100 per cent under the automatic route.

2.207 Further, currently there is no such provision in the Tariff Order which makes a Renewable Power purchase by a consumer optional and for the consumer who is willing to purchase the Renewable Power to be charged at the rate at which it is purchased.

2.208 The Petitioner in FY 2020-21 have undertaken the initiatives towards solarization, as follows:

a) Implementation of rooftop solar projects for residential customers,

b) Setting up of Energy Innovation Hub,

c) Digital Platform for Energy Management,

d) Development of Mobile Application under Consumer Behavior study,

e) Maintenance of 13 rooftop PV plants at office locations,

f) Service for Dashboard related to RE Generation Forecasting, etc.

2.209 The above initiative aims to improve the consumer experience, efficiency & lowers the cost of service. As the expenses incurred on such new initiatives are not the part of normative O&M expenses, therefore, such expenses are claimed in additional O&M expenses for FY 2020-21.

2.210 As regard to stakeholder comment on Solar energy scheme at Residential Houses, it is submitted that the stakeholder comment is not related to the instant Petition. However, the Petitioner is actively engaged in publicizing the Solar Generation scheme along with benefits and incentives provided by appropriate Authorities under the scheme.

2.211 With regard to stakeholder comment on providing Renewable Power option to consumer, it is submitted that the Commission has provided renewable Purchase Obligations for DISCOMs. Accordingly, the petitioner signed Long Term /Short Term contracts with RE generators. The petitioner is also facilitating the growth of Net Metering connections in its area of supply.

BRPL

2.212 As regard to stakeholder comment pertaining to Electricity Trading, it is submitted that the issue pertains to other DISCOMs & the observations may be duly addressed by them.

2.213 Purchase of RECs Certificate burden the DISCOMs and ultimately consumers with no Actual Power. It is always prudent to procure Renewable Energy which fulfills RPO instead of procuring REC Certificate. However, setting of RPO Targets and its associated deferment is prerogative of the Commission to consider.

2.214 Moreover, various other states have relaxed the RPO Target in view of delayed RE Project and outbreak of COVID pandemic. Following states relaxes/ carry forward the RPO Target:

a) The Punjab State Electricity Regulatory Commission (PSERC) has approved the carry forward of the shortfall in the compliance of RPO in FY 2019-20 to FY 2020-21.

b) The Gujarat Electricity Regulatory Commission (GERC), in a recent ruling, directed MPSEZ Utilities Private Limited (MUPL) to make up for the past shortfall (FY 2017-18) in solar RPO within the FY 2020-21.

c) The Bihar Electricity Regulatory Commission (BERC) has approved the request of the Bihar State Power Holding Company Limited (BSPHCL) to carry forward the shortfall in its RPO for the FY 2019-20 to FY 2020-21. BERC further added that the power company could purchase either solar power or solar RECs to fulfil the RPO shortfall for FY 2019-20.

d) The Rajasthan Regulatory Commission pointed out that the DISCOMs had made every effort to comply with RPO targets and had signed a sufficient number of PPAs under which the required quantum of Electricity could have been obtained. The regulatory authority pointed out that even though the DISCOMs signed an adequate number of PPAs in the past, the Generation in terms of energy was not to the expected level. Consequently, there was a shortfall in RPO compliance. The Commission noted that there was no case to initiate action against the DISCOMs or impose a penalty as they had tried their best to comply with the targets. The Commission directed the DISCOMs to assess the energy requirements more realistically in advance and sign the PPAs accordingly in the future. It also asked the DISCOMs to make up for the RPO shortfall in the next three years.

2.215 Therefore, in view of the above, various efforts have been made by the Petitioner in meeting the RPO Targets and all above mentioned constraints which are beyond the control of the Licensee and should be allowed carry forward/waiver of RPO Target of FY 2020-21. The Commission is requested to consider the same while issuing the Tariff Order.

2.216 The Petitioner purchases excess energy by Net Metering consumer as per Regulation 9(7) of DERC (Net Metering for Renewable Energy) Regulations, 2014. Petitioner is obligated by the aforesaid Regulation. The Regulation 9(7) is quoted below:

"At the end of each Financial Year, any net energy credits, which remain unadjusted, shall be paid for by the distribution licensee to the consumers as per the rates notified by the Commission from time to time."

2.217 As regard to stakeholder comment on Solar energy scheme at Residential Houses, it is submitted that the stakeholder comment is not related to the instant Petition. However, the Petitioner is actively engaged in publicizing the Solar Generation scheme along with benefits and incentives provided by appropriate Authorities under the scheme.

2.218 BRPL is continuously exploring the avenues of procuring actual Renewable Power from Solar and Non-Solar sources. Further, in order to encourage Renewable Power, BRPL has already procured 41 MU of Solar Power from Power Exchange during FY 2020-21 through GTAM.

2.219 With regard to the suggestion for Green Power Tariff, it is submitted that determination of Electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.220 As enquired in reference to the Solar Power to all, the Government has set a target of installing 40 GW of Grid connected Rooftop Solar capacity in the country including Delhi and National Capital Region (NCR) by year 2022. As per the Delhi Solar Policy, 2016 notified by Government of NCT of Delhi, target has been set for installation of 2 GW of Solar Power by year 2025 in Delhi.

2.221 The Government is promoting development of Solar Energy in the country by providing various fiscal and promotional incentives such as accelerated depreciation, waiver of Inter State Transmission System (ISTS) charges and losses, financing solar Rooftop Systems as part of home loan, and permitting Foreign Direct Investment up to 100 per cent under the automatic route.

NDMC

2.222 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.223 The Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for the promotion of co-generation and generation based on Renewable Energy Sources (RES). The policy framework of the Government of India also stresses on the encouragement of Renewable Energy Sources keeping in view the need for energy security and reducing the carbon footprint. Section 86 (1) (e) of the Electricity Act

2003 states:

> *"The State Commission shall discharge the following functions:*
> *Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee"*

2.224 The Commission in pursuance of the same has mandated the Renewable Purchase Obligation to be met through the purchase of energy from Renewable Energy Sources/or purchase of Renewable Energy Certificates (RECs) to ensure that RPOs are met in the most optimum manner.

2.225 Ministry of Power (MoP), GoI vide its Order dated 14/06/2018 specified the RPO targets till FY 2021-22. The Commission has considered the RPO targets (a year later targets) in DERC (Business) Plan Regulations, 2019, as specified by MoP, GoI.

2.226 The renewable power is available at competitive rates and DISCOMs are encouraged to enter long term PPAs with various Renewable Energy Generation companies. The Power Purchase Agreement with Generating Companies are valid till the term of PPA.

2.227 The Commission has promoted Net Metering in Delhi through framework of Net Metering Regulations in 2014 and issued guidelines in 2019 related to Virtual Net Metering (VNM) and Group Net Metering (GNM). 178 MW of Solar Roof Top through Net Metering, VNM & GNM has been installed in Delhi till Q1 FY 2022-23.

2.228 Further, penalties for non-compliance to RPO has been illustrated at Table No. 2.2 of DISCOM wise penalty levied from FY 2017-18 to FY 2019-20.

2.229 In order to further encourage embedded Generation in the Electricity Distribution Network without any Transmission Losses (STUs & CTU) and Distribution Losses at appropriate voltage level, the Commission issued amendments to DERC (Group Net Metering and Virtual Net Metering for Renewable Energy) Guidelines, 2021 to promote Renewable Energy by including Service Line cum Development (SLD) and network augmentation in the scope of respective DISCOMs till additional capacity doesn't exceed 75 MW, 50 MW, 30 MW and 10 MW for BRPL, TPDDL, BYPL and NDMC respectively as applicable for VNM/ GNM projects.

2.230 The Commission has noted the suggestion of stakeholders regarding Green Tariff & Peer to Peer Energy Trading.

2.231 The Commission notified DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2021 wherein RPO targets for Obligated Entities (i.e. Distribution Licensees, Open Access consumers and Captive users) are specified for period from FY 2020-21 up to FY 2022-23.

2.232 The DISCOMs have submitted that they have procured the Renewable Energy from Power Exchanges in last six months through Green Term Ahead Market (GTAM). GTAM being a new product shall be explored for procuring Renewable Power. The Commission continually provides Regulatory support in exploring new products for purchase of Renewable Energy as a step in promoting clean sources of energy in the interest of consumer.

ISSUE 7: AT&C LOSSES

STAKEHOLDER'S VIEW

2.233 BRPL has already achieved 7.17% Distribution Losses in FY 2020-21 & considering Distribution Losses for FY 2022-23 as 7.9% is unjustifiable & must be denied by DERC. There is no incentive to improve this number as this is fully compensated in ARR.

2.234 DERC should disallow incentives for DISCOMs showing higher Target for Distribution Loss in Tariff Petition and then showing less in Actual to claim incentives.

2.235 Reduced AT&C losses in last 14 years is not matching with reduction in Power Tariff for all those years.

2.236 The direction of Hon'ble APTEL to rework AT&C losses for FY 2011-12 in EP 5 of 2020-21 dated 26/07/2021 was in excess of jurisdiction and cannot be implemented. The existing AT&C loss level based on MYT Regulations shall prevail.

2.237 Collection efficiency should be 100%.

2.238 Distribution loss target should be fixed at 5%.

2.239 Distribution loss of 7.9% for FY23 is very high in comparison to that of Chinese companies.

2.240 The Collection of 0.7% in excess of 100% collection efficiency is claimed in the Petition but it is also stated that 200 MUs could not be collected. These are contrary claim in the Petition & Bad debt claim should be rejected.

2.241 Incentive of over achievement of Collection Efficiency and Distribution Loss Target should be provided to consumers.

PETITIONER'S SUBMISSION

TPDDL

2.242 The case regarding reworking of AT&C loss for FY 2011-12, is sub-judice in Hon'ble APTEL.

2.243 The Tariff Regulations, 2017 provides that

> *"Target for Collection Efficiency shall be fixed on the basis of actual performance, past targets and other relevant factors/measures/ information of the Distribution Licensee for a Control Period in the Business Plan Regulations."*

2.244 Accordingly, the Distribution loss targets are fixed by the Commission for the entire period of applicability of Business Plan Regulations and are determined based on the base year performance of the DISCOM. Once the targets are approved by the Commission, the same are not revisited till the end of the above said period.

2.245 Hence, Distribution loss reduction targets and eligibility for incentives on actual achievement are decided by the Commission as per Business Plan Regulations, 2017 and Tariff Regulations, 2017 after prudence check at the time of True-Up.

2.246 As regard to stakeholder comment on Bad Debt, it is submitted that TPDDL has not claimed any amount related to bad debt.

2.247 Other query does not pertain to TPDDL.

BYPL

2.248 The Distribution Loss of 8.50 % is the target fixed by the Commission for the Petitioner in Regulation 25 of Business Plan Regulations, 2019. Further, any financial impact on underachievement & overachievement is as per Regulation 25 of Business Plan Regulations, 2019, as follows:

> *"25. TARGET FOR DISTRIBUTION LOSS*
> *(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:*
> *Table 15: Target for Distribution Loss for the Control Period*

Table 15: Target for Distribution Loss for the Control Period

Sr. No.	Distribution Licensee	2020-21	2021-22	2022-23
1	BSES Rajdhani Power Ltd.	8.10%	8.00%	7.90%
2	BSES Yamuna Power Ltd.	9.00%	8.75%	8.50%
3	Tata Power Delhi Distribution Ltd.	7.90%	7.80%	7.70%
4	New Delhi Municipal Council	9.00%	8.75%	8.50%

Regulation 25(4) of the Business Plan Regulations, 2019-

"(4) 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:
i. in case actual Distribution Loss is between the loss target and loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*
ii. in case actual Distribution Loss is less than loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee.*
Explanation -
Previous Year Distribution Loss Target - PYT
Current Year Distribution Loss Target - CYT
CASE 1: If Actual Loss > CYT, 100% of the distribution loss is to Distribution Licensee
CASE 2: If CYT > Actual > [CYT-50%(PYT-CYT)], 1/3rd of the incentive is to Distribution Licensee and 2/3rd of the incentive is to Consumers.*
CASE 3: If Actual < [CYT-50%(PYT-CYT)], incentive upto [CYT-50%*(PYT-CYT)] is to be shared as 1/3rd to the Distribution Licensee and 2/3rd to the Consumers.*
Remaining incentive is to be shared as 2/3rd to the Distribution Licensee and 1/3rd to the Consumers."

2.249 Petitioner in its ARR petition has considered target for Distribution Loss as approved by the commission in its Business Plan Regulations, 2019. Further, BYPL has aggressively reduced its Distribution Loss from 63 % to 7.98% from Jul '02 to Mar '21 which is among highest in the country. The benefit of the same is passed on to the consumers in the ARR Petition.

2.250 By virtue of the billing lag which is inherent in an annual Tariff re-determination, even if the collection efficiency were assumed to be 100%, even then the actual collection would still be in the range of 99% to 99.25%.

2.251 Accordingly, the Petitioner has made its detailed submission w.r.t Distribution Loss Target and Collection Efficiency Target in its ARR Petition along with detailed analysis.

2.252 In SOR of Business Plan Regulation 2019, the Commission has stated that while determining the Distribution Loss trajectory for the Control period, it reviewed the actual loss targets as already achieved by the Distribution Licensees. Based on the trajectory as allowed in the Business Plan Regulations, 2017 and the current performance, the Commission determined the trajectory for FY 2020-21 to FY 2022-

23.

2.253 The Distribution Loss target specified for Petitioner is 8.75% and 8.50% for FY 2021-22 and FY 22-23 respectively. The Petitioner has overachieved its Distribution Loss Target during FY 2020-21 i.e; 7.98% against target of 9.00 % and the benefit of the same is shared with the consumers in the ARR Petition in accordance with Regulation 25 of DERC Business Plan Regulations, 2019.

2.254 Tariff Regulations, 2017 and Business Plan Regulations, 2019 provides the methodology for computation of Collection efficiency and the incentive sharing mechanism on account of overachievement of the specified operational targets.

2.255 Accordingly, the Petitioner has claimed incentive on overachievement of Distribution Losses in accordance to Regulation 25(4) of the Business Plan Regulations, 2019 against the targets defined in regulation 25(1) of the Business Plan Regulations, 2019.

BRPL

2.256 Petitioner in its ARR petition has considered target for Distribution Loss as approved by the commission in its Business Plan regulations, 2019. It may be noted that BRPL has aggressively reduced its Distribution Loss from 47.1 % to 7.17% from July'02 to March'21 which is among highest in the country. The benefit of the same is passed on to the consumers in the ARR Petition.

2.257 The Commission has finalized the targets for Distribution loss and Collection Efficiency in its Business Plan Regulations, 2019. Also, incentive on account of any overachievement w.r.t Collection Efficiency and Distribution Loss is shared with the consumers in accordance with the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019.

2.258 The Distribution Loss of 7.9% is the target fixed by the Commission for the Petitioner in Regulation 25 of Business Plan Regulations, 2019. Further, any financial impact on underachievement & overachievement is as per Regulation 25 of Business Plan Regulations, 2019, as follows.

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

Table 15: Target for Distribution Loss for the Control Period

Sr. No.	Distribution Licensee	2020-21	2021-22	2022-23
1	BSES Rajdhani Power Ltd.	8.10%	8.00%	7.90%
2	BSES Yamuna Power Ltd.	9.00%	8.75%	8.50%
3	Tata Power Delhi Distribution Ltd.	7.90%	7.80%	7.70%
4	New Delhi Municipal Council	9.00%	8.75%	8.50%

Regulation 25(4) of the Business Plan Regulations, 2019-
"(4) 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:
i. in case actual Distribution Loss is between the loss target and loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*
ii. in case actual Distribution Loss is less than loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee.*
Explanation -
Previous Year Distribution Loss Target - PYT
Current Year Distribution Loss Target - CYT
CASE 1: If Actual Loss > CYT, 100% of the distribution loss is to Distribution Licensee
CASE 2: If CYT > Actual > [CYT-50%(PYT-CYT)], 1/3rd of the incentive is to Distribution Licensee and 2/3rd of the incentive is to Consumers.*
CASE 3: If Actual < [CYT-50%(PYT-CYT)], incentive upto [CYT-50%*(PYT-CYT)] is to be shared as 1/3rd to the Distribution Licensee and 2/3rd to the Consumers. Remaining incentive is to be shared as 2/3rd to the Distribution Licensee and 1/3rd to the Consumers."*

NDMC

2.259 The party is not in NDMC area.

COMMISSION'S VIEW

2.260 The target for Distribution Losses has been benchmarked with following parameters:

a) Distribution Losses trajectory of previous years for DISCOMS;
b) Performance of various Indian Distribution companies
c) Electric Power Transmission and Distribution Losses for Top 50 countries from the World Bank website

2.261 The detailed methodology for computing Distribution losses is mentioned at Sr. No. D (4) of Explanatory Memorandum - Draft DERC (Business Plan) Regulations, 2019 uploaded at Commission's website.

2.262 The target for Distribution losses for the control period from FY 2020 till FY 2023 is specified as Regulation 25 of DERC (Business Plan) Regulations, 2019. The amount of over achievement/under achievement on the distribution loss target shall be computed as per formula specified in the Regulation 159 of DERC (Terms and

Conditions for Determination of Tariff) Regulations, 2017.

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

2.264 The Actual Distribution Losses of DISCOMs, as submitted by them during True up of the Petitions, for FY 2020-21 is 7.17%, 7.98%, 8.43% & 7.15% for BRPL, BYPL, NDMC & TPDDL respectively which is far below the National Average Loss Level i.e. 20.93% in FY 2019-20 *(source: Report on performance of Power Utilites 2019-20).*

2.265 The details of actual incentive/disincentive given to the DISCOMs for over and underachievement of AT&C loss target are available in Chapter A3 (True-up of ARR) of the respective year Tariff Orders which are available at Commission website (*www.derc.gov.in*).

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

2.267 The Distribution Losses are applicable on Open Access consumers in line with clause 8.5.1 of the Tariff Policy 2016 as stated under:

> "8.5.1 …
> *A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross-subsidy surcharge.*
> *… While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers*."

2.268 The Cross-Subsidy Surcharge and the Additional Surcharge to be levied from consumers, who are permitted open access. However, a consumer shall avail open access only if the payment of all the charges leads to a benefit to them.

2.269 The stakeholders views regarding resetting of Distribution Loss Target of Distribution

Licensees will be considered appropriately for next control period and stakeholders are requested to submit their comments when sought by the Commission on the Draft Regulations for the next control period.

ISSUE 8: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.270 The infrastructure of DISCOM is getting outdated and Infrastructure development activities should be increased.

2.271 Electricity poles, Substations infrastructure is in bad shape. Overhead cables should be removed and should be laid underground.

2.272 Consumption of Power in Substation is very high.

2.273 The consumption of power in Sub-station, own-consumption of DISCOM are shown very high.

2.274 Underground cables are not required. For fault rectification, entire road is excavated which causes inconvenience to Public.

2.275 Smart Meter do not serve the purpose in terms of its cost and Cost benefit analysis and their funding is a direct burden on consumer.

2.276 Meters were changed forcefully in the past, due to which maintenance cost is increasing.

2.277 All new cables should be laid in housing societies.

2.278 Why DISCOM denied connections to consumer with 11kW meter load and asked them to pay for installation of new transformer.

2.279 Defective/burnt meters should be sent to NABL laboratories for testing and consumers should not be harassed as thief.

2.280 Street light maintenance charge of Rs. 9 / kM is totally unjustifiable.

2.281 Street light maintenance charges should be reduced. The maintenance charges received from Municipal Corporation should be included in NTI.

2.282 Street light is already part of O&M expenses and should be paid through CKT-KM basis and actual tax paid should be allowed without any profit on it.

PETITIONER'S SUBMISSION

TPDDL

2.283 Maintenance charges for street light maintenance is already offered as Non-Tariff Income.

2.284 Other queries does not pertain to TPDDL.

BYPL

2.285 As regards to stakeholder comment on income from Street Light Maintenance, it is submitted that the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCD to maintain Street lighting system which is reproduced below:

> *"42. Obligatory functions of the Corporation….*
> *(o) the lighting, watering and cleansing of public streets and other public places;…*
> *(w) the maintenance and development of the value of all properties vested in or entrusted to the management of the Corporation;"*

2.286 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner though the maintenance of public lighting is not their function.

2.287 The Commission while deliberating on the issue of Street Light maintenance charges has in the Tariff Order dated 31/08/2017 directed that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner.

2.288 Therefore, Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. MCD, NHAI, PWD in the areas comprising East and Central Delhi.

2.289 Further, the Commission in its Order dated 5/03/2004 and 22/09/2009 while stipulating the incentive/disincentive mechanism for maintaining streetlights has stated that the incentive or disincentive would not be a pass-through in the calculation of the ARR. The Commission in the Tariff Order dated 23/07/2014 had clarified that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner if the same is indicated separately in the audited financial statement. Accordingly, the street light maintenance charges is offered as part of Non-Tariff Income.

BRPL

2.290 As regards to stakeholder comment on income from Street Light Maintenance, it is submitted that the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCD to maintain Street lighting system which is reproduced below:

> *"42. Obligatory functions of the Corporation….*
> *(o) the lighting, watering and cleansing of public streets and other public places;…*
> *(w) the maintenance and development of the value of all properties vested in or entrusted to the management of the Corporation;"*

2.291 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner though the maintenance of public lighting is not their function.

2.292 The Commission while deliberating on the issue of Street Light maintenance charges has in the Tariff Order dated 31/08/2017 directed that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner.

2.293 Therefore, Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. MCD, NHAI, PWD in the areas comprising East and Central Delhi.

2.294 As regards to stakeholder comment on consumption of Power in sub-station, it is submitted that the Commission has approved consumption at substation as per Regulation 23(2) of Business Plan Regulations, 2019. The Regulation 23(2) is stated as below:

> *"(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:*
> *(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year."*

NDMC

2.295 The party is not in NDMC area

COMMISSION'S VIEW

2.296 The installation of smart meters has been mandated in the revised National Tariff Policy dated 28/01/2016 issued by MoP, GoI. Accordingly, the Commission has accorded 'In-principle' approval to the proposal of DISCOMs for installation of Smart Meters, in phased manner.

2.297 The Central Electricity Authority (CEA) notified Measures relating to *Safety and Electric Supply Regulations, 2010* as amended from time to time. The Commission in its *DERC (Supply Code and Performance Standards) Regulations, 2017* has directed the Distribution Licensee and the consumers to follow the provision of the Safety and Electric Supply Regulations. Accordingly, the bare conductors are being replaced with the cables in a phased manner by the Distribution Licensees on case to case basis.

2.298 The domestic connections shall be installed as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. For delay in energizing connection, the License shall be liable to pay the applicant compensation as per regulation 11 (v) of said order. Relevant clause as stated below:

> *"11 (V). In case the Licensee fails to provide the connection to an applicant within the prescribed time lines, the Licensee shall be liable to pay the applicant compensation as specified in Schedule-I of the Regulations.".*

2.299 During the prudence check, the details for capitalisation of meters on different heads were sought as per format including the replacements of meters attributable to the Distribution Licensee and the consumer.

2.300 The Regulation 24 of Business Plan Regulations, 2019 outlays the tentative Capital Investment Plan including investment on smart meters for the petitioners. The relevant clause of said Regulation is as follows:

> *" 5. The Distribution Licensee shall submit an application including details of actual Capitalisation on quarterly basis for physical verification and true up of capital cost within 1 (one) month of the completion of the relevant quarter". In line with said regulation, the petitioner submits the details of actual capitalization on quarterly basis."*

2.301 The formation and implementation of capitalization plan may be referred from section A3: True up upto FY 2020-21 under the head of capital expenditure and capitalization.

2.302 The Commission has considered the submission that the expenses on account of street light maintenance is separate than the normal O&M expenses. However, the contract for maintenance of the street light has been given to the Petitioner due to its distribution business. Accordingly, the Commission has considered the net amount from Street Light Maintenance as part of Non-tariff income of the Petitioner.

ISSUE 9: TRUE-UP OF PAST CLAIMS

STAKEHOLDERS' VIEW

2.303 True Up for FY 2020-21 should be completed urgently:

i) Distribution Loss Target and Collection Efficiency for FY 2020-21.

ii) Non-Tariff Income

iii) Rebate on Power Purchase Cost

iv) Sale of Surplus Power

v) RPO Obligation

vi) O&M Charges

vii) Communication Expenses

viii) Loss on Sale of retired assets

ix) Legal Expenses

x) Income from Street Light Maintenance

xi) Commission on Collecting Electricity Duty

xii) ARR for FY 2022-23

2.304 Old DVB dues should be recovered.

2.305 Rs. 372 Crore with carrying cost should be reduced from assets of the DISCOMs as this amount was transferred to DISCOMs in December, 2001 before privatization.

2.306 DISCOM's response to observations shall be reviewed by the Commission as DISCOMs projected huge Revenue gap every year.

2.307 Why BYPL keeps filing same claims again and again.

PETITIONER'S SUBMISSION

TPDDL

2.308 DISCOMs books of accounts are duly checked/audited by CAG empanelled Statutory Auditors to present a true and fair view in accordance with various Laws. Further, prudence checks towards the True up is also done by the Commission and the Auditors appointed by them.

2.309 Other Queries does not pertain to TPDDL.

BYPL

2.310 As regards the stakeholder's comments on True-up of FY 2020-21, it is submitted that the Petitioner has filed the True-up Petition in terms of the provisions of the Tariff Regulations, 2017 and Business Plan Regulations, 2019.

2.311 The Petitioner has already provided the detailed justifications, clarification and computation with respect to each claim as sought in its Petition for scrutiny.

2.312 The Commission considers the merits of the submissions made by the Petitioner, analyses the legitimacy of the same as per the applicable Regulations and allows/disallows the submissions based on such principles. The concerns of the stakeholder would be addressed in the Tariff Determination process to the extent not contrary to the Binding Regulations and Statutory Framework.

2.313 BYPL claims its legitimate entitlements in terms of DERC Regulations/Orders/ or Orders of Superior Court in its ARR Petition. If these entitlements are not considered by the Commission in the Tariff Order for the Financial Year, the same is sought by BYPL under past claims Chapter in the ARR Petition.

2.314 Timely Implementation of APTEL orders by the Commission is in overall interest of the consumers and the sector as a whole. Hon'ble APTEL has observed in its various judgments that its judgment/ Orders are to be implemented promptly, in cases, where its judgments have been passed and no stay Order has been granted by the Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation.

2.315 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, Hon'ble APTEL vide its various judgments has issued specific directions to the Commission which the Commission is legally bound to implement. Accordingly, the Petitioner in its Petition has prayed for implementation of various Judgments passed by the Hon'ble APTEL and allowance of its entitlement in the Tariff Order. Further, the issue wise detailed submissions along with computation of financial impact are provided in ARR/True-up Petition.

2.316 Delay in recognition of past period issues and allowance of the claims violates principles of Tariff determination under Section 61, 62 and 64 of Electricity Act, 2003 which attracts substantial amount of carrying cost to be borne by the consumer which can be avoided if the claims are allowed to the Petitioner in a timely manner.

2.317 As regard to Distribution Loss Target and Collection Efficiency for FY 2020-21, it is submitted that the Commission finalised the Distribution Loss targets and Collection Efficiency in its Business Plan Regulations, 2019 after seeking comments and suggestions from the stakeholders.

2.318 The per unit rates for normative O&M computation in Business Plan Regulations, 2019 was specified by the Commission after due diligence of the data submitted by Petitioner. Further, we would like to submit that a Public hearing was conducted by the Commission and after considering the contentions, submissions and suggestions by the stakeholders, Business Plan Regulations, 2019 was finalised.

2.319 As regard Rate of Interest on Loan, it is submitted that the rate of interest on loan is dependent upon various factors which are the resultant of aspects beyond the control of the Petitioner. The Commission has specified the norms for determination of cost of debt based on SBI MCLR in Tariff Regulations, 2017 and Business Plan Regulations, 2019. Accordingly, the Petitioner has made its submissions along with all requisite information for due consideration of the Commission.

2.320 As regards the stakeholder comment on 7th Pay Commission arrears, it is submitted that the Petitioner has claimed the incremental impact of 7th Pay Commission during FY 2020-21 as provided in Regulation 23(6) of Business Plan Regulations, 2019.

2.321 Distribution Business is a regulated business under the aegis of the Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, all prudently incurred legal expenses without any distinction should be allowed as an expense in the ARR.

2.322 Further, the Commission while determining the norms for O&M expenses in Business Plan Regulations, 2019 has not considered legal expenses as the same shall be allowed based on prudence check at the time of true of ARR. Hence, the Petitioner has made its claim of Legal Expenses as an additional expense as provided for in Business Plan Regulations, 2019.

2.323 In regard to stakeholder comment on Communication Expenses, it is submitted that these expenses which are incurred by the Petitioner pursuant to the directions of the Commission post finalization of the norms of O&M expenses and hence legitimate expenses are allowed to be recovered in the ARR.

2.324 As regards the stakeholder's view for consideration of bad debt recovered as Non-Tariff Income, it is submitted that any amount recovered as bad debts is an energy income and has been rightly considered by the Commission as part of revenue collected during the year and is utilized towards meeting the ARR for the year. Since such income has already been considered as revenue available towards ARR, treating it as Non-Tariff Income would tantamount to double accounting of Income. Therefore, the Income on account of bad debts recovered is allowed to be reduced from Non-Tariff Income of the relevant year.

2.325 The Commission in Regulation 23 (6) of Business Plan Regulations, 2019 has provided that Distribution Licensee may claim the expenses for raising loan for Working Capital and Regulatory Assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence. Accordingly, such expenses are claimed in the Petition for True Up for FY 2020-21. Further, Working capital requirement is determined by the Commission in line with the Regulation 84(4) of the DERC Tariff Regulations, 2017.

BRPL

2.326 BRPL agrees to the concern raised by the Stakeholder on Truing-up of capital cost since the first Multi Year Tariff period. The Commission is requested to kindly consider Truing Up of Capital Cost of past periods.

2.327 The Commission has finalized the targets for Distribution loss and Collection Efficiency in its Business Plan Regulations, 2019. Also, incentive on account of any overachievement w.r.t Collection Efficiency and distribution loss is shared with the consumers in accordance with the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019.

2.328 As regards the stakeholder's view for consideration of bad debt recovered as Non-Tariff Income, it is submitted that any amount recovered as bad debts is an energy income and has been rightly considered by the Commission as part of revenue collected during the year and is utilized towards meeting the ARR for the year. Since such income has already been considered as revenue available towards ARR, treating it as Non-Tariff Income would tantamount to double accounting of Income. Therefore, the Income on account of bad debts recovered is allowed to be reduced from Non-Tariff Income of the relevant year.

2.329 In regard to stakeholder comment on Communication Expenses, it is submitted that these expenses which are incurred by the Petitioner pursuant to the directions of the Commission post finalization of the norms of O&M expenses and hence legitimate expenses are allowed to be recovered in the ARR.

NDMC

2.330 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

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

2.332 The matter related to past period claims have been appropriately delat in the relevant section of subsequent chapters.

2.333 The impact of various Judgements of Hon'ble APTEL & review Orders of the Commission has been appropriately considered in this Tariff Order during True-up of FY 2020-21 currently.

ISSUE 10: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.334 Tariff on actual cost should be ensured so that past dues are liquidated and new ones not accumulated.

2.335 Commission should come with plan for timely Liquidation of Regulatory Assets with carrying costs.

2.336 It is requested to liquidate the Regulatory Assets, withdraw the 8% surcharge levied and ensure that such dues are not accumulated further.

2.337 What are the Regulatory Assets and their carrying costs as of now.

2.338 Govt. should pay for the liquidation of Regulatory Assets along with interest and save consumers from Tariff hike.

2.339 Forensic Audit of all DISCOMs should be carried out to arrive at the correct figure of Regulatory Assets.

2.340 Regulatory Assets should not be created further, Tariff should be cost reflective and mechanism need to be devised in order to clear the Regulatory Assets.

2.341 It needs to be clarified if the Revenue Gap of Rs. 5948 Crores for TPDDL till FY 2021-22 is to be recovered from consumers and also if Rs. 1980 crores is separate from this amount or included in this amount. DERC should provide a roadmap for clearing of these dues.

2.342 Carrying cost on Regulatory Asset should be reduced.

2.343 How will the accumulation of such huge amount for recovery with interest benefit a common man and what Tariff hike can be expected.

2.344 DERC is requested to make the Tariff equal to cost of supply to solve problem of Regulatory Assets/Revenue Gap.

2.345 Regulatory Assets are soaring & should be eliminated. Levy of 8% cess is not justified as its tax on future Generations. Tariff shall be raised.

PETITIONER'S SUBMISSION

TPDDL

2.346 Regulatory Assets got created due to non-cost reflective Tariff for previous years which has now piled up to Rs. 5948 Crores till FY 2021-22 which is to be recovered from the consumers. The amount of Rs. 1980 crores is not included in the amount of Rs. 5948 cores and is a separate one.

2.347 Thus, in order to fund the Regulatory assets TPDDL is availing loans from the market and paying interest on the same to the Banks/FIs. To overcome the problem of further creation of Regulatory Assets, the Commission had introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest. However, current 8% surcharge is not sufficient to recover even the interest cost of Regulatory Assets and it should be enhanced to atleast 15%.

2.348 TPDDL agrees with the suggestion that the Tariff should be cost reflective i.e. Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of further Regulatory Asset in a year as the funding of the Regulatory Asset results in carrying cost burden on the consumers.

2.349 Need for timely liquidation of the Regulatory Assets has been emphasized in the amendments to the National Tariff Policy. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets.

2.350 Funding of the Regulatory Assets results in carrying cost burden on the consumers. Hence, in the interest of the consumers and financial viability of the power sector, TPDDL proposes hike in Surcharge to atleast 15% along with cost reflective Tariff for FY 2022-23 to recover the past accumulated Revenue Gap and its carrying cost.

2.351 Absence of clear cut roadmap for the liquidation of Regulatory Asset severely impacts the future lending rates. Hence, the Commission is requested to provide a road map for early liquidation of Regulatory Assets.

2.352 It is the discretion of the Govt. to take over the liability of liquidation of Regulatory Assets.

BYPL

2.353 We agree with the stakeholder's suggestion that no new Regulatory Asset should be created by adopting the cost reflective Tariff and mechanism need to be devised in order to clear the Regulatory Assets.

2.354 The Commission has acknowledged the fact in past Tariff Orders and Press Releases that in absence of cost-reflective Tariff, huge Regulatory Assets has been created and has adversely affected the borrowing capacity and the credit rating of the DISCOMs.

2.355 The Commission vide its Tariff Order dated 13/07/2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap.

2.356 The rationale given by the Commission in its Tariff Order is as under:

> *"5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs 1402.32 Crore While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs 6919 Crore Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.*
> *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."

2.357 However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets. In case, exemption from payment of Regulatory Surcharge is allowed to the stakeholder, not only BYPL cash flow status will further deteriorate, the burden of such exemption will fall on other consumers along with applicable carrying cost.

2.358 There is huge unrecognized Regulatory Asset on account of various APTEL Orders in favour of DISCOMs pending implementation by the Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay.

2.359 BYPL from time to time has also been drawing the attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

BRPL

2.360 We agree to the stakeholder's suggestion that Regulatory Assets should not be created. Further, Tariff should be cost reflective and mechanism need to be devised in order to clear the backlog.

2.361 The Commission has acknowledged the fact in past Tariff Orders and Press Releases that in absence of cost-reflective Tariff, huge Regulatory Assets has been created and has adversely affected the borrowing capacity and the credit rating of the DISCOMs.

2.362 BRPL from time to time has also been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

2.363 There is huge unrecognized Regulatory Asset on account of various APTEL Orders in favour of DISCOMs pending implementation by the Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay. This will lead to the determination of actual Regulatory Asset (recognized and unrecognized) and accordingly an appropriate methodology may be devised to clear the backlog.

2.364 The Commission vide its Tariff Order dated 13/07/2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap.

2.365 The rationale given by the Commission in its Tariff Order is as under:

> *"5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs 1402.32 Crore While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs 6919 Crore Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.*
> *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."*

2.366 However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets. In case, exemption from payment of Regulatory Surcharge is allowed to the stakeholder, not only BRPL cash flow status will further deteriorate, the burden of such exemption will fall on other consumers along with applicable carrying cost. Further, determination of Electricity Tariff to be charged from a certain category of consumers is the sole prerogative of the Commission under Section 61, 62 and Section 45 of the Electricity Act, 2003

NDMC

2.367 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

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

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

2.369 The Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11/11/2011 (OP 1 of 2011).

2.370 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been fixing Tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi. Desired level of dedication could not take place due to petitioner burden on account of implementation of Hon'ble APTEL Judgment and Review Orders. It will be reviewed in future Tariff Orders.

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

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

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

2.374 The Commission determines the ARR for the DISCOMs as per the provisions of Regulation 154 & 155 of *Tariff Regulations, 2017* along with *Business Plan Regulation, 2019*, as follows.

> *"REGULATORY ASSETS*
> *154. The accumulated revenue gap, if approved by the Commission in the relevant Tariff Order shall be treated as*
> *Regulatory Assets:*
> *Provided thatsuch revenue gap shall be computed on the basis of excess of ARR over Revenue approved after true up of the relevant financial year.*
> *155. Carrying cost on average balance of accumulated revenue gap shall be allowed to the Utility at carrying cost rate approved by the Commission in the ARR of the relevant financial year:*
> *Provided that average balance of accumulated revenue gap shall be*

determined based on opening balance of accumulated revenue gap and half of the Revenue Gap /Surplus during the relevant year."

2.375 The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2022-23, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true-up of FY 2019-21 and carrying cost for the Regulatory Assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 11: PENSION TRUST

STAKEHOLDERS' VIEW

2.376 Section 86 of Electricity Act 2003, do not have provisions of Pension Trust in the Regulation. The Adhoc provisions since 2011-12 without audit are beyond mandate. Further, provision of Rs. 1506 cr. for FY 2022-23 is biased and should not be made part of Tariff exercise for FY 2022-23.

2.377 Despite non-compliance in audit, Adhoc provisions for pension fund continued since FY 2011-12.

2.378 Pension Trust Surcharge should be withdrawn/ removed/ discontinued.

2.379 DVB Employees Pension Trust surcharge increased from 3.3% to 7% and further expected to be increased thereafter which is additional burden on consumer.

2.380 Consumer are not party to Agreement between DVB Employees & GoNCTD and passing the surcharge burden on consumers should be withdrawn.

2.381 Why Pension Trust charge of erstwhile DVB employees are levied to consumers.

2.382 Pension Trust Surcharge should not be collected from Electricity consumers which will be beneficial to consumers due to reduction in Tariff.

2.383 Huge amount of liabilities of outstanding amount of erstwhile DVB employees is remaining and no proper accounting has been done so far. This Issue should be settled.

2.384 Pension fund should be abolished as its duty of the Govt. to pay them.

PETITIONER'S SUBMISSION

TPDDL

2.385 The Pension Trust was mandated to get an annual actuarial valuation of its corpus to ascertain its solvency on a year on year basis. Till date, Pension Trust has not conducted the actuarial valuation in terms of the statuary framework ordained for the functioning and funding of the Pension Trust.

2.386 The Commission had even directed the Delhi Government to have a forensic audit of the Pension Trust conducted, which has not been done till date. The responsibility solely lies with Delhi Govt. and it should meet the shortfall in the Trust at any stage and ensure benefits of the pensioners. This will ensure that electricity consumers are not directly impacted with this burden.

2.387 While Tariff has remained same for Delhi DISCOMs in past 6 years, the Pension Trust surcharge has increased from 3.7% to 7% resulting in Tariff increase for the end consumer.

2.388 The Petitioner agrees to the suggestion of Stakeholder and requests the Commission to discontinue the Pension Trust surcharge as responsibility of funding pension is with GoNCTD.

2.389 Electricity Tax is levied by MCD in accordance with its Delhi Municipal Corporation Act. Distribution Companies and the Commission have no role in deciding the percentage of Electricity Tax to be levied.

BYPL

2.390 With regard to comment on levy of Electricity Tax, it is submitted that the Distribution licensee collects Electricity Tax/Duty on Electricity consumption on behalf of MCD which is levied under statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962.

2.391 With regard to comment on levy of Pension Trust Surcharge, it is submitted that in Tariff Order dated 31/08/2017, the Commission had decided to levy an Additional Surcharge for recovery of Pension Trust funding of erstwhile DVB Employees/Pensioners from September '17 onwards as per recommendation of GoNCTD vide their letter dated 26/07/2017. The rationale given by the Commission in its Tariff *Order is as under:*

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

2.392 As a result, the Commission vide its Commission vide its Tariff Order dated 31/08/2017 had notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD, and the same was revised to 3.80% in Tariff Order dated 28/03/2018. Thereafter, the Commission vide its Tariff Order dated 28/08/2020 has revised this surcharge to 5% and the same has increased to 7% vide its Tariff Order dated 30/09/2021.

2.393 Further, the Commission vide its Tariff Order dated 30/09/2021 also directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account. The relevant extract of the directive issued in this regard is extracted below:

> *"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.*
> *…*
> *A6: DIRECTIVES*
> *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*

"

2.394 BYPL is complying with the aforesaid directive of the Commission by billing and collecting the Pension Surcharge for servicing the liabilities, pension of the Pension

Trust.

BRPL

2.395 With regard to comment on levy of Electricity Tax, it is submitted that the Distribution Licensee collects Electricity Tax/Duty on Electricity consumption on behalf of MCD which is levied under statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962.

2.396 DISCOM is levying Pension Trust Surcharge charge as per the surcharge rate determined by the Commission in its Tariff Order.

2.397 With regard to comment on levy of Pension Trust Surcharge, it is submitted that in Tariff Order dated 31/08/2017, the Commission had decided to levy an Additional Surcharge for recovery of Pension Trust funding of erstwhile DVB Employees/Pensioners from September '17 onwards as per recommendation of GoNCTD vide their letter dated 26/07/2017. The rationale given by the Commission in its Tariff *Order is as under:*

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

2.398 As a result, the Commission vide its Commission vide its Tariff Order dated 31/08/2017 had notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD, and the same was revised to 3.80% in Tariff Order dated 28/03/2018. Thereafter, the Commission vide its Tariff Order dated 28/08/2020 has revised this surcharge to 5% and the same has increased to 7% vide its Tariff Order dated 30/09/2021.

2.399 Further, the Commission vide its Tariff Order dated 28/08/2020 directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account, on a monthly basis. The relevant extract of the directive issued in this regard is extracted below:

> *"Tariff Schedule*
> *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:
8% towards the recovery of an accumulated deficit, and,
3.80% towards the recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD.
Directives:
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*

...”

2.400 Accordingly, the Petitioner has been complying with the above directive of the Commission.

NDMC

2.401 The stakeholder does not fall in NDMC’s licensed area of supply.

COMMISSION’S VIEW

2.402 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by GoNCTD with Unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by GoNCTD. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in DTL Tariff orders from FY 2011-12 onwards up to FY 2015-16. Further, in the Tariff Order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of the past practice of routing it through DTL.

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

2.404 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11/09/2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the matter before the court and explore other avenues for settlement of the dispute.

2.405 The Commission has already made provision on the Ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Crore, Rs. 470 Crore, Rs. 573 Crore, Rs. 573 Crore, Rs. 694 Crore, Rs. 792 Crore , Rs. 839 Crore and Rs. 937 Crore, Rs. 1506 Crore for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19 , FY 2019-20, FY 2020-21 , FY 2021-22 respectively in applicable Tariff Orders for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.

2.406 The Commission vide letter dated 8/12/2016 and 13/7/2020 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust.

2.407 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgment dated 3/05/2010) had inter alia held that any liability towards DVB employees and existing pensioners are the responsibility and liability of the successor utility or employer.

ISSUE 12: OPEN ACCESS

STAKEHOLDERS' VIEW

2.408 SLDC determines the cross subsidy surcharge for different categories of Open Access consumers based on uniform ABR for all levels EHT/HT/LT. The Commission is requested to determine and levy CSS separately on EHT/HT category based on respective ABRs.

2.409 Additional Surcharge be determined based on credible data related to stranded capacity, open access volume and further demonstrated by the DISCOMs so that the stranded capacity is on account of Open Access.

2.410 As per agreed principles by GoNCTD, DMRC shall be treated as special category of consumer recommending Tariff on Actual Cost of Supply (ACoS) without Surcharge & Cross Subsidy Surcharge.

2.411 Cost of Supply should be decided based on ACoS plus reasonable margin.

2.412 Continue with existing security deposit for DMRC.

2.413 ToD surcharge should not be applicable on DMRC, keeping in view nature of operations, which does not allow any flexibility of shifting of loads. DMRC peak hours is 8-10 AM, 5-8 PM & they cannot reduce consumption during peak hours.

2.414 kVAh billing should be maintained on lag only principles.

2.415 Fixed charges of approx. Rs. 61 Crore is 8-10% of cost paid by DMRC, as per agreed principles, DMRC should be exempted from Fixed Charges as DISCOMs Distribution network is not used by DMRC.

2.416 DMRC should be exempted from 8% Regulatory Surcharge.

2.417 DMRC should be considered as Integrated contract demand and penalty may be applicable if cumulative demand is breached

2.418 DISCOMs proposing Levy of penalty on harmonics, DISCOMs should educate/aware HT/EHT consumers so that they can take steps to minimize harmonics voluntarily at their level.

PETITIONER'S SUBMISSION

TPDDL

2.419 Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission. Further, DMRC is covered under Tariff of Public

Utility and is given benefit of lower Tariff along with other public utilities in comparison to other industrial consumers.

2.420 Regulatory surcharge is levied to recover the carrying cost of Regulatory assets built up during the last 14 years due to non-cost reflective Tariff. DMRC was also part of the consumers when the Tariff was non-cost reflective and hence should not be exempted from the Regulatory surcharge

2.421 The present ToD Tariff is applicable since last 6 years and hence, TPDDL requests the 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 which is as follows:

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.

2.422 As regard to stakeholder comment regarding “lag only” metering, it is submitted that 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 TPDDL. 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.

2.423 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.

2.424 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.

2.425 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.

2.426 As regard to stakeholder comment on harmonic distortion, it is submitted that the presence of harmonic distortion is highly detrimental to the health of Electrical Network. 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. The end users and utilities share responsibility for limiting harmonic current injections and voltage distortion at the point of common coupling.

2.427 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 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:"*

2.428 Accordingly, the Commission is requested to direct all the HT/EHT consumers to install Power Quality meters in accordance to CEA (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.

2.429 The Generation capacity remains stranded because of consumers moving to open access. TPDDL has signed PPA's with Generators for meeting the Power requirement of consumers which is leading to Generating Stations being backed down/ plants scheduled to their technical minimum/ on reserve shutdown while paying their fixed cost because of consumers moving to open access. On similar lines, CTU and STU transmission charges are also stranded charges which are paid by other Non-open Access consumers. Further, using normative fixed cost of Generating Station for determination of Additional Surcharge will not be correct as the payments towards the same is not done on normative basis, the payment is done towards the plant availability and energy scheduled. Additionally, with increase in RPO, additional surcharge is bound to increase. Hence the methodology used by Commission is correct and needs no moderation in the same.

2.430 As regards to stakeholder's comment on determination of Additional Surcharge based on credible data, it is submitted that IEX can also explore/ directly take up this matter with Delhi GENCOs & other gas stations to help provide economic gas for running the plants throughout the year with less variable cost since they operate in Gas Trading Business through their platform. This will help in Generating Power at normative Fixed Costs rather than actual higher fixed costs. Further, it will help in reducing stranded capacity & additional surcharge for Open Access consumers.

BYPL

2.431 In view of the role of DMRC as a Public Utility service, BYPL has special consideration for maintaining quality of power supply to DMRC. BYPL endeavours to maintain the uninterrupted Power supply to all its consumers including DMRC. To maintain this level of quality Power supply, associated costs (i.e. other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored in Tariff Determination for supply to DMRC and other consumers.

2.432 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BYPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt. /State Govt. owned Generating stations & IPPs. In addition to this, the Petitioner also Purchases Power from other sources such as Energy Exchanges, Bilateral & Banking arrangements etc, to meet the Energy demand/rate variations. Thus, the cumulative cost of Power procurement from all these sources is applicable to all consumers of BYPL including DMRC.

2.433 It is submitted that that BYPL has proposed ToD peak Surcharge and Rebate to at least 30% in the ARR petition so that objective of ToD may be fulfilled by attracting more consumers which is beneficial for consumer as well as DISCOM.

2.434 As regard to stakeholder comment regarding "lag only" metering, it is submitted that the Petitioner has proposed to include lead Reactive Power for billing consumption owing to the fact that consumer use 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 causing burden on the distribution licensee. During off-peak period, voltage become high due to high capacitive injection by high end consumers using fixed capacitors vis-à-vis absence of adequate reactive injection which endanger the system stability. Such overcompensation requires Transformer of higher capacity and increased burden on the Distribution Utility. In order to limit such anomaly, DISCOM has requested the Commission to introduce kVAh billing in lag as well as lead mode.

2.435 BYPL has been creating awareness among HT/EHT consumers to use adequate harmonic filtering equipment to avoid dumping of harmonics in the DISCOM Network beyond permissible limit. However, absence of any punitive measure against the same has lagged motivation among such consumers to timely implement usage of adequate equipment. The Commission has recognized the such requirement in Regulation 8 of DERC (Supply Code and Performance Standards) Regulations, 2017 wherein penal charges for non-compliance against harmonics dumping within permissible limits are to be notified, relevant excerpt is reproduced here as follows:

> *"(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."*

2.436 However, such penal charges are still pending to be notified and accordingly, the Commission is requested to notify the same along with the Tariff Order.

2.437 As regard to stakeholder comment regarding integrated contract demand, it is submitted that existing practice is as per the prevailing Regulations and Norms. The matter requires detailed deliberation before the Commission and subsequently appropriate measures may be taken accordingly.

2.438 The Petitioner has proposed revision of Security Deposit on 2 months Average Billing as adopted by various SERC's in order to link same with consumption of individual consumer, prevailing Tariff and billing cycle in order to protect the interest of all consumers as well as reduce the risk involved for the DISCOM. Further, security deposit is an interest bearing refundable amount to the consumer, thus there is no loss for the consumer.

2.439 As regard to the issue related to Determination of Open Access, it is submitted that the determination of Electricity Tariff and Cross Subsidy Surcharge to be charged from a certain category of consumer are the sole prerogative of the Commission under Section 61 of the Electricity Act, 2003.

BRPL

2.440 In view of the role of DMRC as a Public Utility service, BRPL has special consideration for maintaining quality of power supply to DMRC. BRPL endeavours to maintain the uninterrupted Power supply to all its consumers including DMRC. To maintain this level of quality Power supply, associated costs (i.e. other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored in Tariff Determination for supply to DMRC and other consumers.

2.441 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BRPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt. /State Govt. owned Generating stations & IPPs. In addition to this, the Petitioner also Purchases Power from other sources such as Energy Exchanges, Bilateral & Banking arrangements etc, to meet the Energy demand/rate variations. Thus, the cumulative cost of Power procurement from all these sources is applicable to all consumers of BRPL including DMRC.

2.442 It is submitted that that BRPL has proposed ToD peak Surcharge and Rebate to at least 30% in the ARR petition so that objective of ToD may be fulfilled by attracting more consumers which is beneficial for consumer as well as DISCOM.

2.443 As regard to stakeholder comment regarding "lag only" metering, it is submitted that the Petitioner has proposed to include lead Reactive Power for billing consumption owing to the fact that consumer use 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 causing burden on the distribution licensee. During off-peak period, voltage become high due to high capacitive injection by high end consumers using fixed capacitors vis-à-vis absence of adequate reactive injection which endanger the system stability. Such overcompensation requires Transformer of higher capacity and increased burden on the Distribution Utility. In order to limit such anomaly, DISCOM has requested the Commission to introduce kVAh billing in lag as well as lead mode.

2.444 As regard to stakeholder comment regarding integrated contract demand, it is submitted that existing practice is as per the prevailing Regulations and Norms. The matter requires detailed deliberation before the Commission and subsequently appropriate measures may be taken accordingly.

2.445 The Petitioner has proposed revision of Security Deposit on 2 months Average Billing as adopted by various SERC's in order to link same with consumption of individual consumer, prevailing Tariff and billing cycle in order to protect the interest of all consumers as well as reduce the risk involved for the DISCOM. Further, security deposit is an interest bearing refundable amount to the consumer, thus there is no loss for the consumer.

2.446 Other issue raised is concerned with the Determination of Open Access Charges and related matters and not ARR Petition. Hence, no submission on the same, as we are confining our response to the issues relating to the present ARR Petition only. Further, the determination of Electricity Tariff and Cross Subsidy Surcharge to be charged from a certain category of consumer are the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.447 The party is not in NDMC area.

COMMISSION'S VIEW

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

2.449 The Open Access Charges will be governed by Order dated 1/6/2017, 3/9/2021 & 1/10/2021 as amended from time to time.

2.450 The Distribution Licensee shall be compensated by consumer for permitting open access. In accordance with the methodology followed in the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2019*, the approved ARR for Wheeling and Retail Supply business is trued up during calculations of ARR.

ISSUE 13: C&AG AUDIT

STAKEHOLDERS' VIEW

2.451 The Commission may issue Order for Audit of DISCOMs by C&AG.

2.452 Audit Report for O&M expenses, Depreciation and Capital Expenditure.

2.453 Recovery in commercial Tariff and Fixed Charge on Sanction Load against MDI provide revenue in surplus and needs to be audited.

2.454 Huge amount of liabilities of outstanding amount of erstwhile DVB employees is remaining and no proper accounting has been done so far. C&AG Audit must be carried out on Pension Trust account of Delhi Govt. in public interest.

2.455 C&AG audit by Supreme Court should be expedited.

2.456 C&AG Audit of the Pension Trust Account should be conducted.

2.457 C&AG audit of Electricity Companies should be done every year and the hearing on hike in Tariff should be done thereafter.

2.458 Consumer rely on Regulator for deficit security, performance parameter and penalties thereof. Virtual monopoly is extended to the DISCOMs in absence of audit & not being covered under the ambit of RTI Act.

2.459 Records reveal that ARRs shows deficit despite recovery on Sanction Load against MDI. This amounts to irregular recovery in the absence of any directions for forensic audit to establish actual liability.

PETITIONER'S SUBMISSION

TPDDL

2.460 DISCOMs books of accounts are duly checked/audited by C&AG empanelled Statutory Auditors to present a true and fair view in accordance with various Laws.

Further, prudence check towards the True up is also done by the Commission and the Auditors appointed by them.

BYPL

2.461 As regards to the stakeholder Comment on Audit of DISCOMs by C&AG, it is submitted that the Petitioner has a very robust multi-layered system of Internal and Statutory Audit. Petitioner Company's accounts are audited both internally and externally by Statutory Auditors as per the requirements of the Companies Act, 1956. The auditors appointed by the Petitioner is a well reputed C&AG empanelled auditor.

2.462 In addition to the above checks and balances, the Commission itself appoints independent Auditors to verify each and every aspect of the Petitioner's accounts before issuing Tariff Orders. Moreover, all ARR petitions are made available in the public domain and are also subjected to rigorous prudence checks by the Commission itself and its consultants.

2.463 Further, the Commission determines the Tariff only after considering the prudency of Operational and Capital Expenditure required by the Licensee for supplying power and maintaining its Distribution Network / Infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the Licensees.

2.464 As regards to the stakeholder Comment on Audit Report for O&M expenses, depreciation and capital expenditure, it is submitted that the Commission issues Tariff Order only after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the Petitions with due analysis and ensuring proper justification. The Petitioner furnishes clarifications/additional information, as and when required by the Commission.

BRPL

2.465 As regards to the stakeholder Comment on Audit Report for O&M expenses, depreciation and capital expenditure, it is submitted that the Commission issues Tariff Order only after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the Petitions with due analysis and ensuring proper justification. The Petitioner furnishes clarifications/additional information, as and when required by the Commission.

2.466 The Petitioner has a very robust multi-layered system of Internal and Statutory Audit.

Petitioner Company's accounts are audited both internally and externally by Statutory Auditors as per the requirements of the Companies Act, 1956. The auditors appointed by the Petitioner is a well reputed C&AG empanelled auditor. In addition to the above checks and balances, the Commission itself appoints independent Auditors to verify each and every aspect of the Petitioner's accounts before issuing tariff orders. Moreover, all ARR petitions are made available in the public domain and are also subjected to rigorous prudence checks by the Commission itself and its consultants.

2.467 Further, the Commission determines the Tariff only after considering the prudency of Operational and Capital Expenditure required by the Licensee for supplying power and maintaining its Distribution Network / Infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the Licensees.

NDMC

2.468 The party is not in NDMC area.

COMMISSION'S VIEW

2.469 The matter of C&AG Audit is sub-Judice before the Hon'ble Supreme Court of India.

2.470 The Audit is crucial for preventing mis-statements in the company's records and reports. The DISCOMs get their accounts audited by internal and external statutory auditors conducted under the Companies Act 2013, which forms the basis for financial submission in Tariff Petition of the Commission. The provision of financial reporting may vary from the regulatory reporting as specified by the Commission from time to time. Therefore, the Commission conducts the regulatory audit in order to refine the prudence check methodology adopted with the help of an independent C&AG empaneled auditor.

2.471 The Commission was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG empanelled Auditor. Similarly, for FY 2019-20, the Commission conducted in-house verification of Books of Accounts for FY 2019-20 from March '21 onwards, however, variation/deficiency in the in-house verification is being noticed in future will be dealt accordingly.

2.472 The Commission appointed C&AG Empanelled Auditors for Regulatory Audit of DISCOMs i.e. NDMC, BRPL, BYPL & TPDDL for True-up of FY 2020-21. The Regulatory Audit assignment for FY 2020-21 was awarded to Shridhar & Associates for NDMC & TPDDL, Grand Mark & Associates for BRPL and Adroit & Co. for BYPL. Based on their reports and prudence check by the Commission and after considering various components of cost mentioned in the Petitions, the Tariff Order is issued with due analysis and justification.

ISSUE 14: TARIFF HIKE

STAKEHOLDERS' VIEW

2.473 Tariff should not be lower than overall cost of purchase of Electricity. Tariff should be cost reflective.

2.474 Cross subsidy concept is not correct. There should be no Cross subsidies as they will harm the system.

2.475 Distribution Company should not operate under losses. Hence, if there is loss, increase Tariff by 2% otherwise hike Tariff by 1%

2.476 Tariff should levied on the basis of Power Factor (PF) including leading PF on kVAh basis while billing to High End Consumers.

2.477 Tariffs of higher slabs should be reduced.

2.478 Concession and benefits should be given to Honest Consumers.

2.479 Loss due to Electricity theft in unauthorized colonies should not be burdened on to other consumers.

2.480 COVID burden should be shared 50% to consumer and 50% to DISCOM equally.

2.481 Tax levied on Electricity was 17% in 2013 now, it 42 % tax is levied on Electricity consumption.

2.482 DTC and Metro suffered heavy losses during Corona time but they did not increase their fare so Electricity Company should not enhance their Electricity rates.

2.483 There should be no Tariff hike including surcharges.

2.484 The Commission should issue directions to consumer to keep Power Factor as unity or make such consumers pay for deviation.

2.485 Dishonest consumer should not be allowed to take the benefit of LPSC on no. of days of default, Subsidy, Interest on Security Deposit, Rebates. etc. Dishonest domestic consumer be charged on highest slab rate.

PETITIONER'S SUBMISSION
TPDDL

2.486 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 results in carrying cost burden on the consumers.

2.487 The Section 61 (g) of Electricity Act 2003 mandates the Appropriate Commission to determine Tariff guided by the objectives that the Tariff progressively reflects the cost of supply of Electricity and also reduces Cross Subsidies within the specified period.

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

2.489 We agree to the stakeholder suggestion that Concession and benefits should be given to honest consumers.

2.490 The 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 is also needs to be ensured that dishonest consumers are not allowed to take benefit of these concessions and only the honest consumer can avail them. Those who are defaulting their bill payments / avoiding to pay it on time / 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.

2.491 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

2.492 This will help in reducing the ARR of DISCOMs and also the burden of honest paying consumers.

BYPL

2.493 As regard to stakeholder comment regarding increasing Tariff by 2% or 1%, it is submitted that the determination of Electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.494 BYPL levy Tariff on consumers for a period as determined and approved by the Commission in accordance with the Electricity Act 2003. Further, the Section 61 of Electricity Act 2003 mandates that while determining Tariff, the Appropriate Commission shall be guided by the objective that the Tariff progressively reflects the efficient and prudent cost of supply of Electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner. Hence, it is in the consumer’s overall interest, that the gap between Revenue available and Revenue required is to be filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.495 In regard to the comment of the stakeholder regarding Cross Subsidy, it is submitted that BYPL is bound to levy Tariff on consumers for relevant period as approved by the Commission under the Electricity Act 2003. Further, clause 8.3(2) of the Tariff Policy, 2016 provides as under:

9.1.1 “2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.”

2.496 We agree to the stakeholder suggestion that Concession and benefits should be given to Honest Consumers. The Commission is requested to consider the same in Tariff proceedings.

2.497 Consumers are paying charges for actual consumption with adequate time for payment. Providing incentive to consumer for clearing their dues against consumption of preceding month in allowed time will additionally burden the other cross-subsidizing consumers. However, there are penalizing provisions for delinquent consumers under prevailing Regulations which is being exercised by BYPL on case to case basis.

2.498 In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.

BRPL

2.499 In regard to the comment of the stakeholder regarding reduction of Tariff, it is submitted that BRPL is bound to levy Tariff on consumers for relevant period as approved by the Commission under the Electricity Act 2003.

2.500 Further, the Section 61 of Electricity Act 2003 mandates that while determining Tariff, the Appropriate Commission shall be guided by the objective that the Tariff progressively reflects the efficient and prudent cost of supply of Electricity.

2.501 Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner. Hence, it is in the consumer's overall interest, that the gap between Revenue available and Revenue required is to be filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.502 In regard to the comment of the stakeholder regarding cross subsidy, it is submitted that BRPL is bound to levy Tariff on consumers for relevant period as approved by the Commission under the Electricity Act 2003. Further, clause 8.3(2) of the Tariff Policy, 2016 provides as under:

9.1.2 *"2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."*

2.503 We agree to the suggestion of the stakeholder that leading Power Factor to be charged on kVAh basis as is done for lagging power factor in order to ensure safety of Power System.

2.504 Consumers are paying charges for actual consumption on post-paid basis with adequate time for payment. Providing incentive to consumer for clearing their dues against consumption of preceding month in allowed time will additionally burden the other Cross-Subsidizing consumers. However, there are penalizing provisions for delinquent consumers under prevailing Regulations which is being exercised by BRPL on case to case basis. Further, in case any benefit to such consumers to be allowed then the same shall be allowed to be passed through in the ARR.

2.505 In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.

NDMC

2.506 The party is not in NDMC area.

COMMISSION'S VIEW

2.507 The Commission determines the ARR for DISCOMs as per the provisions of the relevant Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2022-23, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in True up to FY 2020-21 and carrying cost for the Regulatory Assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing Tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 15: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.508 Benefit of zero billing to consumer as per APTEL judgement 9/09/2015 should be provided.

2.509 Govt. Connections (Public utility) should have commercial Tariff and no subsidy should be given to them.

2.510 Tariff of Government Connection should be kept equal to actual cost or highest amongst all consumer categories.

2.511 Subsidy provided by Government should be done away for healthy operations of Distribution Sector.

2.512 Tariff of Commercial category is always kept highest, which is incorrect

2.513 Winter peaks may also be included in Time of Day (ToD) Tariff.

2.514 There should be only two slabs for domestic category i.e. one for less than 400 units and other for more than 400 units.

2.515 Subsidy should not be forcefully opted out and shall be made optional.

2.516 Domestic charges should be fixed instead of slabwise Tariff.

2.517 Tariff for Industrial Consumer should be realistic and close to Power Purchase Cost.

2.518 Domestic category with high consumption should have only one rate for all units and cheaper slab wise rates for poor only.

2.519 As per Electricity Act, 2003, Competition is main objective of this Act. At present, Highest Electricity Tariff is paid by Industries, how the industry will survive. Tariff for Industrial category should be reduced.

2.520 Industry Tariff is very high which is making it uncompetitive with other business. It is requested to eliminate concessional Tariff provided to residential consumers.

2.521 Each and every unit of Power to consumer should be billed and there should no sanction of "free units".

2.522 No subsidy should be given to the consumers who are consuming more than 200 units a month. Single Tariff should be levied from domestic consumers consuming more than 400 units a month.

2.523 Remove Electricity Tax and Pension Trust Surcharge.

2.524 Those who consume less than 200 units should also be charged some nominal charges. Consumer using more than 200 units should also get some rebate.

2.525 Subsidy should be fixed on slab such as upto 200 units.

2.526 Rebate of 0.2% of annual bill per extra Electricity bill over 6 nos. annually may please be reintroduced for domestic consumers.

2.527 Domestic Tariff should have all units above 300 units billed at Rs. 8/kWh. Fixed charges should be Rs. 250/kW. Below 300 units only 2 slabs and fixed charges of Rs. 100/kW should exist.

2.528 The subsidy provided to consumer is a big political issue and role of Regulator for Tariff Rationalization, should be looked into.

2.529 There should be no subsidy. If Government desires to give subsidy to the domestic category, it should be for all without discrimination on unit slabs or to none.

2.530 It needs to be clarified whether owner or occupier has to reside along with paying guest to avail the Domestic category Tariff.

2.531 Electricity Tariff should be decreased for DISCOMs as they have enough financial resources and have Rs. 10,000 crores of electrical scrap with them.

2.532 The Commission is requested to include the activities of processing of fruits and vegetables under Agricultural Tariff.

2.533 Re-categorize the plantations/ Horticulture nursery under Agriculture Category from present Non-Domestic Category.

2.534 The Commission is requested to include the additional peak timings in ToD Tariff.

2.535 Religious functions such as Dusshera fair & Dharamshala used for public functions should be treated under Domestic Category and should not be treated under Commercial Catergory.

2.536 Subsidy benefits should be given to poor consumers directly and certificate should be taken if they are poor.

2.537 Too much distortion being brought due to slab and concessional Tariffs. It brings inefficiency. People use lower slab for illegal & commercial activities like e-rickshaw charging on domestic connection. Hence, Cross subsidy should be removed.

PETITIONER'S SUBMISSION

TPDDL

2.538 The stakeholder is requested to provide details of Rs. 10,000 crores scrap which has been mentioned in their comments. The Regulatory Assets of TPDDL as per financial books of account as on 31/03/2021 is Rs. 5,512 Crore. However, current 8% surcharge is not sufficient to recover even the interest cost of Regulatory Assets. Hence, in the interest of the consumers and financial viability of the power sector, TPDDL proposes hike in Surcharge to atleast 15% along with cost reflective Tariff for FY 2022-23 to recover the past accumulated Revenue Gap and its carrying cost.

2.539 We agree to the suggestion of stakeholders that all slab and concessional Tariffs should be removed. 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 results in carrying cost burden on the consumers.

2.540 Further in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should be factored while deciding the Electricity Tariff to be charged for next year.

2.541 Stakeholder in its comments stated that there should be only two slabs for domestic category i.e. one for less than 400 units and other for more than 400 units. It is submitted that Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of Electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy states that design shall be linked to cost of service and Tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity. We agree to the stakeholder suggestion that Tariff of Public utility should be made equal or higher than the average cost of supply in the interest of consumers.

2.542 The present ToD Tariff is applicable since last 6 years and hence, TPDDL requests the Commission is requested to review its performance basis the load curves noticed during the summer months [April – September] and winter months [October – March] in its Distribution Area which is as follows:

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.

2.543 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 approx. 150% to meet the peak load during April – September and approx. 30% to meet the peak load during October - March.

2.544 In key metro cities, highest Domestic slab starts from 501 Units while in Delhi the highest slab Starts from 1201 Units. Highest Domestic slab Tariff in other cities is more than or equal to Average Cost of Supply however in Delhi, it is lower than that. At present, high consuming Domestic consumers also get the benefit of lower Tariff according to the slabs. Consumers with more than 400 units monthly consumption should pay cost of supply as they are well off and can afford to pay. TPDDL aggress to stakeholder suggestion of fixing Domestic charges.

2.545 However, even in Haryana and Punjab which are major Agricultural states processing units are not considered under Agricultural Tariff.

2.546 As per Tariff Order for FY 2021-22, the Consumers having sanctioned load up to 20kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category.

2.547 Providing subsidy to a class of consumers or to all depends is the prerogative of the GoNCTD. DISCOMs have no role in deciding subsidy for any class of consumer.

2.548 The Tariff Order dated 30/09/2021 provides that

9.1.3 "The consumers (owner, tenant or occupier of premises) running small *commercial establishments including Paying Guest from their households (houses under Domestic Category) having sanctioned load upto 5kW under Domestic Category, shall be charged Domestic Tariff"*

which makes it clear that the consumer whether owner or occupier has to reside along with paying guest to avail the Domestic Category Tariff.

BYPL

2.549 Determination of Electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.550 However, 100% subsidy for consumer consuming upto 200 units a month in Delhi is given by State Government under Section 65 of the Electricity Act, 2003, as follows.

9.1.4 "Section 65. (Provision of subsidy by State Government):

9.1.5 If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, 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 the State Commission may direct, as a condition for the license or any other person concerned to implement the subsidy provided for by the State Government:"

2.551 Therefore, subsidy for, bills of consumers under 200 units per month is paid by Govt. of NCT of Delhi instead of consumers.

2.552 Further, with regard to comment on electrical scrap lying with BSES Yamuna, it is submitted that sale of scrap become part of Non-Tariff Income as per Regulation 94 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Regulation 94 is quoted below:

9.1.6 "94: The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

9.1.7 • Income from rent of land or buildings;

9.1.8 • Net Income from sale of de-capitalised assets;

9.1.9 • Net Income from sale of scrap;;

9.1.10 ….."

2.553 Accordingly, the income from scrap sale is indicated under the head "Other Income" in the Audited Financial Statement.

2.554 With regard to the comment on recognize the farm as agricultural establishment, it is submitted that determination of Electricity Tariff to be charged from a certain category of consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003 and the same may be duly considered by the Commission. Further, as per Terms and conditions of Tariff Order dated 30/09/2021, following consumers are categorized under Agricultural Category:

9.1.11 "The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category"

BRPL

2.555 Determination of Electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.556 However, 100% subsidy for consumer consuming upto 200 units a month in Delhi is given by State Government under Section 65 of the Electricity Act, 2003, as follows.

9.1.12 "Section 65. (Provision of subsidy by State Government):

9.1.13 If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, 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 the State Commission may direct, as a condition for the license or any other person concerned to implement the subsidy provided for by the State Government:"

2.557 Therefore, subsidy for, bills of consumers under 200 units per month is paid by Govt. of NCT of Delhi instead of consumers.

2.558 Further, with regard to comment on electrical scrap lying with BSES Rajdhani, it is submitted that DISCOM Sell Scrap items through MSTC Portal after taking approval from the Commission and the income from such sale becomes part of Non-Tariff Income as per Regulation 94 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Regulation 94 is quoted below:

9.1.14 *"94: The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:*

9.1.15 *• Income from rent of land or buildings;*

9.1.16 *• Net Income from sale of de-capitalised assets;*

9.1.17 *• Net Income from sale of scrap;;*

9.1.18 *....."*

2.559 It is submitted that the Control and disbursal of subsidy to any class of consumer is under Govt. of NCT of Delhi under Section 65 of Electricity Act 2003 read with National Tariff Policy.

2.560 With regard to the comment on recognize the farm as agricultural establishment, it is submitted that the determination of Electricity Tariff to be charged from a certain category of consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003 and the same may be duly considered by the Commission. As per Terms and conditions of Tariff Order dated 30/09/2021, following consumers are categorized under Agricultural Category:

9.1.19 *"The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category*

NDMC

2.561 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.562 Hon'ble APTEL in Appeal No. 195 to 2013, has remanded back the case to DERC to True up for FY 2011-12 for zero billing and consumption. Further, the benefit of Zero Billing in compliance to Hon'ble APTEL Judgment in appeal no. 195/ 2012 has been copnsidered in True-up of past period in Tariff Order dated 29/09/2015, as follows:

9.1.20 *" **Zero Billing** – 195 of 2012*

9.1.21 *3.132 As per the direction of Hon'ble APTEL in appeal no. 195 of 2012, the Commission has revised the AT&C Loss Computation for FY 2010-11. It is* *observed that the petitioner had submitted total quantum of zero billing at 40.85 MU for the period between Jan'11 to Mar'11. The Petitioner was directed to submit the details of zero billing entire FY 2010-11 in view of the APTEL's direction. The Petitioner has submitted that total quantum of zero billing during FY 2010-11 which was lesser than earlier submission during the technical validation in true up of FY 2010-11 in tariff order dated 13.07.2012. Therefore, the Commission has decided that total quantum of zero billing basis be prorated for the entire year based on the three months information as provided while true up of FY 2010-11. Accordingly, the total impact of an amount of Rs. 57.98 crore on account of under achievement in AT&C loss target has been added into the revenue available towards ARR in FY 2010-11."*

2.563 The categorization of consumers in various Tariff categories by the Commission is governed by Section 62 (3) of Electricity Act, 2003 as follows:

9.1.22 "(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

2.564 Various suggestions regarding re-categorization of load and slabs has been received from stakeholders. Accordingly, the details of applicable Electricity Tariff for various categories of consumers shall be dealt in Other Terms and Conditions of Tariff Schedule of this Tariff Order.

2.565 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise Tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

2.566 Providing subsidy is the prerogative of the State Government.

2.567 As per DMC (Assessment and collection of Tax on the consumption, Sale or Supply of Electricity) Bye Laws 1962, electricity tax can be levied on consumption, Sale or supply of electricity and also levies a tax on electricity generated for own consumption

2.568 The Commission is of the view that Electricity tax is levied and collected by respective

DISCOMs on the basis of DMC (Assessment and collection of Tax on the consumption, Sale or Supply of Electricity) Bye Laws 1962. As the matter of applicability of Electricity Tax pertains to MCD, the same is subject to the Order of MCD.

ISSUE 16: RETURN ON EQUITY

STAKEHOLDER'S VIEW

2.569 Return on Equity allowed to DISCOMs should be reduced.

2.570 Why 16% Return on Equity is provided to DISCOMs when the Government bonds yields provide upto 6% in current scenario.

2.571 There cannot be any profit on Income Tax. Only actual Tax paid should be allowed.

2.572 It needs to be clarified whether there is net off on Input tax.

2.573 DERC is allowing equity of 30% in assets without verifying the source of funding.

2.574 Since the BSES loans are reducing, allowing 13% interest on complete loan base of RRB needs to be checked.

2.575 BSES Inter-company loans should be checked.

PETITIONER'S SUBMISSION

TPDDL

2.576 The Commission allows Income tax as per Regulation 72 of the DERC Tariff Regulations 2017 reproduced below:

"72. Tax on Return on Equity: The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid vis-à-vis total income of the Utility in the relevant financial year in line with the provisions of the relevant Finance Acts. The actual tax on other income stream shall not be considered for the calculation of "effective tax rate":

Provided that if the rate of return on equity for a Control Period is allowed on pre-tax basis, then income tax on the return on equity shall not be allowed separately as a pass through in ARR;

Provided further that no amount shall be considered towards tax exceeding the actual amount of tax paid by the Corporate entity of the Utility as an Assesse."

2.577 Other queries doesn't pertains to TPDDL.

BYPL

2.578 It is submitted that Petitioner claim Income Tax as per Regulation 72 & 73 of Tariff Regulation, 2017.

2.579 The rate of Return on Equity is applicable in line with Regulation 20(1) and 20(2) of the Business Plan Regulations, 2019 i.e., base rate of 14% on post tax basis for Wheeling Business and base rate of 16% on post tax basis for Retail Business, relevant excerpt is reproduced here as follows:

> *"20. RATE OF RETURN ON EQUITY*
> *(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.*
> *(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."*

BRPL

2.580 It is submitted that the Commission is allowing 30% equity as per Regulation 63 of Tariff Regulations, 2017 after prudence check. The relevant extract of the said regulations is replicated as below:

> *"DEBT-EQUITY RATIO*
> *63. For determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30:*
> *Provided that:*
> *(i) Where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;*
> *(ii) Where equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as notional loan;"*

2.581 The rate of Return on Equity is applicable in line with Regulation 20(1) and 20(2) of the Business Plan Regulations, 2019 i.e., base rate of 14% on post tax basis for Wheeling Business and base rate of 16% on post tax basis for Retail Business, relevant excerpt is reproduced here as follows:

> *"20. RATE OF RETURN ON EQUITY*
> *(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.*
> *(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."*

2.582 The details of year wise equity infused is shown in yearly balance sheets of Petitioner.

2.583 As regard to stakeholder comment on details of loan base, it is submitted that the required details have already been submitted in the Tariff Petition every year. The Commission after detailed prudence check allows the funding of Asset base.

2.584 The Interest on Loan is determined by the Commission as per Regulation 77 of the Tariff Regulations, 2017.

2.585 Depreciation is determined by the Commission as per Regulation 78 to 83 of the Tariff Regulations, 2017.

2.586 As regard to stakeholder comment on Inter-company loan, it is submitted that BRPL has given loan to BYPL which otherwise would have been borrowed by BYPL from some other Bank/ Financial Institution. BRPL has not claimed the cost of such a loan in its ARR and is not incidental to Electricity Business. Therefore, the comment of the stakeholder does not pertain to the Tariff Petition.

NDMC

2.587 Did not provide any comment.

COMMISSION'S VIEW

2.588 The return of equity post tax and pre-tax is computed as per Regulation 3 of Business Plan Regulations, 2019. The relevant extract of said Regulation is as follows:

> *"3. RATE OF RETURN ON EQUITY*
> *Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Generating Entity shall be computed at the Base Rate of 14.00% on post tax basis:*
> *Provided that the Equity for the purpose of Return on Equity shall be lower of the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year."*

2.589 The debt-equity ratio for any project or scheme under commercial operation is computed as per Regulation 63 of Tariff Regulations, 2017 after prudence check. The relevant extract of the said regulations is replicated as below:

> *"DEBT-EQUITY RATIO*
> *63. For determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30:*
> *Provided that:*
> *(i) Where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;*
> *(ii) Where equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as notional loan;"*

ISSUE 17: FIXED CHARGE

STAKEHOLDER'S VIEW

2.590 Why customers are subjected to Fixed charges.

2.591 The average billing calculation should be done on charges on units consumed per month and should exclude Fixed Charges and other charges.

2.592 Fixed cost of DISCOMs should be recovered from fixed part of Retail Supply Tariff.

2.593 Fixed Charges should be fixed on Maximum Demand Indicator (MDI), not on connected load for domestic consumers.

2.594 MDI variation cut off time and duration along with daily usage be provided. Access to online data may not add to printing cost.

2.595 30% surcharge should be levied on all including domestic consumers where MDI exceeds Sanctioned Load /Contract Demand.

2.596 Fixed charges should be adjusted against the consumption i.e. fixed charges should be treated as minimum charges.

2.597 Fixed charges should be levied when there is no usage of electricity.

2.598 Earlier the fixed charges were levied on kW basis but it has now been changed to kVA basis. A surcharge is levied on the Fixed charges if the usage exceeds the sanctioned load and thereafter on the basis of average of three or four monthly demands, load is enhanced and corresponding security deposit is asked from the consumer.

2.599 Why such high Fixed Charges are levied on Consumers for 2 kW, 5 kW connections.

2.600 Fixed Charge for Domestic and Industrial Consumers should be reduced by 25%.

2.601 It is requested to waive off Fixed Charges for COVID period.

2.602 Fixed Charges have increased from Rs. 100 / kW/ month to Rs. 300 / kW/ month. Further, Rs. 3000 /- are levied for new electricity connection which is very high.

2.603 Fixed Charge without extending benefits of certain free units amounts to extortion and inequality due to disproportionate burden on low end users.

PETITIONER'S SUBMISSION

TPDDL

2.604 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.

2.605 The present retail Tariff structure in Delhi includes only a part of the Fixed Cost into recovery out of Fixed Charges, and major portion of the Fixed Cost is recovered through Energy Charges component of the retail Tariff, which is not considered as a sustainable Tariff structure.

2.606 In case Fixed Charges are rolled back, the Energy Charge would increase correspondingly as these form a part of total Revenue of the Utility. Therefore, whether only Energy Charge is levied or Energy Charge as well as Fixed Charge is levied, the same ARR would have to be recovered from the consumers.

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

2.608 The Commission had issued an Approach Paper in Feb '18 on rationalization of Tariff structure which also states recovery of Fixed Cost from Fixed Charges and Fuel Charges of GENCO from Energy Charges and had proposed that the bifurcation between Fixed Charges and Energy charges should be adjusted gradually.

2.609 Therefore, the Commission is requested to suitably review the Fixed Charges during Tariff determination and Tariff design so that fixed cost of DISCOMs can be recovered through Fixed Charges.

2.610 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. 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.

2.611 At present, recovery from fixed charges is only 17.30% against the 56.40 % Fixed Cost of the ARR.

2.612 In the interest of consumer and financial viability of the Delhi DISCOMs, the Commission is requested to kindly revert to the fixed charges of FY 2018-19 and specify a trajectory in increase in Fixed Charge so as to ensure full recovery of Fixed Costs from Fixed Charges 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.

2.613 For Domestic consumers, there is no timely updation by the consumer of enhanced Load being used by them. 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 enhances consumer indiscipline.

2.614 The surcharge on excess load will help ensure discipline amongst Domestic consumers.

2.615 Fixed charges for Domestic consumers if levied on Billing Demand will help recover Costs according the actual usage of the consumer. Hence, the Commission is requested to allow levy of Fixed Charges for domestic category on billing demand.

2.616 For all categories other than domestic, Fixed Charges are levied based on Billing Demand. 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.

2.617 Fixed charges on the basis of kVA is levied on the basis of the Tariff Orders issued from time to time by the Commission. For all categories other than domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof as per Tariff Schedule of Tariff Order FY 2021-22. Fixed charges as part of Tariff is levied so as to be able to cover the expenses / costs of DISCOMs. Same ARR is to be recovered from the consumers. DISCOMs have installed shunt capacitors at their Grids to maintain the required power factor. However, maintaining the power factor at consumer end is the sole responsibility of the consumer.

2.618 Similarly, if MDI reading exceeds Sanctioned Load, a surcharge of 30% is levied on the Fixed Charges corresponding to excess load in kW/kVA for such billing cycle only as per Tariff Schedule of Tariff Order FY 2021-22. Differential Security deposit from the consumers on the basis of Suo-Moto enhanced load are in accordance with the DERC (Supply Code and Performance Standards) Regulations, 2017.

2.619 When compared to the Telecom sector for access to online data, it is submitted that the Power sector is different as the electricity consumption of consumers is stored in their meter and downloading the data for all consumers is not possible due to large numbers of non-communicating meters.

BYPL

2.620 Concept of two-part Tariff rely on premise that Fixed Cost should be recovered from Fixed Charges and Variable Charges out of Energy Charges. Commission has released an approach paper in Feb' 2018 and Niti Aayog also did study on this and recommended the same. In fact, they have appreciated the approach of Commission of Delhi and described as right step was initiated while issuing Tariff Order for FY 2018-19 increasing Fixed Charges and reducing Energy Charges. Recovery of fixed cost out of Fixed Charges is more beneficial to consumer because non-consumption will benefit them.

2.621 Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission and DISCOM is bound to oblige the same.

2.622 The fixed charges have been increased by the Commission in lines with the provisions of Section 45(3) of the Electricity Act, 2003.

2.623 Further, the Commission in its Tariff Order dated June 26, 2003 introduced two-part Tariff for domestic consumers, i.e., Fixed Charges and Energy Charges and abolished minimum charges and meter rent. The fixed charge in two-part Tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

2.624 When a consumer is connected to the system, the utility has to provide/allocate certain capacity of the Distribution System to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of Energy consumption. Ideally, the Fixed Charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the Fixed Cost of such system and diversity of load in the system.

2.625 The Commission in its Tariff Order dated 31/07/2013 has held as under:

> *"2.71 The Commission would also like to point out that if fixed charges are removed, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.*

The Commission is of the opinion that the best method of levying fixed charges is on the basis of the sanctioned load, as other options do not representatively reflect the cost of providing the capacity requirements of the consumer. After analyzing all the options of levying fixed charges, the Commission continues with the existing methodology of levying fixed charges."

2.626 The rationale behind rationalizing fixed charges has been given by the Commission in its Tariff Order dated 31/07/2017 and 28/03/2018 as below:

> *In tariff order dated 31/08/2017: "Fixed charges are levied to cover the fixed expenses of the Utilities. The infrastructure and network involves continuous running and maintenance to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. The energy charges indicate the variable charges which are directly linked to the consumption of electricity. Both fixed and energy charges form part of the electricity billing; decrease in one shall lead to increase in the other."*
> *In tariff order dated 28/03/2018: "The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule."*

2.627 For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds Sanctioned Load/Contract Demand, a surcharge of 30% shall be levied on the Fixed Charges corresponding to excess load in kW/kVA for such billing cycle.

2.628 Further, the Petitioner is bound to levy Tariff on consumers for a period as determined and approved by the Commission under the Electricity Act 2003.

2.629 As regard to stakeholder comment on Fixed Charges based on MDI / Sanction Load, it is submitted that Retail tariff has purposely been divided in two parts across the country so that the Licensee is able to recover the Fixed Costs associated with maintenance and upgradation of its network through the Fixed Charges.

2.630 At the time of energization, the consumer undertakes to limit his load to a certain level which determines his Sanctioned Load. This is the load which the Licensee is obligated to serve and based on which it plans its Network Load growth as well as power purchase. If the consumer, for any reason, exceeds this contracted demand, the Licensee needs to arrange for additional Power in Short Term, the rates for which is much higher than long time Power. Therefore, there is a mechanism by which such consumers (who exceed their Sanctioned Load) are asked to bear the additional cost so that all those consumers who rightfully restrict their usage up to their Sanctioned Load is not wrongfully penalized.

2.631 Further, the Directive to calculate Fixed Charges based on MDI (in case MDI is higher than Sanctioned Load) is not to enrich the licensee but to act as a deterrent for the consumer.

2.632 Levy of fixed charge on Sanctioned Load is strictly executed as per the provisions of the DERC Supply Code and Performance Standards Regulations, 2017.

2.633 As regard to stakeholder comment on Access to MDI online data, it is submitted that the instant comment does not relate to the Petition. However, Consumers are billed in accordance with the DERC (Supply Code & Performance Standards) Regulations, 2017. The format of bill was approved by the Commission.

2.634 With respect to Fixed Charges of domestic category is to be charged on Maximum Demand Indicator (MDI), the Commission is requested to allow recovery of Fixed Charges for all categories of consumers including domestic category on the basis of Sanctioned Load/ Contract Demand or MDI (whichever is higher).

BRPL

2.635 The Fixed Charges as part of the Tariff are levied so as to be able to recover 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 DISCOMs are required to have such infrastructure in place. Hence the Fixed Charges correspond to the sanctioned load.

2.636 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 FY and not immediately on exceeding the Sanctioned Load. Hence, the charges on enhanced load are collected only after the completion of the relevant FY of usage. Further, the load is reduced only after 6 months from date of load enhancement as per Regulation 17 4(vii) of DERC (Supply Code and Performance Standards) Regulations, 2017 subject to the reduction of load limited to the highest of an average of any 4 (four) consecutive months' maximum demand readings of last 12 (twelve) months.

2.637 Retail Tariff has purposely been divided in two parts across the country so that the Licensee is able to recover the Fixed Costs associated with maintenance and upgradation of its network through the Fixed Charges.

2.638 Further, the Commission in its Tariff Order dated June 26, 2003 introduced two-part Tariff for domestic consumers, i.e., Fixed Charges and Energy Charges and abolished minimum charges and meter rent. The fixed charge in two-part Tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

2.639 At the time of energization, the consumer undertakes to limit his load to a certain level which determines his Sanctioned Load. This is the load which the Licensee is obligated to serve and based on which it plans its Network Load growth as well as Power Purchase. If the consumer, for any reason, exceeds this contracted demand, the Licensee needs to arrange for additional Power in short term, the rates for which is much higher than long time power. Therefore, there is a mechanism by which such consumers (who exceed their Sanctioned Load) are asked to bear the additional cost so that all those consumers who rightfully restrict their usage up to their Sanctioned Load is not wrongfully penalized.

2.640 When a consumer is connected to the system, the utility has to provide/allocate certain capacity of the Distribution System to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of Energy consumption. Ideally, the Fixed Charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the Fixed Cost of such system and diversity of load in the system.

2.641 The Fixed Cost of the utility should be recovered to a certain extent through Fixed Charges to ensure revenue stability. Hence, the Commission has determined Tariffs such that a reasonable part of the Fixed Cost is recovered through a Fixed Charge. The Fixed Charges are usually levied on the basis of demand charges on Sanctioned Load or Contract Demand/billing demand.

2.642 The Commission in its Tariff Order dated 31/07/2013 has held, as under:

"2.71 The Commission would also like to point out that if fixed charges are

removed, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.

The Commission is of the opinion that the best method of levying fixed charges is on the basis of the sanctioned load, as other options do not representatively reflect the cost of providing the capacity requirements of the consumer. After analyzing all the options of levying fixed charges, the Commission continues with the existing methodology of levying fixed charges."

2.643 The rationale behind rationalizing fixed charges has been given by the Commission in its Tariff Order dated 31/07/2017 and 28/03/2018 as below:

In tariff order dated 31/08/2017: "Fixed charges are levied to cover the fixed expenses of the Utilities. The infrastructure and network involves continuous running and maintenance to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. The energy charges indicate the variable charges which are directly linked to the consumption of electricity. Both fixed and energy charges form part of the electricity billing; decrease in one shall lead to increase in the other."

In tariff order dated 28/03/2018: "The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule."

2.644 For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds Sanctioned Load/Contract Demand, a surcharge of 30% shall be levied on the Fixed Charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, Sanctioned Load/Contract Demand is in kW/HP, the kVA shall be calculated on basis of actual Power Factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for Sanctioned Load/Contract Demand upto 10kW/11kVA.

2.645 Therefore, the Fixed charge is being levied as per the Tariff determined by the Commission in line with Tariff Regulation, 2017. Further, the Petitioner is bound to levy Tariff on consumers for a period as determined and approved by the Commission under the Electricity Act, 2003.

2.646 As regards to the concern of the stakeholder pertaining to fixed charges of DISCOM to be covered by Fixed Charges of Tariff, it is submitted that Regulation 130 of MYT Regulation 2017 states as under:

"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; Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate Commission; Fixed Cost of Distribution Licensee:
• Return on Capital Employed;
• Depreciation; and
• Operation and Maintenance expenses."

2.647 As regards to stakeholder comment on Fixed Charges for domestic connections to be levied on MDI, it is submitted that Levy of Fixed Charge on Sanctioned Load is strictly executed as per the provisions of the DERC Supply Code and Performance Standards Regulations, 2017.

2.648 As regards to stakeholder comment on relief in Fixed Charges due to COVID-19, it is submitted that relief has been granted to the consumers during COVID-19 pandemic period. The Commission vide its order dated 7/04/2020 provided relief to retail consumers, as follows:

a) LPSC charging was restricted to lower of the actual working capital or 12% per annum during 24/03/2020 to 30/06/2020.
b) Due date of bill payment was extended further 2 weeks during 24.03.2020 to 30/06/2020
c) Recovery of legible fixed charges on non-domestic and public utilities and industrial categories during 24/03/2020 to 30/06/2020 was spread across next 3 billing cycles after 30/06/2020
d) Annual review of sanctioned load/contract demand were deferred
e) Rebate were given to consumers on timely payment of bills raised during 24/03/2020 to 30/06/2020

2.649 Further, the Commission vide order dated 4/05/2020 provided relief to Industrial and Non-domestic consumers directing to generate provisional Electricity bill considering Energy Charges Nil from 24/03/2020.

2.650 Furthermore, the Commission vide Order dated 7/09/2020 provided relief to Industrial and Non-domestic consumers by levying Fixed Charges during April 2020 and May 2020 @100% up to Maximum Demand and @50% for balance between Maximum Demand and Sanctioned Load.

2.651 Moreover, the Commission relaxed the recovery of accumulated billed amount based on actual reading of more than one billing cycle in equal installments of corresponding no. of billing cycles without levying any LPSC.

2.652 As regard to stakeholder comment on Access to MDI online data, it is submitted that the consumers are billed in accordance with the DERC (Supply Code & Performance Standards) Regulations, 2017. The format of bill was approved by the Commission. However, the customer may request for MDI data and submit the copy of electricity bill with CA No. of his bill. On request of the customer, the historic MDI data may be provided.

2.653 With respect to Fixed Charges of domestic category is to be charged on Maximum Demand Indicator (MDI), the Commission is requested to allow recovery of Fixed Charges for all categories of consumers including domestic category on the basis of Sanctioned Load/ Contract Demand or MDI (whichever is higher).

2.654 As regard to stakeholder comment on Recovery of Fixed Charges in kW and kVA, it is submitted that as per the Tariff Schedule, domestic category is being charged under kW billing. However, higher load consumer category (ex. Non-domestic category, Industrial) is being charged under kVA billing as per existing provisions of Tariff Schedule.

NDMC

2.655 The party is not in NDMC area.

COMMISSION'S VIEW

2.656 Aggregate Revenue Requirement (ARR) of DISCOMs recoverable through Electricity Tariff has two parts i.e., Fixed Cost and Variable Cost. The Fixed Cost raised to DISCOMs from Generating Companies/ Transmission Companies includes Capacity Charges to Generating Companies/ Transmission Companies, Depreciation, O&M Expenses, Interest on Loan Expenses related to Infrastructure Cost of DISCOMs based on Sanctioned Load of consumers etc. and Variable Cost raised to DISCOMs from Generating Companies mainly includes Fuel cost of Generating Companies.

2.657 The Fixed Charges, as determined by the Commission mandated under Section 45 of the Electricity Act, 2003, are levied by DISCOMs so as to recover their above mentioned Fixed Costs. These Fixed Costs have to be paid uniformly to Generating Companies and Transmission Companies irrespective of electricity consumption. Any under-recovery on account of these Fixed Charges shall have severe impact on cash inflows of DISCOMs and may disturb timely payments to Generation Companies and Transmission Companies.

2.658 Further, the non-payments of Fixed Charges by consumers leads to non-payment of Fixed Cost to Generation Companies and Transmission Companies by DISCOMs. It results into creation of vicious circle and disturbs the equilibrium of the Power Sector which may lead to non-availability of 24X7 uninterrupted power supply.

2.659 As the distribution company needs to pay the fixed cost to Generating Stations and Transmission Companies uniformly during the year, this erratic cash inflow makes it difficult to make timely payments to Generation Companies and Transmission Companies which derails the entire system. The Commission in its DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 has specified the components which are part of fixed charges and the variable charges separately.

ISSUE 18: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.660 BRPL has claimed Intra-State Transmission Charges i.e. Rs. 333.7 Crore (i.e. Rs. 330.82 Crore as rebatable amount and Rs. 2.9 Crore as non-rebatable amount) towards DTL Wheeling Charges for FY 2020-21 against the bill raised by DTL amounting to Rs. 432.26 Crore towards Wheeling Charges (including incentive/disincentive). However, BRPL has remitted only Rs. 82.70 Crore during for FY 2020-21 to DTL and same should be considered by the Commission while Truing-up the financials of BRPL. Further for FY 2022-23, BRPL has projected an amount of Rs. 1232 Crore as Transmission charges, however, no bifurcation for Intra-State Transmission Charges is given.

2.661 BRPL in its ARR petition has considered 470.4 MU as to Intra-State Transmission Losses for FY 2020-21, however, BRPL has neither specified any percentage nor any bifurcation for Intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.88% for FY 2020-21. Further for FY 2022-23, BRPL has projected Intra-State Transmission Losses as 0.88% i.e. 106.3 MU.

2.662 BRPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme

Court vide date 12/05/2016 has directed to BRPL to clear the 70% of the current dues. Last hearing was held on 10/05/2022. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.663 BYPL has claimed 172.56 Crore as rebatable amount towards DTL Wheeling Charges for FY 2020-21 against the bill raised by DTL amounting to Rs. 222.92 Crore towards wheeling charges (including incentive/disincentive). However, BYPL has remitted only Rs. 19.0 Crore during for FY 2020-21 to DTL and same should be considered by the Commission while Truing-up the financials of BYPL. Further, BYPL has projected different Transmission Charges i.e. Rs. 243 Crore and Rs.253 Crore as intra-state Transmission Charges including SLDC charges for FY 2022-23.

2.664 BYPL in its ARR petition has considered 279 MU as Intra-State Transmission Losses for FY 2020-21, however, BYPL has neither specified any percentage nor any bifurcation is given for intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.88%. Further, BYPL has projected Intra-State Transmission Losses as 82 MU for FY 2022-23.

2.665 BYPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme Court vide their Order dated 12/05/2016 has directed BYPL to clear the 70% of the current dues. Last hearing was held on 10/05/2022. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.666 TPDDL has claimed Rs. 325.40 Crores as DTL Wheeling Charges for FY 2020-21, against the bills raised by DTL amounting to Rs. 332.34 Crore towards wheeling charges (including incentive/disincentive). However, TPDDL has remitted only Rs. 275.79 Crores for FY 2020-21 to DTL and same should be considered by the Commission at the time of True Up of FY 2020-21. for FY 2022-23, TPDDL has projected an amount of Rs. 390.22 Crore as DTL & SLDC Charges.

2.667 As per SLDC data, the actual Intra-State Transmission Losses is 0.88% for FY 2020-21, however TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered Intra-state Transmission Losses as 90.89 MU for FY 2020-21.

2.668 TPDDL has projected Total Transmission Loss @ 3.5% for PGCIL and DTL i.e 376.31

MU for FY 2022-23.

2.669 NDMC has claimed Rs. 34.36 Crore towards Intra-State Transmission Loss/ Charges against the bills raised by DTL amounting to Rs.55.67 Crores towards Wheeling Charges (including incentive/disincentive). NDMC has remitted only Rs.33.81 Crore during FY 2020-21 to DTL and the same should be only considered by the Commission while truing up the financials of NDMC.

2.670 NDMC for FY 2022-23 has projected an amount of Rs.44.86 Crore as Intra State Transmission Charges which is even lesser than the amount actually billed by DTL for FY 2020-21.

2.671 As per SLDC data, the actual Intra-State Transmission Losses as 0.80% for FY 2020-21, however, NDMC has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-State Transmission Loss as -9.06 MU for FY 2020-21. Further, NDMC has projected Transmission Losses as 0.88% i.e. 15.06 MU for FY 2022-23.

PETITIONER'S SUBMISSION

TPDDL

2.672 Transmission and Distribution (T&D) losses are a percentage of energy lost in the Transmission and Distribution Network in the process of transporting Electricity from Generating Stations to points of consumption. Therefore, Transmission and Distribution loss is considered along with Power Purchase Cost in order to determine Tariff by the Commission.

2.673 For FY 20-21, total bill of Rs. 334.84 Cr. was raised by DTL and TPDDL had received Rs. 70.12 Cr. DTL STOA credit hence a net of Rs. 264.72 cr. is booked for DTL.

2.674 Tata Power-DDL computes the losses as difference of the actual power scheduled and energy received at Tata Power-DDL periphery and the losses are prorated under Intra state and Interstate losses as follows:

a) For Intra State Losses :- DTL losses have been factored in as per the data shown on the Delhi SLDC Website i.e 0.88% approx. (Delhi STU Loss).

b) For Inter State Losses :- Remaining difference is booked under Interstate head

BYPL

2.675 BYPL has considered Rs.172.56 Crore as the Intra-State Transmission Charges billed by the DTL. Reconciliation of the DTL's wheeling charges and Petitioner's claim are given below: -

Particulars	FY 2020-21
Wheeling Charges	Rs. 222.82 Cr.
Less: STOA Credit	Rs. (50.26) Cr.
Net Total Billing	172.56 Cr.

2.676 The Intra-state Transmission Loss during FY 2022-23 has been considered @0.92% based on previous Tariff Order of the Commission.

2.677 BYPL is looking at all possible options/solutions to sort out the payment issues with DTL at the earliest. However, BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of timely and adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to make timely payments to Generation and Transmission Utilities including DTL.

Status of Overdue as per SC directives as on 31st March'21					
Jan. '14 onwards Consumption Bills	**Total Dues**	**Subsidy Payment**	**Cash & TDS Payment**	**Total Payments**	**Payment %**
Delhi Transco Ltd. (Wheeling Charges)	1,510	686	615	1,301	86%

2.678 Further, the matter regarding payment to DTL is pending before Hon'ble Supreme Court. There are several disputes pending before Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by Delhi Government/DTL.

BRPL

2.679 Our response to the comments, suggestions and issues raised by the stakeholder on Intra-State Transmission Charges are as follows:

9.1.23

(i) The Petitioner has claimed the Rs. 333.7 Crore as billed by the DTL as per Tariff Regulations, 2017. Reconciliation of the DTL's wheeling charges and Petitioner's claim are given below:

9.1.24 **Table**: Reconciliation of the DTL's wheeling charges

Sr. No.	Particulars	Amt. (Rs. Cr.)
1.	DTL- Wheeling Charges	432
2.	Less: STOA Credit	(101.1)
3.	Add: SLDC Charges	2.9
	Total DTL Billing to BRPL	333.7

9.1.25 With respect to payment claim of DTL, it is submitted that BRPL has paid current dues for FY 2020-21.

(ii) For FY 2022-23, the Petitioner has projected Transmission Charges as approved by the Commission in its Tariff Order dated 30/09/2021. The details are as tabulated below:

"Table 4. 31: Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2021-22

Sr. No.	*Particulars*	*As Approved*
A	*Transmission losses (MU)*	
I	*Inter-State Transmission (PGCIL)*	*235.35*
II	*Intra-State Transmission (DTL)*	*123.34*
	Total Transmission Losses (MU)	*358.68*
B	*Transmission Charges (RsCrore)*	
I	*Inter-State Transmission (PGCIL)*	*776.02*
I	*Intra-State Transmission (DTL)*	*433.9*
III	*Other Transmission Charges*	*18.06*
IV	*SLDC Charges*	*4.02*
C	*Total Transmission Charges (Rs. Cr.)*	*1232*

(iii) **Intra-State Transmission Losses**: Regarding bifurcation of Intra- and Inter-State Transmission losses during FY 2020-21, the Commission is requested to consider the actual data as submitted by SLDC while Truing-up for FY 2020-21. However, for FY 2022-23, BRPL has projected 0.88% of Intra-state losses as submitted by Delhi SLDC.

(iv) **Non-Payment of dues of wheeling charges by BRPL**: Non-payment is due to Non-cost reflective Tariff and the delayed / inadequate recovery of accumulated Regulatory Asset being determined by the Commission. On account of these reasons, BRPL was constrained to approach the Supreme Court by way of a Writ Petition being W.P. (C.) No. 104 of 2014, wherein DTL is also a party. The Supreme Court by its Order dated 19/02/2015 read with Order dated 10/03/2015, reserved judgment in W. P. (C.) No. 104 of 2014. Since the judgment was not pronounced, the Writ Petition is still pending adjudication. Thereafter, in the subsequent years as well, the Commission has not factored the liquidation of accumulated Regulatory Assets and consequently the Tariff as determined, has been non-cost reflective. BRPL has complied with the requirement of 70% payment of the current dues of DTL in compliance with the Order dated 12/05/2016 passed by the Hon'ble Supreme Court. In fact, BRPL has endeavoured to make 100% payment of current dues since December 2017. Status of payment on the basis 70% of the current dues in terms of the Order dated 12.05.2016, as on 31.03.2021 is as under:

9.1.26

9.1.27 Further, the issue regarding payment to DTL is pending before various fora including the Hon'ble Supreme Court. There are several disputes pending between the Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by DTL.

(v) **Relief sought by BRPL due to COVID Pandemic**: We deny and dispute the observation of the stakeholders that no relief due to COVID-19 has to be given to the BRPL as its Collection Efficiency is 100.32%. Apart from collection efficiency norms set out by the Commission, there has been adverse effect of the Covid-19 pandemic on the billing. Revenue of BRPL was adversely affected

DTL	Total Dues Jan'14 to Mar 21 (Rs. Cr.)	Payment Details (Jan'14 to Mar 21) (Rs. Cr.)			Payment %
		Amount paid including TDS	Subsidy Adjustment	Total Payment	
A	B	C	D	E= (C+D)	F= (E/B)
Wheeling Charges	2,317	1,023	1,168	**2,191**	**95%**

during the Covid-19 pandemic on account of drastic reduction in the quantum of the bills that were being raised. The power purchase cost had increased to Rs. 5.81 / kWh as opposed to the approved power purchase cost of Rs. 5.02 / kWh during FY 2020-21. Hence, this adversely affected the financial position of

BRPL.

(vi) **Adjustment of subsidy by DTL towards past outstanding dues:** It has been the consistent stand of BRPL, that the Subsidy amount cannot be adjusted towards payment of outstanding dues as the subsidy is part of current receivable/ revenue recoverable through Tariff. A treatment at variance to this in effect adversely affects ability of BRPL to pay the Generating and Transmission utilities on account of Power Purchase Cost. Reliance placed by DTL on the interim Order dated 23/05/2014 passed by the Hon'ble Tribunal in IA 164 of 2014 in Appeal No. 32 of 2014 and connected matters is misplaced since a Civil Appeal being C.A Nos. 8387-89 & 8464-66 of 2014 regarding adjustment of subsidy amounts is pending before the Hon'ble Supreme Court against the Order dated 23.05.2014. The Hon'ble Supreme Court on 19/09/2014, issued notice on the IA(s) seeking stay of the Order dated 23/05/2014 passed by the Hon'ble Tribunal as well as the Civil Appeals. The Hon'ble Supreme Court by its Order dated 10/03/2015 has directed that the said Appeals to be listed after pronouncement of Judgment in W.P. (C.) 104 of 2014.

(vii) **Letter of credit (LC) to be provided by BRPL in terms of BPTA with DTL:** As regards non-maintenance of required LC amount as per terms of BPTA,it is submitted that BRPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff in the past and absence of timely and adequate recovery of accumulated Regulatory Asset being allowed by the Commission which has constrained our financial position and consequently, BRPL does not have the required LC limits from Banks for establishment of LCs in favour of power suppliers including DTL.

9.1.28

9.1.29 Further, the issue of LC was raised by DTL before the Commission in Petition No. 46 & 47 of 2013 wherein the Commission by its Order dated 22/11/2013 directed for constitution of an Empowered Committee. The said Order was challenged by DTL and is pending adjudication in Appeal No. 32 of 2014 before the Hon'ble Tribunal which has been sine die adjourned in terms of Order dated 9/02/2014 passed by the Hon'ble Supreme Court. Since the matter is sub-judice, DTL is requested not to insist upon BRPL to open LC.

9.1.30

2.680 Further, the credit of STOA charges shall be refunded by DTL on monthly basis and should be adjusted with current bills of the Wheeling Charges. DTL should not be allowed to adjust the same with past overdues, as directed by the Commission in the last Tariff Order, as under:

> *"The Commission directs the Petitioner to disburse Short Term Open Access Charges to DISCOMS as per applicable rules and regulations, on monthly basis on the date of raising Transmission charge bills. Further, no adjustment of STOA charges shall be made towards any past dues/ or adjustment in transmission bills of utilities."*

NDMC

2.681 Did not provide any comment.

COMMISSION'S VIEW

2.682 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 & Business Plan Regulations, 2019. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the Petitions with due analysis and ensuring proper justification.

2.683 The Commission determines the transmission charges of DTL as per Tariff Regulations, 2017 & Business Plan Regulations, 2019. Further, the transmission losses and availability are being considered as provided by Delhi SLDC. With regards to the dues to DTL by DISCOMs, it is pertinent to state that in case DISCOM do not pay State GENCO and DTL as per timelines mandated in the Tariff Regulations, 2017 then they are liable for LPSC as stipulated in the said Regulations. LPSC paid by DISCOMs to State GENCO and DTL is not passed through in their ARR.

2.684 The target for Distribution Losses has been benchmarked with following parameters:

a) Distribution Losses trajectory of previous years for DISCOMS;
b) Performance of various Indian Distribution companies
c) Electric Power Transmission and Distribution Losses for Top 50 countries from the World Bank website

The detailed methodology for computing Distribution losses is mentioned at Sr. No. D (4) of Explanatory Memorandum uploaded at Commission website.

2.685 Further, Directives has been issued in previous Tariff Order to DISCOMs 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.

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

ISSUE 19: GROUP HOUSING SOCIETY TARIFF CHARGES

STAKEHOLDER'S VIEW

2.687 As there is no method to calculate the individual load like total common load of the GHS, in this connection, then how GHS charge Fixed Charges is levied from its individual members.

2.688 GHS are paying double for the same services through cost structure of housing society, regular Maintenance Charges and Electricity bills but GHS is paying Fixed Charges at three times of normal Fixed Charges of domestic consumer, which is totally unjustified. These Fixed charges should be abolished.

2.689 GHS members should pay same or less Fixed Charges than LT domestic consumer.

2.690 The Distribution System/ Sub-station for individual connections are installed and maintained by DISCOMS. However, in GHS, the housing society maintains all the systems bearing all the expenses. Hence, Electricity Rates for GHS and its members should be same.

2.691 There shall be no change in GHS Tariff and Electricity to be billed to HV SPD GHS residents as a pass through with 5% surcharge only.

2.692 A meeting with DERC executives may be held on method to calculate Fixed Charges for individual load in GHS for levying Fixed Charges.

2.693 GHS members not getting Govt. subsidy available to the normal domestic consumer.

2.694 Previously, DISCOMS were showing the MDI reading in its every bill, which helped the GHS to regulate their Electricity connection, but now the MDI reading is not mentioned on the bills. kindly direct the DISCOMS to mention the same in each bill.

2.695 TPDDL is not refunding the difference in security deposit arising out of load reduction since April 2004 & not paying the Interest on Consumption Deposit from 18-04-2007 onward.

2.696 Meter no. 8XXXXXX45 and other connection 8XXXXXXX41 was not given connection because of absence of Electric Pole.

2.697 Stable Power should be Provided even small interruption of 5 seconds cause disruption in work for people connected/ working from Home. Few days back, 17 times on/ off happened in Group housing society.

2.698 Group housing Tariff are getting realistic Tariff around Rs. 6.20 Rs/ kWh as 11kV HV consumers. If 2/3rd members agree then Group Housing Society should be converted to SPD as per Delhi Apartments Act. Such conversion should happen only if 100% member agree to convert Group Housing to Single Point Connection.

PETITIONER'S SUBMISSION

TPDDL

2.699 Single Point Delivery (SPD) connections to Group Housing Society (GHS) are sanctioned in compliance to prevailing Regulations. DISCOM charges Fixed Charges from the GHS as per provision of the Tariff Order based on Sanctioned Load/Contract Demand. Calculating load of individual members as well as that of common services for charging Fixed Charges is under the purview of SPD.

2.700 TPDDL is billing all its consumers as per Tariff Order FY 2021-22. Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

2.701 As regards to stakeholder Comment on individual load in GHS connection, the Commission may like to decide on the same as it may deem fit.

2.702 As regards to stakeholder Comment on GHS maintaining all the systems, it is submitted that GHS availing supply at 11 KV are being given rebate of 3 % on Energy Charges for maintaining the system and bearing expenses as per prevailing Tariff Orders.

2.703 The Commission has already stipulated modalities for claiming subsidy benefit by individual consumers in Group Housing Societies (GHS). It was duly informed to each of the GHS falling in the Licensed area & the same needs to be complied by the GHS for claiming the subsidy.

2.704 As regards to stakeholder comment on showing the MDI reading in its every bill, it is submitted that MDI is not reflected on the society bills due to Multimeter case however we are arranging the same.

2.705 As regards to stakeholder comment on specific meter connection, it is submitted that the CGHS Connection is an old connection of DESU times and security deposit details are not available in our records that were handed over to us. In case there are any records available with consumer, same may be shared with us. In absence of updated security deposit details in our records, no security refund has been processed.

BYPL

2.706 As regard to the stakeholder comment on Tariff of GHS connection, it is submitted that the Commission has fixed the Tariffs taking into consideration all the comments of the stakeholders and after detailed observations. Further, DISCOMs are bound to charge the Tariff approved by the Commission for the respective consumer categories and that the DISCOMs cannot get involved into what CGHS charges from its consumers.

2.707 In regard to the stakeholder comment on subsidy for GHS connection, it is submitted that as per the Cabinet decision of GoNCTD, Electricity subsidy to all domestic consumers consuming upto 400 units per month has been approved which is also applicable to the consumers for Group Housing Society. The Govt. of NCT of Delhi vide letter dated 23/03/2016 to the Commission has requested to firm up the modalities for claiming subsidy, under intimation to GoNCTD. The Group Housing Society shall maintain data/records of consumption of each of the member and the Group Housing Society shall get the subsidy claim document audited by the CAG empanelled Auditor and submit its report to the DISCOM.

2.708 As per provision of DERC Supply Code, 2017, the consumer shall pay Security Deposit towards supply of electricity corresponding to the Sanctioned Load or Contract Demand as the case may be as per the rates and mode notified.

2.709 As regard to stakeholder comment on HV SPD GHS residents as a pass through with 5% surcharge, it is submitted that determination of Electricity Tariff to be charged from consumer is the prerogative of the Commission under Section 45 of the Electricity Act, 2003.

BRPL

2.710 As regard to the stakeholder comment on Tariff of GHS connection, it is submitted that the Commission has fixed the Tariffs taking into consideration all the comments of the stakeholders and after detailed observations. Further, DISCOMs are bound to charge the Tariff approved by the Commission for the respective consumer categories and that the DISCOMs cannot get involved into what CGHS charges from its consumers.

2.711 In regard to the stakeholder comment on subsidy for GHS connection, it is submitted that as per the Cabinet decision of GoNCTD, Electricity subsidy to all domestic consumers consuming upto 400 units per month has been approved which is also applicable to the consumers for Group Housing Society. The Govt. of NCT of Delhi vide letter dated 23/03/2016 to the Commission has requested to firm up the modalities for claiming subsidy, under intimation to GoNCTD. The Group Housing Society shall maintain data/records of consumption of each of the member and the Group Housing Society shall get the subsidy claim document audited by the CAG empanelled Auditor and submit its report to the DISCOM.

2.712 As regard to stakeholder comment on HV SPD GHS residents as a pass through with 5% surcharge, it is submitted that determination of Electricity Tariff to be charged from consumer is the prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.713 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.714 The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

2.715 Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.

2.716 The Commission, for the ease of consumers, has uploaded on its website : Public Awareness Bulletin- 12 "*Sample Electricity Bill for the Group Housing Society*".

ISSUE 20: EV CHARGING STATION

STAKEHOLDER'S VIEW

2.717 Present Tariff system for EV is highly unsatisfactory.

2.718 EV charging stations should have commercial Tariff and no subsidy to be given just as there is no subsidy on petrol and diesel.

2.719 DERC should notify fixed charges for EV charging stations.

2.720 EV charging station Tariff be kept equal to Actual Cost or highest amongst all consumer categories.

2.721 EV charging stations should have a Tariff equal to commercial category Tariff at Rs. 8.5/unit and Fixed Charges at Rs. 250/kVA/month.

2.722 Electricity Tariff provided for E-vehicle is misused and other consumer should not be subsidized for lower Tariff of E-vehicle.

PETITIONER'S SUBMISSION

TPDDL

2.723 Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the principle that the Tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by the Commission. Even National Tariff Policy states that tariff design shall be linked to cost of service and Tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.

2.724 Accordingly, in line with the objectives of the Electricity Act, 2003 and National Tariff Policy, tariff of EV charging should be made equal or higher than the average cost of supply in the interest of consumers.

2.725 The Energy Charges for EV charging stations is found to be more than their respective Average Cost of Supply in Andhra Pradesh-Rs.6.7/unit, Meghalaya-Rs. 9.7/unit (LT) and Odisha-Rs. 6.2/unit (LT) as per Tariff Order for FY 2021-22. Fixed charges are also levied in Meghalaya and Odisha.

2.726 The Commission is requested to keep the Tariffs for EV Charging Stations at the Average Cost of Supply and introduce Fixed Charges for EV charging Stations to allow for recovery of Infrastructure costs as per the prevalent practice in other states.

BYPL

2.727 As per the provisions of the Electricity Act, 2003, determination of Electricity Tariff of all consumers irrespective of any category is the sole prerogative of the Commission.

2.728 As regards to Stakeholder comment on EV charging Tariff be kept equal to commercial Tariff, it is submitted that the Commission vide its Tariff Order dated 31/08/2017 had introduced a new Tariff Category for charging of batteries of E-Rickshaw /E-Vehicle at Charging Stations and also held that the Tariff for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

BRPL

2.729 The Commission vide its Tariff Order dated 31/08/2017 had introduced a new Tariff Category for charging of batteries of E-Rickshaw / E-Vehicle at Charging Stations and also held that the Tariff for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

2.730 Petitioner in its ARR Petition has requested the Commission to kindly address the issue of Cross Subsidization among all categories by restructuring the existing Tariff structure as the same is not in line with National Tariff Policy which states that Tariffs should be within ±20% of the Average Cost of Supply.

2.731 With regard to EV charging Tariff to consumer, it is submitted that the determination of Electricity Tariff to be charged from a certain category of consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.732 The party is not in NDMC area

COMMISSION'S VIEW

2.733 Increased usage of E-Vehicles will lead to a substantial reduction in consumption of conventional fuels such as petrol and diesel and the consequential pollution. In line with revised guidelines and standards on charging infrastructure for Electric vehicles, 2021 issued by MoP, GoI relevant clauses as stated under

> *"Objectives*
> *(b) To promote affordable tariff chargeable from EV and charging station operators/ owners*
> *…*
> *7.1 The tariff for supply of electricity to EV public charging shall be determined by appropriate commission in accordance with tariff policy issued under section-3 of electricity act 2003 as amended from time to time.*
> *7.2 Tariff applicable for domestic consumption shall be applicable for domestic charging."*

2.734 DERC is the 1st Regulatory Commission to provide separate Tariff category for Charging of E-vehicles in its Tariff Order dated 31/08/2017. Further, the Commission in its Tariff Order dated 28/08/2020 extended the Electric vehicle charging station Tariff category for swapping of batteries of E-rickshaw/E-vehicles. Further, Tariff for battery Swapping Stations is same as that for charging stations for E-Rickshaw/E-vehicle on single point delivery provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only.

2.735 For the promotion of E-vehicles, there are no fixed charges applicable on charging stations for E-rickshaw/E-vehicle on Single Point Delivery/ Swapping Battery Tariff category. Further, Energy Charges are lesser than Cost of Supply.

2.736 The Commission has also decided to retain the Rebate on Energy Charges during the Off Peak hours and Peak hours Surcharge at 20% i.e. 4 AM TO 10 AM, as follows:

" **3. Time of Day (ToD) Tariff**

The Commission has retained the time slots for Peak and Off-Peak hours as follows:

MONTHS	PEAK HOURS (HRS)	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS (HRS)	REBATE ON ENERGY CHARGES
May - September	*1400– 1700 & 2200 – 0100*	*20%*	*0400 – 1000*	*20%*

"

2.737 As regard to stakeholder comment on misuse of Tariff for E-vehicle, DISCOMs should step up their enforcement activities to avoid misuse of E-vehicle charging facility. The Petitioner should make all efforts to prevent theft/pilferage of electricity by strengthening their enforcement activities without harassing honest consumers.

ISSUE 21: E-BILL & ONLINE PAYMENT

STAKEHOLDER'S VIEW

2.738 Electricity bills to be sent online on emails/ mobile to consumers to save paper, manpower and environment.

2.739 E-bill be made mandatory for consumers with 5 kW and above connections except for extremely poor.

2.740 Unilateral actions of paper bills should be stopped for zero payment and reduction of Sanctioned Load without consent to be reversed.

2.741 Make Aadhar and PAN submission mandatory for all existing as well as new connections. This will help in recovery of dues from defaulters and in tax compliances.

2.742 Digital payments should not be made mandatory and payment through DD/ Cheque should be accepted.

2.743 The facility of paper bill should continue.

2.744 Electricity bills should be in hard copy i.e. one-page bill. Sending bills on Whatsapp is not acceptable and will create problems.

2.745 Benefit of zero billing to the consumer as per APTEL judgement 9/09/2015 should be provided.

2.746 Notification for mandatory Digital payments for bills of value more than Rs. 20000/- has been withdrawn. Hence, it is requested to issue Guidelines to payment collection agency to accept payment through cheque.

PETITIONER'S SUBMISSION

TPDDL

2.747 In this era of internet, DISCOMs sending paper electricity bills to lakhs of consumers every month means thousands of trees are cut every year just to send electricity bills to consumers. This wastage can be saved by sending a soft copy of the bill on email or WhatsApp. 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.

2.748 These consumers can be asked to pay bill by digital modes like e-wallets, Net Banking, NEFT, RTGS, debit card etc. Following are the Benefits of e-payment:

i) Hassle-free

ii) Safe & Secure

iii) Environment Friendly

iv) Saves Time

v) Cashback

This will help in improving collection efficiency of DISCOMs which in turn help consumer with reduced tariff burden.

2.749 For the consumers, where the amount payable is zero after Subsidy adjustment or otherwise, only electronic bill may be sent through SMS/email/Whatsapp .

2.750 As regards to Stakeholder comment on accepting DD/ Cheque, it is submitted that the Payment through digital modes were in line with the GoI initiative of promoting payments through digital modes. Hence, some categories of consumers were brought under mandatory payment category if the values exceeded Rs. 20000/-. Moreover, to provide sufficient time for transition, this was deferred and made applicable from 1/04/2022.

2.751 As regards to stakeholder comment on reduction of Sanctioned Load without consent to be reversed, it is submitted that Suo moto load enhancement/reduction is done as per DERC Supply Code Regulations, 2017.

2.752 As regards to Stakeholder comment on making Aadhar and PAN submission mandatory for all existing as well as new connections, it is submitted that sometimes dues on premises remain unrecovered due to consumer default and it is not always possible to recover dues without establishing the liability on the defaulter who has left the premises. Such recovery suits also take time and sometimes do not give the desired result of dues recovery as the defaulter cannot be pinned due to lack of documents that can identify him like Aadhar, mobile no and PAN details. Whenever a consumer applies for new connection, DISCOM checks the dues on premises applied for and the applicant has to pay these dues to get the new connection. This is unnecessary burden and harassment for the applicant.

2.753 PAN of registered consumer is required according to section 206AA of Income-tax Act 1961, to

a) Deduct TDS (Tax deduction at Source) u/s 194A, on payment of Interest on Security deposit / consumption deposit by the consumer,

b) Charge TCS (Tax Collection at Source) u/s 206C(1)H on receipt of payment above 50 Lakhs from any consumer.

c) Finalize the Tax rate applicable on such transactions for compliance check u/s 206AB and 206CCA.

Further, taking Aadhar and PAN details of all applicants for existing connection will help in smooth compliance on Tax deduction / Collection at source as per law as stated above and to pass on the benefit of Tax deduction / Collection at source from the registered consumer.

BYPL

2.754 The consumer is given option to consumers to get e-Bill from application or through website.

2.755 BSES have given the option to consumers to get e-Bill from application or through our website. Lakhs of consumers have already opted for e-bills and have decided to stop their physical bills. Further, the Commission has also provided the provision in DERC (Supply Code and Performance Standards) Regulations, 2017 stated as under:

> *"38 (5) The consumer shall have an option to receive the bill either in hard copy or through electronic mode such as e-mail. The consumer opting for receiving bill through electronic mode shall register for the same:*
> *Provided that the distribution licensee shall deliver the bill both in hard copy and in electronic mode such as email for a consecutive period of 3 (three) billing cycles from the date of registration by the consumer: Provided further that after a consecutive period of 3 (three) billing cycles, the Licensee may stop the delivery of hard copy of the bill."*

2.756 At present, any consumer of the Petitioner can request to opt for e-bill and discontinue their physical bills or may decide to continue with both formats. A numbers of consumers have already opted for e-bills and have decided to stop their physical bills. However, this is still optional for all consumers. However, while considering to make e-bills mandatory, it may also need to be considered that there may be lakhs of consumers especially in the lower economic strata, who may still lack the technical resources to access e-bills.

2.757 The Petitioner has also made a written representation before the Commission in the past. However, it cannot be made mandatory because there are some remote areas where people are not digitalized and therefore it is not feasible for them to rely upon the E-Bills. Any delay in access of the bills may further lead to delay in revenue collection.

2.758 The Commission is requested to kindly allow serving of only paperless e-bill to the consumer getting Subsidy on the entire bill amount. The mode of serving such e-bills would be through email, SMS with a link of pdf of bill, other digital mode. In such cases, the physical bill would not be delivered for that month and only e-bill would be served to the consumers on its registered email id, SMS with bill link to registered mobile number.

2.759 For digital payments, multiple options and interfaces has been put in place to enable consumer make payment online such as:

a) Payment through Unified Payment Interface (UPI)
b) Dynamic UPI QR Code
c) Debit / Credit Card
d) Internet Banking

2.760 As regards to Stakeholder comment on accepting DD/ Cheque, it is submitted that BYPL is bound to comply with the directive issued by the Commission vide Tariff Order dated 30/09/2021 regarding payment of monthly Electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- to be paid digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.

2.761 Furthermore, making mandatory E bill and online payment is the prerogative of the Commission.

2.762 As regards to stakeholder comment on reduction of Sanctioned Load without consent to be reversed, it is submitted that Sanctioned Load is reviewed by the DISCOM in terms with Regulation 17 (4) of DERC Supply Code Regulations, 2017. For domestic category consumers, if the computed/reviewed load is less than the sanctioned load, the DISCOM seeks the consent of the consumer for load reduction through a separate notice to the consumer. For domestic consumer category having the sanctioned load upto 5 kW, if no communication is received from the consumer within 30 days from the date of receipt of notice, the load is reduced automatically.

2.763 The comment of the stakeholder regarding clearance of past dues and ID requirement in transfer of connection/new connection do not relate to the instant petition. However, it is submitted that application for transfer of connection is processed by BYPL in line with the procedures defined under DERC (Supply Code and Performance Standards) Regulations, 2017 and its subsequent amendments.

2.764 At present, any consumer of the Petitioner can request to opt for e-bill and discontinue their physical bills or may decide to continue with both formats. A numbers of consumers have already opted for e-bills and have decided to stop their physical bills.

BRPL

2.765 BSES Rajdhani have given the option to consumers to get e-Bill from application or through our website. Lakhs of consumers have already opted for e-bills and have decided to stop their physical bills. Further, the Commission has also provided the provision in DERC (Supply Code and Performance Standards) Regulations, 2017 stated as under:

> *"38 (5) The consumer shall have an option to receive the bill either in hard copy or through electronic mode such as e-mail. The consumer opting for receiving bill through electronic mode shall register for the same:*
> *Provided that the distribution licensee shall deliver the bill both in hard copy and in electronic mode such as email for a consecutive period of 3 (three) billing cycles from the date of registration by the consumer: Provided further that after a consecutive period of 3 (three) billing cycles, the Licensee may stop the delivery of hard copy of the bill."*

2.766 The Commission is requested to kindly allow serving of only paperless e-bill to the consumer getting Subsidy on the entire bill amount. The mode of serving such e-bills would be through email, SMS with a link of pdf of bill, other digital modes. In such cases, the physical bill would not be delivered for that month and only e-bill would be served to the consumers on its registered email id, SMS with bill link to registered mobile number.

2.767 For digital payments, multiple options and interfaces has been put in place to enable consumer to make payment online such as:

a) Payment through Unified Payment Interface (UPI)
b) Dynamic UPI QR Code
c) Debit / Credit Card
d) Internet Banking

2.768 It is submitted that the comment of the stakeholder regarding clearance of past dues and ID requirement in transfer of connection/new connection do not relate to the instant Petition. However, the application for transfer of connection is processed in line with the procedures defined under DERC (Supply Code and Performance Standards) Regulations, 2017 and its subsequent amendments.

2.769 As regards to Stakeholder comment on accepting DD/ Cheque, it is submitted that BYPL is bound to comply with the directive issued by the Commission vide Tariff Order dated 30/09/2021 regarding payment of monthly Electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- to be paid digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.

2.770 Furthermore, making mandatory E bill and online payment is the prerogative of the Commission.

2.771 The Petitioner submits that matter of zero billing is pending before the Hon'ble APTEL in A.No. 290 of 2015.

2.772 As regards to stakeholder comment on reduction of Sanctioned Load without consent to be reversed, it is submitted that Sanctioned Load is reviewed by the DISCOM in terms with Regulation 17 (4) of DERC Supply Code Regulations, 2017. For domestic category consumers, if the computed/reviewed load is less than the sanctioned load, the DISCOM seeks the consent of the consumer for load reduction through a separate notice to the consumer. For domestic consumer category having the sanctioned load upto 5 kW, if no communication is received from the consumer within 30 days from the date of receipt of notice, the load is reduced automatically.

NDMC

2.773 The party is not in NDMC area

COMMISSION'S VIEW

2.774 The e-bill and online payment along with other multiple mode of payment is voluntary for customers. Consumer can pay the bill by Cash, Cheque, Demand Draft, Money Order or through electronic modes. The date of realisation of cheque or Three (3) days from the submission of cheque shall be deemed to be the date of receipt of the payment provided that the cheque is not dishonoured.

2.775 Provided that if cheque of a Consumer dishonoured for Two (2) occasions in any Financial Year, then such Consumer shall not have facility of paying electricity bill through cheque for balance period of Financial Year. Provided further that cash payment limit for each monthly bill shall not exceed Rs 5,000/- or as may be decided by the Commission from time to time.

2.776 Accordingly, the Directive has been issued regarding the Cash Collection in current Tariff Order, as follows:

> *"No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit."*

2.777 Further, in Tariff Order dated 30/09/2021, the Commission has mandatorily made the payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.

2.778 When collection exceeds the Normative target of 99.5% the benefit uptil 100% is shared between Distribution Licensee and consumer. The treatment of security deposit and its interest thereof is governed by provisions indicated in DERC (Supply Code and Performance Standards) Regulations, 2017.

ISSUE 22: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.779 Investment in Generation can be explored against giving subsidy of Rs. 3250 Crores per annum.

2.780 There should be check on fast running meters.

2.781 No further surcharge to be levied on Temporary Residential Connections.

2.782 DISCOMs may confirm if Non-Tariff Income is very small.

2.783 Interest on Consumer Security Deposit may be reduced.

2.784 Whether BYPL has paid any security deposit to Government/Other companies from where they purchase Power.

2.785 At present, 42% taxes on Electricity are levied to Consumer which was only 17% in year 2013.

2.786 Multi Storey building should be provided Electricity connection only if they produce Fire Safety certificate.

2.787 New connection application takes long time in processing which should be streamlined.

2.788 It is well accepted commercial practice to hand over damaged property to one who compensates the loss. Yet damaged meters are not handed over to consumers even after paying for it.

2.789 Meter installation without property document should be allowed for ease of operation.

2.790 Income from Electric poles offered for use of internet and cable TV may be considered in ARR.

2.791 Complaints related to Voltage Fluctuations, Frequent Power Cuts and unreliable SMS services to be addressed.

2.792 The Commission is requested to dilute Fire Safety norms and bypass cumbersome documentation procedures.

2.793 As per DERC order, new connections are not provided by BSES for height of Building more than 15 Meters. DISCOMs may be directed to release connections.

2.794 Overhead cables get entangled with Telecom cables, sticker should be placed for identifying Power cables. Also passing vehicles/ truck break or cut these wires.

2.795 Poles are overloaded with TV cable laid by cable operator and causing frequent fire incidents.

2.796 Due to bare conductor’s people have been electrocuted. Safety Audit should be mandatorily conducted for DISCOM.

2.797 Government has sanctioned funds but no action has been taken by TPDDL. Bare conductor/ uncovered wires overhanging in TPDDL area, for which request has also been made.

2.798 Interest on security deposit of consumers should be given to the consumers.

2.799 Order NO. 00XXXXXXX6 dated 8/09/2021 connection pending since Sept 2021. Electricity connections are not sanctioned because electrical wires are passing adjacent to the balcony.

2.800 Proper marking and color coding of cables should be carried out for identification of Electric cables.

2.801 For floor wise residences, pending dues of previous resident are transferred to new buyer. How to check and clear the old outstanding dues.

2.802 Electricity Connections for Ground floor resident are not processed due to pending dues of upper floor residents which is unfair.

2.803 Strict rules to be made for tracing the defaulters & prevent theft of meters.

2.804 Transformer installed adjacent to the road restricts vehicular movement, which is a type of encroachment. Instead, drains should be covered and Transformer should be placed above them.

2.805 Provisional/ erratic billing by DISCOMs varies exorbitantly. In one month the consumer received zero billing and the subsequent month bill of Rs. 8000 was received.

2.806 Standby mode LED blinking on all the gadgets should be removed to save Electricity.

2.807 DERC should make a committee of consumers to check the bills generated by the DISCOMs.

2.808 Electricity wastage occur due to street light functioning in the morning, any helpline number should be provided to switch-off street lights shall be helpful.

2.809 5 % paid to MCD as Taxes should be fixed not on the basis of overall consumption.

2.810 MCD Tax should be fixed as Rs. 20/ month.

2.811 Interest on Consumer Security Deposit should be given as 16% as BYPL is getting 16% ROE.

2.812 300 nos. Jhuggies exist in our area but only 110 nos. jhuggies are provided with connection. Remaining Jhuggies should be provided Electricity connections.

2.813 1900 nos. Roads need to be electrified in Delhi.

2.814 Temporary Connection should be provided for 1 or 2 months not for years. For construction/ housing work, domestic connection should be provided.

2.815 Highest voltage, lowest voltage, frequency and no. of power cuts should be mentioned in Electricity bill.

2.816 DISCOMs should also consider MSME certificate as valid document.

2.817 High billing observed in 6 flats in Vasant Vihar & their Meters should be tested & checked.

PETITIONER'S SUBMISSION

TPDDL

2.818 Electrification for street lights and roads is the responsibility of respective Municipal corporation or road owning agencies like PWD, DSIIDC, MCD etc. Distribution companies can electrify the roads/ streetlights after receiving request from respective agencies after receiving payment of electrification charges.

2.819 If there is no further surcharge levied on Temporary Residential Connections, there is no motivation for residential consumers to switch from temporary to permanent connection as he is availing temporary connection at the same Tariff.

a) It will create a lot of safety concerns, since, there is no standardization of cables used by consumers. There is chance of theft by tapping the service cable used by consumer.

b) There is a scope of misuse of existing permanent connection as consumer will not ask for temporary connection for construction of additional floor/units by consumer as there is no fear of any penalty etc. on account of misuse. (being on same tariff)

c) Temporary connection cannot be denied as per supply code, and there is possibility that consumer will use the same and will not go for permanent connection which is provided subject to feasibility.

d) Already domestic consumer is subsidized and excluding surcharge from long term temporary connection is like providing them double benefit.

e) TPDDL procures Long Term Power based on the demand of the existing consumers and for the temporary connections, for which TPDDL has to make temporary arrangement in terms of procuring additional power on Short Term Basis, which is at much higher rates as compared to long term power being procured on a regular basis.

2.820 Considering above, it is requested to allow levy of surcharge on all residential connections under temporary supply category.

2.821 The Petitioner follows DERC (Supply Code and Performance Standards) Regulations, 2017 and Tariff Orders issued by the Commission for Temporary Connections. Depending on construction of large buildings, malls and Public Infrastructures like Metro lines and bridges, the construction periods will vary from 6 months to several years. Therefore, consumer should have option of having temporary connection of longer duration.

2.822 Interest on security deposit of consumers is adjusted in bills in accordance with the DERC (Supply Code and Performance Standards) Regulations, 2017.

2.823 Non-Tariff Income are shown as per relevant Regulations. All Non-Tariff Incomes are included in the ARR and benefit given to the consumers.

2.824 As regard to stakeholder comment on diluting fire safety norms, it is submitted that TPDDL being a regulated entity, follows the Regulations and directions issued by the Commission.

2.825 As regard to stakeholder comment on handing over of old/ damaged meters, it is submitted that old meters are prone to misuse. Hence, handing over of damaged meter is not done as it no use to the consumer.

BYPL

2.826 The determination of Retail Tariff and Surcharges is the sole prerogative of the Commission and the Petitioner is bound to levy Tariff on consumers for a period as determined and approved by the Commission under the Electricity Act 2003.

2.827 The Non-Tariff Income for True-up of FY 2020-21 and ARR for FY 2022-23 has been claimed by the Petitioner based on the Audited Accounts of FY 2020-21 in line with the actuals of past years and provisions under the Tariff Regulations, 2017 and Business Plan Regulations, 2019.

2.828 As per the Policy on replaced meter under tempering/DEA, the damaged/replaced meters are sent to the laboratories for disposal.

2.829 As regard to stakeholder comment pertaining to Income from Electric Poles, it is submitted that the Petitioner considered the income from other business as per the DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) (First Amendment) Regulations, 2017, as per Regulation 5 (5 (a)) of the same, the Licensee can retain 40% of net revenue from other business in which Licensee utilizes the assets and facilities of the Licensed Business for other business and pass the remaining 60% to the Regulated Business. The Regulation 5(5(a)) is quoted as under:

> *"(5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:*
> *(a) where the Licensee utilizes the assets and facilities of the licensed business for other business the Licensee shall retain 40% of the net revenue from such*

business and pass on the remaining 60% of the net revenue to the regulated business; and…"

2.830 As regards to Pole Rental, Street Charges Maintenance & Scrap Sale, the Commission approves the expenses and recoveries in its Tariff Order for a year after prudence check under the Business Plan Regulations, 2019 and Tariff Regulations, 2017.

2.831 As regard to stakeholder comment on Pole rental, it is submitted that the Commission in its Order dated 6/10/2006 in Petition No. 4 of 2005 filed by TPDDL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee. Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other Business."

2.832 The other business income towards pole rental is earned on account of rent from the cable operators for using Petitioner's LT poles for laying their cables/set up. In this regard, proper agreements have been executed between the Petitioner and the operator for usage of Petitioner's LT poles.

2.833 Accordingly, the Pole Rental income has been duly considered under Non-Tariff Income in the ARR Petition.

2.834 The Petitioner always endeavors to resolve the consumer complaints at the earliest besides providing quality and uninterrupted supply of Power. For consumer grievance, Consumers have access to multiple avenues/institutions for redressed of grievances. For the convenience of its consumers, the Petitioner has also launched other various options such as BSES Mobile APP, Voice Bot, etc. where the consumer can easily lodge its complaint.

2.835 The Petitioner, on its part, has instituted the Consumer Grievance Cell at its Corporate Office at Nehru Place. The customers in the licensee's area of supply also have a 24 x 7 access to a dedicated "No Supply" call Centre - manned by trained personnel (phone number 39999808 and 19122 – 24x7 Toll Free Helpline). The licensee has conducted special training programs for all personnel manning the call centres. Alternatively, consumers can also register their grievance by sending an email at bypl.customercare@relianceada.com. Consumers can also visit the conveniently located customer care centres and contact the customer care officials / Business District Manager in person. All complaints lodged are monitored internally for faster resolution of complaints.

2.836 As regard to the comment of the stakeholder regarding surcharge on Temporary connections, it is submitted that BYPL is bound to levy Tariff on consumers for relevant period as approved by the Commission under the Electricity Act 2003.

2.837 The interest on Consumer Security Deposit is given in accordance with the Schedule of Charges and the procedure under DERC (Supply Code and Performance Standards) Regulations, 2017.

BRPL

2.838 DISCOM physically inspects and tests meter for its accuracy as per DERC (Supply Code and Performance Standards) Regulations, 2017.

2.839 As regard to stakeholder comment pertaining to Income from Electric Poles, it is submitted that the Petitioner considered the income from other business as per the DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) (First Amendment) Regulations, 2017, as per Regulation 5 (5 (a)) of the same, the Licensee can retain 40% of net revenue from other business in which Licensee utilizes the assets and facilities of the licensed business for other business and pass the remaining 60% to the Regulated Business. The Regulation 5(5(a)) is quoted as under:

> *"(5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:*
> *(a) where the Licensee utilizes the assets and facilities of the licensed business for other business the Licensee shall retain 40% of the net revenue from such business and pass on the remaining 60% of the net revenue to the regulated business; and…"*

2.840 Accordingly, the Pole Rental income has been duly considered under Non-Tariff Income in the ARR Petition.

2.841 For consumer grievance, Consumers have access to multiple avenues/institutions for redressed of grievances. The Petitioner, on its part, has instituted the Consumer Grievance Cell at its Corporate Office at Nehru Place. The customers in the licensee's area of supply also have a 24 x 7 access to a dedicated "No Supply" call Centre - manned by trained personnel (phone number 39999707 and 19123 – 24x7 Toll Free Helpline). The licensee has conducted special training programs for all personnel manning the call centres. Alternatively, consumers can also register their grievance by sending an email at brpl.customercare@relianceada.com. Consumers can also visit the conveniently located customer care centres and contact the customer care officials / Business District Manager in person. All complaints lodged are monitored internally for faster resolution of complaints.

2.842 With regard to the comment of frequent voltage fluctuations, it is submitted that the complaint has been forwarded to the divisional O&M office for resolution.

2.843 As regard to stakeholder comment on diluting Fire Safety norms, it is submitted that DISCOM provides new connection to the consumer under DERC (Supply Code and Performance Standards) Regulations, 2017 and its subsequent amendments.

2.844 As regard to stakeholder comment on Surcharge of temporary connections, it is submitted that BRPL is bound to levy tariff on consumers for a period as determined and approved by the Commission under the Electricity Act 2003.

2.845 BRPL submitted the Non-Tariff Income for True-up of FY 2020-21 and ARR for FY 2022-23 based on the Audited Accounts of FY 2020-21 in line with the actuals of past years and provisions under the Tariff Regulations, 2017 and Business Plan Regulations, 2019.

2.846 SBI MCLR rate is considered for computing the interest on Consumer Security Deposit in accordance with the Schedule of Charges and the procedure under DERC (Supply Code and Performance Standards) Regulations, 2017.

2.847 In regard to the stakeholder comment regarding unauthorized usage/theft of electricity, it is submitted that BRPL attributes highest priority to reduction of theft and for this express purpose, has within its structure, an independent and exclusion department which is focused in reduction of theft. BRPL enforcement teams are fully equipped and self-sufficient in curbing theft which is one of the reasons why BRPL has been able to bring down AT&C losses from over 50% to below 8% at present. However, enforcement team often have to face violent resistance in several areas and have been physically assaulted on several occasions. In spite of facing such violence, the enforcement officials remain un-deterred in discharging their duties under difficult and hostile conditions.

2.848 The Petitioner has been able to save substantial amount on account of collection from theft / enforcement due to the aggressive clampdown on theft and avoidance of power purchase cost which would have been necessary in absence of any enforcement activities. This amount saved has directly benefitted consumers by way of reduced tariff burden.

2.849 The Petitioner endeavours to resolve the consumer complaints at the earliest besides providing quality and uninterrupted supply of power. For the convenience of its consumers, the Petitioner has also launched other various options such as BSES Mobile APP, Voice Bot, etc. where the consumer can easily lodge its complaint.

2.850 It is submitted that in accordance DERC (Supply Code and Performance Standards) Regulations, 2017 along with the Schedule of Charges, interest on Consumer Security Deposit is being paid on the basis of SBI MCLR.

NDMC

2.851 The party is not in NDMC area.

COMMISSION'S VIEW

2.852 The new and existing connections shall be as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. The said Regulation shall be applicable for New and existing connections, agreement, metering, billing and payment, disconnection and reconnection, Unauthorised use, theft, Complaint handling procedure and overall standards of performance.

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

2.854 The Commission while determining the norms for O&M expenses in its Business Plan Regulations, 2017 has not considered the legal expenses as it shall be allowed based on prudence check in true up of ARR for the relevant year.

CHAPTER 3 TRUE UP FOR FY 2020-21

BACKGROUND

3.1 The True up of FY 2020-21 shall be considered in accordance with the provisions of DERC *(Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019*.

3.2 The Commission was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG Empanelled Auditors *(except for FY 2019-20)*. In line with the same, the Commission has appointed C&AG Empaneled Auditor, (M/s Shridhar & Associates) for Regulatory Audit of the Books of Accounts of the Petitioner for FY 2020-21. M/s Shridhar & Associates (hereinafter referred to as "Consultant") has submitted the report based on the detailed scope of work specified in the Award. Major areas of reconciliation under the scope of work are as follows:

A. POWER PURCHASE COST

I. Reconciliation of Power purchase quantum, cost through:
   - (a) Long Term (Inter-state Generating Stations & State Generating stations)
     - a. Fixed Cost
     - b. Variable Cost
     - c. Arrears
   - (b) Short Term (Bilateral, Exchange, Intra DISCOM, UI etc.)
   - (c) Tender wise Banking transactions (opening balance, during the year, closing balance)

II. Reconciliation of Transmission Charges
   - (a) Central Transmission Utility
   - (b) State Transmission Utility
   - (c) Open Access

III. Verification of invoices w.r.t. Form-15 and Form-26 w.r.t. Energy Charges as computed by Generating Companies.

IV. Impact of any CERC/APTEL/Supreme Court Orders w.r.t. Power Purchase Cost.

V. Reconciliation of Renewable Purchase Obligation Vis-à-vis Actual Renewable Power with cost and quantum of Renewable Energy Certificates procured

VI. Monthly Reconciliation of company wise Power Purchase and Transmission Charges' payment

VII. Violation of Merit Order Dispatch Principle

VIII. Overlapping in Banking and Bilateral transactions

IX. Contingency limit under UI

X. Incentive for bulk sale of Power

XI. Violation of cash receipt from consumers exceeding the limit

XII. Verification of Short term power purchase cost greater than Rs.5/kWh impacting variation in Gross purchase cost of greater than 10 paisa/kWh.

XIII. Verification of self-levied PPAC during the year.

XIV. LPSC paid to Generators/Transmission Utilities

B. <u>BILLING AND REVENUE</u>

XV. Reconciliation of Sales
- (a) Monthly Sales as per SAP and Form-2.1 (a).
- (b) Monthly Adjustments as per SAP and Form-2.1 (a)
  - i. Adjustments on account of Contra Entries
  - ii. Adjustments on account of Open Access Consumers
  - iii. Adjustment on account of Provisional Billing
    - (a) Provisional Bills adjusted within 2 months
    - (b) Provisional Bills adjusted after 2 months and within a year
    - (c) Provisional Bills adjusted after a year.
  - iv. Other Adjustments, if any (with remarks)

XVI. Reconciliation of Category-wise Revenue Billed on account of
- a) Fixed charges
- b) Energy charges
- c) Theft / Misuse / Enforcement
- d) PPAC
- e) 8% Surcharge
- f) Load violation surcharge (Maximum Demand)
- g) ToD Surcharge/ Rebate
- h) Electricity Duty / Tax
- i) Late Payment Surcharge (LPSC)
- j) Voltage Discount, etc.

XVII. Reconciliation of Category-wise Revenue Collected
- a) 8% Surcharge
- b) Electricity Duty / Tax

c) Late Payment Surcharge (LPSC)
d) Street Light Maintenance charges
e) Incentive on Street Light Maintenance charges
f) Theft / Misuse / Enforcement
g) Advances from customers.
h) Net Revenue

XVIII. Quarterly Reconciliation of Subsidy- Actual released / adjusted by GoNCTD and passed to consumers in their electricity bills

XIX. Monthly Reconciliation of Pension trust- Billed by DISCOMs, paid by DISCOMs to Pension Trust,

XX. Direct expenses of other business,

XXI. Power factor (sample basis) used for different set of consumers.

XXII. Verification of component-wise (Fixed Charges, Energy Charges, etc.) Billed to individual consumers and revenue collected thereof from Billing Dump and from bank statement.

XXIII. Regulation 9 of Net Metering Regulations- credit debit adjustments of sales at the end of the year.

XXIV. Verification of Energy input at various exchange points at transmission distribution periphery and Inter-DISCOM exchange.

C. <u>OTHERS:</u>

XXV. Reconciliation of actual details of capitalization for each quarter of the year vis-à-vis the date of in-principle approval of such capitalization by the Commission. Further, the following break-up/work w.r.t. to capitalization to be included in the report:

a) The details of actual capitalization as per audited accounts under different heads such as Material Cost, Labour Cost, Interest during construction (IDC), Employee expenses capitalised, A&G expenses capitalised.
b) Percentage of capitalisation of Employee expenses and A&G expenses out of total employee expenses and A&G expenses.
c) Details of computation of IDC clearly specifying the fund flow and rate of interest.
d) The details of actual capitalization as per audited accounts under different asset classes as specified in Appendix-1 of Depreciation schedule of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
e) Amount capitalised by Distribution Licensee on account of replacement / repair of existing assets and to comment/ qualify whether the amount booked by Distribution Licensee on account of replacement / repair of existing assets under capitalisation is correct or part of O&M expenses.
f) Segregation of amount of actual capitalisation under the groups, i.e Electrical Inspector Certificate (EIC) required and EIC not required.
g) Whether the EIC Certificate, wherever required, has been obtained by Distribution Licensees within the financial year. If not, the amount thereof.

h) Amount of actual capitalisation and addition in network capacity during the year under different network capacity heads alongwith units as mentioned in Table 8, 9, 10 &11 of Regulation 23 of DERC (Business Plan) Regulations, 2017.
i) The amount of de-capitalization as per audited accounts.

XXVI. Bifurcation of Interest During Construction (IDC) into Cash IDC (to be considered as part of capital cost on COD) and Accrued IDC (to be considered as part of Capital cost in the year of payment)

XXVII. Related party transactions

XXVIII. Inter DISCOM fund transfer

XXIX. Means of Financing for Capitalization, Working capital & Accumulated Revenue Gap through:
(a) Equity
(b) Debt
(c) Consumer Contribution
(d) Grant etc.

XXX. Prudency of Cost of Debt Financing

XXXI. Verification of Audited Financial Statement w.r.t. Segmental Reporting in respect of the distribution business and other businesses and disclosure of the same in the report.

XXXII. Hedging policy and Hedging Cost incurred

XXXIII. Verification of Inter Corporate Loan if any with reference to the Company's Policy or Board Approval and analyzing the merits of the interest rate with reference to the weighted average interest rate of the lending company as well as the borrowing company

XXXIV. Verification of statement of interest on all types of loans availed from various Banks/Financial institutions duly supported by certificates from every lending Bank/Financial institution for each loan, certifying the following:
a) Opening balance of loan
b) Loan disbursed during the year
c) Repayment during the year
d) Interest rates as applicable in accordance with the terms of sanction
e) Additional interest if any levied on account of non-creation of required charge/not providing required security
f) Interest charges levied and paid
g) Processing charges and/or fees of any other kind as levied and paid as per the terms of sanction
h) Penal charges levied and paid

And accordingly compute the weighted average rate of interest for loans availed for:
a) Capitalisation
b) Working Capital

c) Accumulated revenue Gap

XXXV. Reconciliation of Debtors and Computation of Collection Efficiency

XXXVI. Verify any provisions created for doubtful debts, write-off of any doubtful debts along with write back of the consequent excess provision with reference to the Company's Policy for Provision/write-off of doubtful trade receivables. The same will be done with reference to the origin of the debt, collection efficiency claimed and admitted previously.

XXXVII. Reconciliation of Net-worth as per Regulatory provisions and as per audited financial statement

XXXVIII. Actual O&M expenses:
(a) Actual Employee expenses as per audited accounts
(b) Actual administrative and general expenses as per audited accounts,
(c) Actual Repair & Maintenance expenses as per audited accounts
(d) Actual O&M expenses booked by the distribution licensee as per audited accounts, on different network capacity heads along with units as mentioned in Table 8, 9, 10 &11 of Regulation 23 of DERC (Business Plan) Regulations, 2017,
(e) Amount of provisions been made under different heads in audited accounts
(f) To comment whether all provisions made in audited accounts have been shown separately.
(g) Amount of Loss or gain to be reported separately on account on decapitalization of assets.
(h) Whether the water charges, statutory levies and taxes under O&M expenses have been indicated separately.
(i) Bifurcation on Loss or gain on account of decapitalization of assets as per Regulation 45, 46 & 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

XXXIX. Actual Other expenses.

XL. Verification of income earned from other businesses. Separate disclosure of the same w.r.t. income earned from battery swapping and electric vehicle charging stations.

XLI. Reconciliation of Non -Tariff Income as per regulatory provisions and other income as per Audited Financial Statement

XLII. Verification of Meter jump cases (Meter fast/ meter slow).

3.3 The report of the Consultant has been considered appropriately by the Commission for True-up of various parameters of ARR of FY 2020-21 as submitted in the Petition by the Petitioner in accordance with the applicable principles laid down under the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, *DERC (Business Plan) Regulations, 2019* and Books of Accounts maintained as per Companies

Act.

3.4 The Commission has also conducted various prudence check sessions with the Petitioner for True-up of various parameters of ARR for FY 2020-21 submitted in the Petition. Wherever required clarifications were sought on various issues from the Petitioner in accordance with the applicable principles laid down under the *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017*, *DERC (Business Plan) Regulations, 2019* and with respect to the Books of Accounts of the Petitioner maintained as per Companies Act. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, Audited Accounts for past years, response to queries raised during discussions and also considered the stakeholder's submission during Virtual/ physical Public Hearing process and those submitted in written for finalization of the Tariff Order as per the principle laid down under *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* and *DERC (Business Plan) Regulations, 2019*.

ENERGY SALES

PETITIONER SUBMISSION

3.5 The Petitioner has submitted category-wise energy sales data for FY 2020-21. The actual energy sales for FY 2020-21 were 1010.19 MU against the approved energy sales of 1109.00 MU. The Energy Sales in FY 2020-21 reduced in comparison to approved sales due to COVID-19 & lockdown conditions and shown as follows: -

Table 3. 1: Petitioner Submission: Category-wise Sales for FY 2020-21 (MU)

<table>
<tr><th>Sr. No.</th><th>Category</th><th>Approved in TO FY 2020-21</th><th>Actual</th></tr>
<tr><td>1</td><td>Domestic</td><td>252.00</td><td>255.78</td></tr>
<tr><td>2</td><td>Non-domestic</td><td rowspan="2">804.00</td><td>156.27</td></tr>
<tr><td>3</td><td>Mixed Load</td><td>553.73</td></tr>
<tr><td>4</td><td>Industrial (Small Industrial Power)</td><td>0.00</td><td>0.03</td></tr>
<tr><td>5</td><td>Public Lighting</td><td>7.00</td><td>6.91</td></tr>
<tr><td>6</td><td>DMRC</td><td>33.00</td><td>23.90</td></tr>
<tr><td>7</td><td>Others</td><td>13.00</td><td>13.58</td></tr>
<tr><td></td><td>Total</td><td>1109.00</td><td>1010.19</td></tr>
</table>

COMMISSION'S ANALYSIS

3.6 The Commission has trued-up Category-wise Energy Sales for FY 2020-21 indicated in the table as follows:

Table 3. 1: Commission Approved -Energy Sales for FY 2020-21 (MU)

Sr. No.	Category	Petitioner's Submission	Commission Approved
1	Domestic	255.78	255.78
2	Non Domestic		
	(I) NDLT	156.27	156.27
	(II) Mixed Load	553.73	553.73
3	Small Industrial Power	0.03	0.03
4	Public Lighting	6.91	6.91
5	DMRC	23.90	23.90
6	Others	13.58	13.58
Total		**1010.19**	**1010.19**

REVENUE FROM ENERGY SALES
PETITIONER SUBMISSION

3.7 The Petitioner has submitted that the category wise Revenue billed for FY 2020-21 against the sales achieved by the utility as per Form 2.1 (a) is as follows:

Table 3. 3: Petitioner Submission: Category-wise Revenue Billed for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Approved in TO FY 2020-21			Actual Revenue			E. Tax Actual	Actual Total FY 2020-21 Including E. Tax
		Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges (including Misuse charges)	Total Revenue without E Tax		
1	Domestic	22.79	117.35	140.14	33.79	158.95	192.75	9.67	202.41
2	Non-domestic (LT & HT)	166.28	711.71	877.99	214.94	613.05	827.99	40.69	868.68
3	Small Industrial Power	0.01	0.00	0.01	0.01	0.02	0.03	0.00	0.03
4	Public Lighting	2.87	25.00	27.87	0.76	4.06	4.82	0.24	5.06
5	DMRC	-	-	0.00	3.40	14.66	18.06	0.88	18.94
6	Others (Including Temporary Connections + JJ Cluster	1.99	14.37	16.36	2.68	9.31	11.99	0.76	12.75
	Total	**193.94**	**868.43**	**1062.37**	**255.58**	**800.06**	**1055.63**	**52.24**	**1107.88**

3.8 The Petitioner has submitted the consolidated Revenue approved for FY 2020-21 and the Sales achieved by the utility as per Form 2.1 a-D as under.

Table 3.4: Petitioner Submission: Revenue from Sale of Power for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Energy Charges Billed (excluding Electricity Tax)	868.43	800.06
2	Fixed Charges	193.94	255.58
3	**Total (1 + 2)**	**1062.37**	**1055.63**
4	E-tax billed	0.00	52.24
5	**Revenue Billed Including Electricity tax and including Surcharge (3 + 4)**	**1062.37**	**1107.88**

3.9 The Petitioner submitted that the organization is not registered under Company Act. The Accounts are audited first internally and subsequently by CAG. Owing to this, The Petitioner will not be able to furnish Auditor's Certificate and requests the Hon'ble Commission to accept this submission.

NUMBER OF CONSUMERS

3.10 The Petitioner has submitted the detailed list of category wise consumer's addition and deletion in FY 2020-21 as follows:

Table: 3. 2: Petitioner Submission: Category Wise Consumers for FY 2020-21

Sr. No.	Consumer Category	Total No. of Consumers as on 31-03-2020	No. of Consumers added during FY 2020-21	No. of Consumers deleted during FY 2020-21	Total No. of Consumers as on 31-03-2021
1	Domestic	34295	1272	0	**35567**
2	Non-Domestic	17296	504	0	**17800**
3	Mix Load (High Tension) Load >100kw	503	12	0	**515**
4	Small Industrial Power (SIP)	5	0	0	**5**
5	Public Lighting	66	2	0	**68**
6	Delhi Metro Rail Corporation (DMRC)	1	0	0	**1**

Sr. No.	Consumer Category	Total No. of Consumers as on 31-03-2020	No. of Consumers added during FY 2020-21	No. of Consumers deleted during FY 2020-21	Total No. of Consumers as on 31-03-2021
7	Temporary Connection more or equal to 16 days	1440	87	0	**1527**
8	Others	0	0	0	**0**
9	JJ Cluster (Flat Rate)	976		43	**933**
10	Grand Total	**54582**	**1877**	**43**	**56416**

REVENUE BILLED AND COLLECTED

3.11 The Petitioner has submitted that the revenue collected, and revenue billed (including E. Tax) for FY 2020-21 is as below:

Table 3. 3: Petitioner Submission: Revenue Billed and Revenue Collected for FY 2020-21

Sr. No.	Particulars	Approved in TO FY 2020-21	Actual
1	Revenue Billed (Rs. Crore)	1062.37	1055.63
2	Revenue Collected (Rs. Crore)	1057.06	1104.61
3	Collection Efficiency 2020-21 (%)	99.50%	104.64%

3.12 The Revenue Billed includes Fixed Charge, Energy Charges, Other Charges and PPAC Amount Billed. Additionally, NDMC has also submitted the Actual Revenue Billed Including Electricity Tax amount. Therefore, the total Revenue Billed as per Form 2.1 (a) including E-tax is submitted as Rs. 1107.88 Crore and Rs. 1055.63 Crore without E. Tax. Against the same, the revenue collected without considering LPSC & E. Tax is Rs.1104.61 crore.

COMMISSION'S ANALYSIS

3.13 The Regulation 23(2) & 23(3) of *DERC (Business Plan) Regulations, 2017* provides as below:-

> *"23*
>
> *(2) The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:*

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year."

3.14 The Revenue billed was verified from form 2.1a submitted by the Petitioner in the Tariff Petition. Earlier as per Tariff Schedule for FY 2017-18, billing of certain categories like Non-Domestic Low Tension (upto 10 kW), Public Lighting were charged on the basis of kWh which was subsequently changed by the Commission from kWh to kVAh in Tariff Schedule for FY 2019-20 vide its Tariff Order dated 28/03/2018. It is observed that the Petitioner has still raised the energy consumption bills of Non-Domestic, Small Industrial Power and Public Lighting on 'kWh' basis instead of 'kVAh' basis as per the Tariff Schedule approved by the Commission for the period FY 2020-21. The month-wise revenue shortfall on account of under billing to such consumers is calculated as Rs.2.73 Cr. Accordingly, the Commission has added the amount of Rs. 2.73 Cr. under Revenue Billed. The break-up of the same is as follows:

BILLING CYCLE	NO OF CONSUMERS	TOTAL AMOUNT BILLED AS kWh (INR)	TOTAL AMOUNT IF BILLED AS kVAh (INR)	DIFFERENCE AMOUNT (INR)
Apr-20	11904	24826680.06	28634069.03	3807388.97
May-20	12563	22492199.04	26732976.42	4240777.38
Jun-20	12498	27220975.41	31463739.07	4242763.66
Jul-20	12262	34305011.07	38781673.33	4476662.26
Aug-20	8212	24000373.08	26974623.95	2974250.87
Sep-20	3875	12552069.01	14004259.38	1452190.37
Oct-20	3889	13070022.12	14548871.26	1478849.14
Nov-20	3886	10823655.39	12207480.02	1383824.63
Dec-20	3886	9372849.31	10708733.46	1335884.15
Jan-21	2338	5142797.07	5938673.04	795875.97
Feb-21	2339	5367020.24	6160464.23	793443.99
Mar-21	1041	2566947.15	2930108.10	363160.95
TOTAL		**191740598.95**	**219085671.30**	**27345072.35**

Note: The above mentioned amount have been recovered in Feb 2022 billing cycle

3.15 The Commission observed that the Petitioner has billed the self-consumption at non-domestic tariff against zero-tariff as stated at Regulations 23(2) of *DERC (Business Plan) Regulations, 2017*.

3.16 In view of above, the Commission has trued-up Revenue Billed for the Petitioner for FY 2020-21 as follows:

Table 3. 4: Commission Approved -Revenue Billed for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Approved
1	Domestic	175.03
2	Non-domestic	824.80
3	Small Industrial Power	0.03
4	Public Lighting	4.82
5	Others (including Temporary & JJ Cluster)	11.57
6	DMRC	17.47
7	**Total**	1,033.72
	Add: E Tax	52.24
8	**Revenue with E tax**	**1,085.96**
9	Add: Under - Billing on account of kVAh	2.73
10	**Total Revenue Billed**	**1088.69**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY

PETITIONER'S SUBMISSION

3.17 The Petitioner has submitted its Distribution Losses achieved against the AT&C loss target approved by the Commission vide its Tariff Order for FY 2020-21 as follows:

Table 3. 5: Petitioner Submission: Distribution Loss for FY 2020-21

Sr. No.	Particulars	Approved in Tariff Order for FY 2020-21	Actual
A	Energy Requirement / Procured (MU)	1218.68	1103.16
B	Energy Sales (MU)	1109.00	1010.19
C	Distribution Loss (MU)	109.68	92.96
D	**Distribution Loss (%)**	**9.00%**	**8.43%**

INCENTIVE FOR OVER ACHIEVEMENT OF DISTRIBUTION LOSS

PETITIONER SUBMISSION

3.18 The Petitioner submitted that it has achieved distribution loss as 8.43% against the target of 9% and therefore eligible for incentive on account of over achievement of distribution loss targets. The Regulation 25 is reproduced below:

*"**Regulation 25** of DERC Business Plan Regulation, 2019*

(1) The Distribution Loss target in terms of Regulation 4 (9) (a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for NDMC for the year 2020-21 is fixed as 9.00%.

(2) *The amount for Over achievement / Under achievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.*

(3) Any financial impact due to Under achievement on account of Distribution Loss target by the distribution licensee for the relevant year, (i.e. Actual Loss > Loss target), shall be to the account of distribution licensee as specified in Regulation 161 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

(4) *Any financial impact due to Over achievement 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:*

(i) *in case actual Distribution Loss is between the loss target and loss target minus [50%* (Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*

(ii) *in case actual Distribution Loss is less than loss target minus [50%* (Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee."*

3.19 Based on Regulation 25 (4) the computation for incentive for over achievement of distribution loss is given in table below:

Table 3. 6: Petitioner Submission: Over achievement Incentive on account of reduction in Distribution Loss Level

Sr. No.	Particulars	As per Petitioner
A	Billed Sales (MUs)	1010.19
B	Actual Distribution Loss Level	8.43%
C	Target Distribution Loss Level	9.00%
D	Actual Input @ Actual Distribution Loss Level (MUs)	1103.16
E	Desired Input at Target Distribution Loss Level (MUs)	1110.10
F	Saving in Input (MU) due to lower Distribution Loss Level	6.95
G	Power Purchase Cost	7.27
H	Total Over achievement Incentive	5.05
I	NDMC share - 2/3rd of Over achievement Incentive	3.37
J	Consumer Share of Incentive	1.68

INCENTIVE FOR OVER ACHIEVEMENT OF COLLECTION EFFICIENCY

PETITIONER SUBMISSION

3.20 The Petitioner has submitted that it has achieved collection efficiency @ 104.64% against the target of 99.50% and therefore eligible for incentive on account of over achievement in Collection targets. The Regulation 26 is reproduced below:

*"**Regulation 26** of DERC Business Plan Regulation, 2019*

(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 of the Distribution Licensee shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) *The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."*

3.21 Based on Regulation 26 (3) the computation for incentive for over achievement of collection efficiency is given in as follows:

Table 3. 7: Petitioner Submission: Computation of Collection Efficiency and Incentive for FY 2020-21

Sr. No.	Particulars	UoM	As per Petitioner
A	Amount Billed	(Rs. Cr.)	1055.63
B	Amount Collected	(Rs. Cr.)	1104.61
C	Collection Efficiency	%	104.64%
D	Target Collection Efficiency	%	99.50%
E	99.50% of Amount Billed	(Rs. Cr.)	1050.36
F	Amount of Collection over and above 99.50% target		5.28
G	Sharing Incentive		
(i)	DISCOM's (50% up to 100%)		2.64
(ii)	DISCOM's 100% beyond 100% collection		48.98
(iii)	**TOTAL INCENTIVE to NDMC**		**51.62**
(iv)	Consumers (50% of collection beyond 99.50% but up to 100% collection)		2.64

REVENUE AVAILABLE FOR FY 2020-21

3.22 The computation of net revenue available after adjusting incentive on account of Over achievement in distribution loss and Over achievement in collection efficiency is given in table below:

Table 3. 8: Petitioner Submission: Computation of Revenue Available for FY 2020-21

Sr. No.	Particulars	Collection	Remark
A	Total Collection*	1104.61	Table 2-5
B	Less – Over achievement Incentive towards lower Distribution Loss Level (NDMC's share)	3.37	Table 2-7
C	Less - Overachievement Incentive towards collection efficiency (NDMC's share)	51.62	Table 2-8
D	**Collection available towards ARR**	**1049.63**	**(A-B-C)**

** Total Revenue Collection in FY 2020-21 was Rs 1161.40 crore which included E. Tax of Rs 52.24 crore and LPSC of Rs 4.55 crore. However, for the purpose of collection efficiency and incentive E. Tax of Rs 52.24 crore and LPSC of 4.55 crore have been excluded.*

COMMISSION'S ANALYSIS

3.23 The Commission vide its Letter No. F.3(656)/Tariff-Fin./DERC/2021-22/7212/2153 dated 30/03/2022 directed Delhi SLDC to submit Statement for Energy Input *(net of*

Open Access and Net Metering if any), Station Wise Power Procurement, Short Term Transactions – Exchange, Bilateral, Banking etc., Additional UI Charges and Sustain Deviation Charges for the purpose of True-up of FY 2020-21. Accordingly, the SLDC vide its email dated 22/04/2022 has submitted the joint signed statement. Accordingly, the Commission has computed the Distribution Loss for the Petitioner as follows:

Table 3. 9: Commission Approved – Distribution Loss for FY 2020-21

Sr. No.	Particulars	Unit	Actual	Remarks
A	Energy Input	MU	1092.96	
B	Energy Billed	MU	1010.19	
C	Actual Distribution Loss Level	%	7.57%	(A-B)/A
D	Target Distribution Loss Level	%	9.00%	

3.24 Regulation 159 & 161 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states:

> *"159.*The *Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:*
>
> *Incentive or penalty = Q1*(L1-L2)*P*10^6*
>
> *Where,*
>
> *Q1 = Actual Quantum of energy Purchased at Distribution periphery.*
>
> *L1 = Distribution Loss Target in %*
>
> *L2 = Actual Distribution Loss in %*
>
> *P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."*
>
> *"161 Any financial impact on account of underachievement with respect to Distribution Loss targets shall be to the Distribution Licensee's account"*

3.25 The Regulations 25 (1) of DERC (Business Plan) Regulations, 2017 provides as follows:-

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

Target for Distribution Loss for the Control Period

Distribution Licensee	***2017-18***	***2018-19***	***2019-20***
New Delhi Municipal Council	*10.30%*	*9.63%*	*9.00%*

3.26 The Regulation 25(1) of *DERC (Business Plan) Regulations, 2017* has specified the Distribution Loss Targets for the Petitioner for FY 2019-20 at 9.00%. The Regulation 25(2) of *DERC (Business Plan) Regulations, 2017* states that the amount for Overachievement/ Underachievement on account of Distribution Loss target shall be computed as per formula specified in the Regulation 159 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* for the Distribution Licensee.

3.27 It is observed that actual Distribution loss achieved by the Petitioner is lower than the Distribution loss target for FY 2020-21, therefore, the Commission has computed the financial impact on account of overachievement of Distribution loss for FY 2020-21 as follows:

Table 3. 10: Commission Approved: Incentive on account of overachievement of Distribution Loss for FY 2020-21

S.No	Particulars	UoM	As per Petitioner	As per Commission	Remarks
A	Distribution Loss Target in previous Year	%	9.63%	9.63%	As per BPR 2017, 24(4)
B	Distribution Loss Target in Current Year	%	9.00%	9.00%	As per BPR 2017, 24(4)
C	Actual Distribution Loss	%	8.43%	7.57%	
D	50% of (previous year target - current year target)	%	0.32%	0.32%	50%*(A-B)
E	Distribution loss target - 50% of (previous year target - current year target)	%	8.69%	8.69%	B-D
F	Actual Energy Input at Distribution periphery	MU	1,103.16	1,092.96	
G	Average Power purchase Cost	Rs/kWh	7.27	7.08	
H	Total Incentive	Rs. Cr	5.05	11.05	(B-C)*F*G/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr	3.37	0.81	(B-E)*F*G/10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr	-	5.74	(E-C)*F*G/10*(2/3)

S.No	Particulars	UoM	As per Petitioner	As per Commission	Remarks
K	**Total Incentive/(Penalty) to Petitioner**	Rs. Cr	**3.37**	**6.55**	I+J
L	Incentive to Consumer	Rs. Cr	1.68	4.50	(B-E)*F*G/10*(2/3) +(E-C)*F*G/10*(1/3)

COLLECTION EFFICIENCY

3.28 Regulation 163 of *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* states:

> *"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-*
> *Incentive or penalty = (C1 – C2) * Ab*
> *Where,*
> *C1 = Actual Collection Efficiency in % =[Ar/Ab]*100*
> *Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;*
> *Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.*
> *C2 = Target Collection Efficiency in %*

3.29 Regulation 164 of *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* states:

> *"Any financial impact on account of underachievement less than the target and overachievement above 100%with respect to Collection Efficiency targets shall be to the Licensee's account:*
> *Provided that any financial impact on account of over achievement over and above the target and limited to100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."*

3.30 Regulation 26 of DERC (Business Plan) Regulations 2019 states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2020-21 to FY2022-23 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."

3.31 The Commission in its Tariff Order dated 30/09/2021 decided that no incentive or penalty on account of collection efficiency due to COVID-19 causing lockdown from 24/03/2020 to 31/03/2020 and also allowed Actual O&M expenses and Actual Power Purchase Rebate for FY 2019-20 due to Covid-19 lockdown as under:

"3.20 The Commission considering the impact of lockdown for the period from 24th March, 2020 to 31st March, 2020, which has impacted consumers in an un-precedent manner, is of the view that in order to maintain balance between the stakeholders due to the impact of COVID-19, it is judicious to exercise the Power of Relaxation under Regulation 172 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 37 of DERC (Business Plan) Regulations, 2017 and not to True-up Collection Efficiency. Accordingly, no incentive or penalty on account of over/under achievement on account of collection efficiency has been considered and allowed Actual O&M expenses and Actual Power Purchase Rebate for FY 2019-20. Accordingly, the actual Collection of Rs. 1279.28 Cr. excluding E-Tax has been considered by the Commission for True-up of FY 2019-20.

3.32 It is observed from the Collection Efficiency claimed i.e. 104.64% by the Petitioner that the collection deferred due to Covid-19 from 24/03/2020 to 31/03/2020 was received in FY 2020-21. As FY 2020-21 is also impacted by Covid-19, but the economy was revived during FY 2020-21. Accordingly, the Commission has decided to True-up the Collection Efficiency of FY 2019-20 & FY 2020-21 together.

3.33 Accordingly, the Collection Efficiency combined for FY 2019-20 & FY 2020-21 is as follows:

Sr. No	Particulars	UoM	Target	As per Petitioner	As per Commission		As per TO 30/09/2021
					FY 2019-20	FY 2020-21	
1	Amount Billed	Rs. Cr	0.00	1055.6	1336.60	1,088.69	**1088.69**
2	Collection Efficiency	%	99.50%	104.64%	99.14%	97.48%	99.50%
3	Amount Collected	Rs. Cr	0.00	1104.6	1325.07	1,061.21	1,083.25
4	Extra Deemed increase in collection Allowed vide TO dated 30/09/2021	Rs. Cr			4.85	(4.85)	
5	Revised Collection after reducing impact given vide Tariff Order dated 30/09/2021	Rs. Cr				1,056.36	
6	Total Collection Efficiency	%		104.64%	-	97.03%	
7	Over/(Under)-achievement	Rs. Cr		5.28	-	(26.88)	
8	Amount to be retained by petitioner and consumer shared 50:50 for achievement of collection efficiency Target	Rs. Cr		2.6	-	(13.44)	
9	Entire 100% to be retained by the Petitioner	Rs. Cr		49.0	-		
10	Total Incentive/ Disincentive to be retained by Discom	Rs. Cr		51.62	**-**	(13.44)	

3.34 As per Directive 6.7 of Tariff Order 2020-21, the Commission has directed as :

"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."

3.35 The Consultant has submitted in its report that it was noticed that NDMC during FY 2020-21 has accepted cash transactions above Rs. 4000/- from consumers in variation to the above mentioned direction. Accordingly, the Commission has considered the penalty of Rs.0.02 Cr. on account of cash transaction above Rs. 4000/. The details of number of consumers and amount accepted during FY 2020-21 are as below:

No. of Consumers	Amount Paid exceeding Rs. 4000 (Rs. Cr.)	Penalty (Rs. Cr.)
37	0.182	0.02

3.36 Accordingly, the Commission has approved the revenue available towards ARR for FY 2020-21 as below:

Sr. No	Particulars	Amount (Rs. Crore)
1	Revenue Realised	1061.21
2	Less: Incentive on account of over achievement of Distribution Loss	6.55
3	Add: Dis-Incentive under achievement of Collection efficiency	13.44
4	ADD: Penalty on account of Cash transactions	0.02
5	Total revenue available towards ARR for FY 2020-21	1068.12

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.37 The Petitioner has allocations of power from Dadri TPS and Pragati Stations. The Petitioner has requested the Commission to allow the actual gross power purchase quantum as follows:

Table 3. 11: Petitioner Submission: Power Purchase Quantum for FY 2020-21 (MU)

Sr. No.	Particulars	Approved in Tariff Order for FY 2020-21	Actual
A	Power Purchase from Central Station Dadri	305.00	29.00
B	Power Purchase from Short Term Small Hydro		87.21
C	**Total Interstate: Power Purchase**	**305.00**	**116.21**
D	Interstate Transmission Losses	-6.00	-1.92
E	Net Power Purchase from Central stations and small Hydro	299.00	114.28

Sr. No.	Particulars	Approved in Tariff Order for FY 2020-21	Actual
F	Power Purchase from State Generating Stations (Excluding RE)	830.00	750.54
G	Power Purchase from DMSWSL	6.15	6.83
H	Power Purchase from IEX		156.47
I	**Power Available at Delhi Periphery**	**1135.15**	**1028.13**
J	Intra-State Transmission Loss	-10.00	-9.06
K	**Power Available at NDMC Periphery**	**1125.15**	**1019.07**
L	Power Purchase from Short Term Large Hydro at NDMC Periphery	0.00	223.90
M	Power Purchase from UI		8.69
N	Solar Power from Grid Connected Plant		1.73
O	**Total**	**1125.15**	**1253.39**
P	Sale of Power (IEX) & UI		150.23
Q	**Net Power Available for Retail Sale**	**1125.15**	**1103.16**

3.38 The Petitioner has submitted that in FY 2020-21, they have drawn long-term power from Central Stations viz. Dadri TPS only till 30th November, 2020 as the Power Purchase Agreement (PPA) has expired on 30th November, 2020 and therefore no power was scheduled & purchased from 1st December, 2021 onwards.

3.39 The Petitioner has submitted that in FY 2020-21, they have drawn long-term power from Intra state generating stations viz. Pragati Power Stations (Pragati-I and PPS-III CCGT Bawana). NDMC has also sourced power from Renewable Waste to energy source DMSWSL. DERC vide its Tariff order dated 28.08.2020 published on 18.10.2020 increased the allocation from PPS-III from 9.12% to 19.12% w.e.f 1st September, 2020 till 31st March, 2021. However, the same was not acceptable to the Petitioner accordingly a Review Petition was filed with DERC. However, the Review Petition was rejected by DERC. Thereafter, Petitioner have filed an Appeal in the Hon'ble APTEL which is yet to be heard.

3.40 The Petitioner has submitted that in FY 2020-21 also sourced 1.73 MUs from solar power from grid connected solar PV plants and 8.12 MUs from net metering solar installations.

3.41 The average inter-state transmission losses and intra-state losses are at 1.65% and 0.88% respectively. The petitioner has requested to the Commission to kindly consider the actual value of such losses.

3.42 The Petitioner has submitted that currently no payments are being made towards solar power procured from the generating units / net metering units located within licensed area. However, the Petitioner requested the Commission to allow recovery of payments made towards such purchases as and when actual payments are made towards the same in future year (s).

3.43 The Petitioner has submitted that the details of actual power drawn from each source of generation is provided in the appropriate forms specified by the Commission. The Petitioner requests the Commission to kindly consider the actual purchase and approve the same for the purpose of truing up.

COMMISSION ANALYSIS

3.44 The Commission in its Tariff Order dated 28/08/2020 has approved Gross Power Purchase Quantum of 1218 MU from all sources including Central and State Sector Generating Stations for FY 2020-21.

3.45 The Commission vide its Letter dated 30/03/2022 directed Delhi SLDC to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a reconciliation to the Commission. The jointly signed statement by SLDC and the Petitioner for source wise Long Term Power Purchase and Short Term Power purchase/sale was submitted.

3.46 The Commission observed that there exists deviation in the Power Purchase Quantum submitted by the Petitioner and that submitted by SLDC to the Commission for few plants due to peripheral mismatches. The Petitioner has considered the power at Northern periphery whereas SLDC has considered the same at DTL periphery. During Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.

3.47 Based on the Power Purchase Bills and submission of SLDC, the Power Purchase Quantum of the petitioner is Trued up for FY 2020-21 as follows:

Table 3. 12: Commission Approved - Power Purchase Quantum for FY 2020-21 (MU)

Sr. No	Power Generating Stations	Petitioner	Commission (As per SLDC)
1	Dadri TPS	29.00	28.94
2	Pragati - I	438.90	438.42
3	PPS -III, Bawana	311.63	311.26
4	DMSWSL	6.83	6.83
5	Solar Power - Installed by NDMC on ownership basis.	1.73	1.73
6	**Total Quantum**	**788.10**	**787.17**
7	**Short Term Power Purchase**	**476.26**	**481.80**
8	Inter-State Transmission Loss	-1.92	-1.92
9	Intra-State Transmission Loss	-9.05	-9.05
10	Open Access for Small Hydro	-	-
11	STOA Charges for Large Hydro	-	-
12	**Power Purchase Cost with ST & Transmission Charges**	**1253.39**	**1258.00**
13	Rebate on Power Purchase	-	-
14	Rebate on Transmission	-	-
15	Less: Short Term Sale of Power	150.23	155.07
16	**Total Power Purchase**	**1,103.16**	**1,102.93**

LONG TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.48 The Petitioner has submitted that the cost of long-term & Short-Term power purchase are as follows FY 2020-21 and prays to the Commission to approve the same:

Table 3. 13: Petitioner Submission:Total Cost of Long Term Power Purchase FY 2020-21

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
A	Dadri TPS	29.00	103.77	35.78
B	Pragati-I	438.90	228.15	5.20
C	Pragati-III - CCGT Bawana	311.63	240.85	7.73
D	DMSWSL	6.83	4.80	7.03
E	Solar Power – Installed by NDMC on Ownership basis, Through Developer Mode Grid Connected	1.73	0.00	0.00
F	**Total**	**788.10**	**577.57**	**7.33**
G	Short Term: Power Purchase	476.26	196.68	**4.13**

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
H	Inter State Transmission Loss / Charges	-1.92	23.77	
I	Intra State Transmission Loss / Charges	-9.05	34.36	
J	OA Charges for Small Hydro		5.32	
K	STOA Charges for large Hydro		4.74	
L	**Power Purchase Cost with ST & Transmission Charges**	**1253.39**	**842.43**	**6.72**
M	Less Timely Payment Rebate in Power Purchase	0.00	15.85	**0.00**
N	**Net Power Purchase cost after Rebate**	**1253.39**	**826.58**	**6.59**
O	Less: Short Term Sale of Power	150.23	32.64	**2.17**
P	**Total Power Purchase**	**1103.16**	**793.94**	**7.20**

3.49 The Petitioner has submitted that it had Power Purchase Agreement for Dadri Project with NTPC up to 30th November 2020. During the validity of PPA. NTPC has raised total bills for Rs. 129,23,96,290 but the Petitioner has paid Rs. 103,76,71,370. An amount of Rs. 25,47,24,920 was not payable by the Petitioner and hence not considered in power purchase cost.

3.50 The Petitioner is also not making payment of fixed charges to PPS III for enhanced allocation from 9.12% to 19.12% w.e.f.1st September to 31st March 2021 vide DERC order dated 28.08.2020 as NDMC has filed an appeal with Hon'ble APTEL which is under consideration. PPS-III have submitted bills for fixed charges for enhanced allocation amounting to Rs. 240,85,17,220 and payment was made for Rs. 179,72,52,764 after deducting Rs. 61,12,64,456 (fixed charges for 10% additional. allocation) However, the Petitioner have considered the billed amount in power purchase cost.

3.51 PGCIL & NRLDC: In FY 2020-21, the Petitioner has drawn long-term power from Central Stations viz. Dadri TPS only till 30th November, 2020 as the Power Purchase Agreement (PPA) has expired on 30th November, 2020 and therefore no power was scheduled & purchased from 1st December, 2021 onwards. Accordingly, payment of POC and Non POC Charges to PGCIL for Rs.12,59,30,012 and NRLDC for Rs. 1,55,882 is not made for the period from December, 2020 to March, 2021 and also not considered in power purchase cost.

3.52 DTL & SLDC: Total bills raised by DTL & SLDC, Delhi during FY 2020-21 were

Rs.40,55,80,895 Crore. This included bills for STU wheeling charges & SLDC Charges amounting to Rs.4,95,31,729 for enhanced the allocation of power from PPS-III from 9.12% to 19.12% w.e.f. 1st September to 31st March 2021 and STU wheeling charges & SLDC Charges amounting to Rs. 6,19,82,935 for Dadri TPS from 1st December 2020 to 31st March 2021. Bills amounting to Rs. 11,15,14,664 in both the above cases have been withheld for the reasons already stated in the forgoing paragraphs. However, DTL & SLDC charges for PPS-III power have been considered on billed basis in the ARR.

POWER PURCHASE FROM BILATERAL SOURCE

Table 3. 14: Petitioner Submission: Cost of Power Purchase from Bilateral Sources FY 2020-21

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
A	**Small Hydro**	**87.21**	**40.64**	**4.66**
1	KPCPL	87.21	40.64	**4.66**
B	**Large Hydro**	**223.90**	**91.94**	**4.11**
1	ADHPL	129.10	53.08	**4.11**
2	MPCL	12.55	6.26	**4.99**
3	GoHP	34.19	13.66	**3.99**
4	SAINJ-HEP	48.06	18.94	**3.94**
C	**Total (A+B)**	**311.10**	**132.57**	**4.26**

SHORT TERM POWER PURCHASE

3.53 The Petitioner has requested the Commission to approve the cost of Short-Term Power Purchase as tabulated below:

Table 3. 15: Petitioner Submission: Short Term Power Purchase for FY 2020-21

Sr. No.	Particulars	Power Quantum (MU)	Amount (Rs. Cr.)	Average Rate (Rs./kWh)
1	Bilateral Hydro – Small	87.21	40.64	4.66
2	Bilateral Hydro – Large	223.90	91.94	4.11
3	UI	8.69	4.64	5.34
4	IEX	156.47	59.47	3.80
	Total Purchases	**476.26**	**196.68**	**4.13**

SHORT TERM POWER SALE

3.54 The Petitioner prays to the Commission to approve the Revenue from Short Term Power Sale as tabulated below:

Table 3. 16: Petitioner Submission: Short Term Power Sale for FY 2020-21

Sr. No.	Particulars	Power Quantum (MU)	Amount (Rs. Cr.)	Average Rate (Rs./kWh)
1	UI	64.04	15.58	2.43
2	IEX	86.20	17.07	1.98
	Total Purchases	**150.23**	**32.64**	**2.17**

3.55 The Petitioner has submitted to consider information regarding short term power purchase and sale as follows:

a) Bilateral Purchase of Small Hydro Project - From Kanchenjunga Power Corporation Pvt. Ltd, (KPCPL), has been accounted for the FY 2020-21 based on the bills paid during the financial year.

b) Bilateral Purchase from Large Hydro Projects - From Government of Himachal Pradesh (GoHP), AD Hydro Power Ltd (ADHPL), Malana Power Company Ltd. (MPCL) and Sainj HEP have been accounted for the FY 2020-21 based on the bills paid during the financial year.

c) Purchase / Sales through Indian Energy Exchange (IEX) Exchange have been accounted for the FY 2020-21 based on the bills paid during the financial year.

d) IDT Purchases / Sales – During this financial year no transactions were carried out with other Discoms.

e) UI Purchase / Sales – The Petitioner has submitted the entire quantum of sales / purchases and corresponding amount realized / likely to be realized from such transactions on accrual basis for FY 2020-21.

f) Solar RPO Obligation – The Petitioner is procuring Solar Power from Solar Plant Installed by NDMC on Ownership basis, through Developer Mode, IEX and Net metering / Grid Connected within its licensed area through net metering.

COMMISSION'S ANALYSIS

3.56 The Commission has verified the power purchase cost based on the bills raised by various Generating stations for power procured from long term sources by the Petitioner during FY 2020-21 and payment made by the Petitioner.

3.57 The power purchase cost based on the bills raised by various parties for power procured/sold from short term sources during FY 2020-21 were also verified.

3.58 The Commission approves the Power Purchase Cost from various Long Term and Short Term sources as submitted by the Petitioner subject to Disallowances discussed in subsequent paras.

3.59 Regulation 28 of *DERC (Business Plan) Regulations, 2017* specifies as follows:

> *"28 Contingency Limit for Sale of Power through Deviation Settlement Mechanism (Unscheduled Interchange Charges)*
> *(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month.*
> *(2) In case the Distribution Licensee disposes off more than 5% of the net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the average rate of power purchase/sale through exchange during same month for Delhi region."*

3.60 The Commission has observed that the Petitioner has disposed off more than 5% of the net Power procured for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges). Accordingly, the Commission in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 28 of DERC (Business Plan) Regulations, 2017 has considered the net power sold more than 5% of power procured at the average rate of power purchase/ sale through exchange during same month. Accordingly, the Commission has deducted Rs. 7.76 Cr. on account of disposing off more than 5% of the Net power procured by the Petitioner of the relevant months through Deviation Settlement Mechanism. The details of sale of power in UI for more than 5% is as follows:

Month	Net Power Purchase excluding UI (MU)	UI Sale(MU)	%	UI Sale above 5% (MU)	IEX Avg. Rate (Rs./kWh)	Difference Amount (Rs. Cr.)
May-20	114.23	(8.86)	-7.76%	3.15	2.22	0.70
Jun-20	129.31	(7.84)	-6.06%	1.37	2.22	0.31
Oct-20	107.31	(13.03)	-12.14%	7.66	2.69	2.06

Month	Net Power Purchase excluding UI (MU)	UI Sale(MU)	%	UI Sale above 5% (MU)	IEX Avg. Rate (Rs./kWh)	Difference Amount (Rs. Cr.)
Nov-20	90.40	(13.20)	-14.60%	8.68	2.75	2.39
Jan-21	89.75	6.83	7.61%	2.35	3.02	0.71
Feb-21	84.00	(9.00)	-10.72%	4.80	3.32	1.59
Total						7.76

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES
COMMISSION'S ANALYSIS

3.61 Regulation 119 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, specifies that:

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

3.62 The Consultant has verified the Rebate on normative and submitted Rs. 16.76 Cr. Accordingly, the Commission has considered normative rebate towards Power Purchase and Transmission as Rs. 16.76 Cr.

REVENUE PURCHASE OBLIGATION (RPO)
PETITIONER'S SUBMISSION

3.63 The Petitioner has submitted the Renewable Purchase Obligation as per DERC Business Plan Regulations, 2019 as tabulated below:

Table 3. 17: Petitioner Submission: Renewable Power Purchased Obligation

Sr. No.	Particulars		FY2020-21	FY2021-22	FY 2022-23
1	Non-Solar	Other Non-Solar	10.25%	10.25%	10.50%
		HPO	0.00%	0.18%	0.35%
2	Solar		7.25%	8.75%	10.50%
TOTAL			17.50%	19.18%	21.35%

3.64 The Renewable Purchase Obligation fulfilled during FY 2020-21 is tabulated below:

Table 3. 18: Petitioner's Submission: RPO for FY 2020-21

RPO	Approved in TO FY 2020-21			Actual			Shortfall / Excess
Source	% of Total Energy Sales	Total Sales (MU)	RE to be Procured in MUs	Total Sale excluding Large Hydro* (MUs)	MUs to be Procured	MUs procured during the year	
Solar	7.25%	1109	80.40	786.29	57.01	23.50	-33.51
Other	10.25%		113.67		80.59	94.03	13.44
Total			**194.08**		**136.42**	**117.54**	**-20.07**

**in consonance with MoP, GOI Order No. 23/03/2016-R&R dated 14th June 2018 and Order No. 23/03/2016-R&R dated 29th January 2021.*

Note: Source of Power Procurement: 1) Solar: Grid Connected, Net Metering, 2) Others: DMSWSL & KPCPL.

COMMISSION'S ANALYSIS

3.65 Regulation 27 of *Business Plan Regulations, 2017* provides the RPO requirement for FY 2020-21 as 10.25% for Non-Solar and 7.25% for Solar respectively. The details of RPO requirement has been checked by the Commission. The details of RPO requirement and fulfilment are given as below:

Table 3. 19: Commission's Approval – Calculation of RPO for FY 2020-21

Sr. No.	Particulars	MU
1	Total Energy Sale	1010.19
2	Less: Energy from Hydro	223.90
3	Net Energy Requirement for RPO	786.29

Table 3. 20: Commission's Approval – Calculation of Excess/(Short Fall) in RPO for FY 2019-20

Type of Energy	Requirement		Purchased	Excess/(Short fall)
	%	MU	MU	
Non Solar	10.25%	80.60	94.04	13.44
Solar	7.25%	57.01	23.51	(33.50)
Total	17.500%	137.60	117.55	(20.05)
Average Floor Price Of Rec (Rs./MWh)				1000
Energy Shortfall (kWh)				-20051560.55

3.66 In view of above, it is observed that the Petitioner has not fulfilled the RPO obligation for FY 2020-21, accordingly, the penalty @10% of floor price is levied to the Petitioner as follows:

Table 3. 21: Commission's Approval – Calculation of RPO for FY 2020-21

Particulars	Units	Amount
Present Floor price of REC	Rs./MWh	1000
Energy Shortfall	kWh	-20051560.55

Particulars	Units	Amount
Penalty @ 10% of Floor Price (@ Rs. 1/kWh)	Rs. Cr.	**-0.20**

3.67 The Commission sought from SLDC, the penalty on account of Additional Deviation Charges and Sustain Deviation Charges and SLDC has submitted such penalties as Rs. 2.58 Cr. Accordingly, the Commission has reduced the from Power Purchase Cost for FY 2020-21 of the Petitioner.

TOTAL POWER PURCHASE COST FOR TRUE UP

PETITIONER'S SUBMISSION

3.68 The Petitioner has submitted that the trued-up power purchase cost for FY 2020-21 as tabulated below:

Table 3. 22: Petitioner Submission: Total Power Purchase Cost including Transmission & SLDC Charges for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Power Quantum (MU)	Amount
A	Gross Power Purchase Cost excluding Waste to Energy, Short Term Purchase and Transmission Charges	779.54	572.77
B	Waste to Energy	6.83	4.80
C	**Total Long Term**	**786.36**	**577.57**
D	Short Term Purchase	476.26	196.68
E	Solar Power – Grid Connected	1.73	0.00
F	Inter State Transmission Losses / Charges	-1.92	23.77
G	Intra State Transmission Losses / Charges	-9.05	34.36
H	OA Charges for Small Hydro		5.32
I	STOA Charges for large Hydro		4.74
J	**Gross Power Purchase**	**1253.39**	**842.43**
K	Less: Rebate on Power Purchase	0.00	15.02
L	Less: Total Rebate on Transmission	0.00	0.83
M	Less: Sale of Surplus Power	150.23	32.64
N	**Net Power Purchase**	**1103.16**	**793.94**
O	Average Cost Per Unit		7.20

3.69 The Petitioner prays to the Commission to allow the power purchase cost of Rs. 793.94 Cr.

COMMISSION'S ANALYSIS

3.70 Based on the findings above, the Commission approves Power Purchase Cost for FY 2020-21 as follows:

Table 3. 23: Commission Approved Power Purchase Cost for FY 2020-21 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order Dated 28/08/2020	Petitioner's Submission	Approved
1	Gross Power Purchase Cost (including Short Term Purchase)	664.03	774.25	772.06
2	Less: Cost of Surplus Power Sold		32.64	32.64
3	Net Power Purchase Cost	664.03	741.61	739.42
4	Total Transmission Charges	78.70	68.98	68.98
5	Total Power Purchase Cost	742.73	810.59	808.40
6	Less Actual Rebate	13.33	15.85	16.76
7	Net Power Purchase Cost including Transmission Charges	729.40	794.74	791.64
8	Less: RPO Penalty		0.00	0.20
9	Less: Penalty on account of Add Deviation and Sustain Deviation			2.58
10	Add: REC Purchase Cost	10.54		
11	Special Rebate Provided by MoP	2.80		
12	Less: UI- Violation over & above Contingency Limited	0.00	0.00	7.76
13	**Trued-Up Power Purchase cost**	**737.14**	**794.73**	**781.10**

OPERATION AND MAINTENANCE EXPENSES

PETITIONER'S SUBMISSION

3.71 As per *DERC (Business Plan) Regulations, 2019* clause no 23 (1) Normative Operation and Maintenance expenses in terms of Regulation 4 (3) and Regulation 92 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* for the Distribution Licensees shall be as follows:

Table 3. 24: Petitioner Submission: Normative O & M Expenses for NDMC for the Control Period

Sr. No.	Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23
1	66 kV Line	Ckt KM	3.079	3.197	3.320
2	33 kV Line	Ckt KM	3.079	3.197	3.320
3	11kV Line	Ckt KM	0.935	0.971	1.008
4	LT Line system	Ckt KM	7.338	7.620	7.912
5	66/11 kV Grid S/s	MVA	0.954	0.991	1.029
6	33/11 kV Grid S/s	MVA	0.954	0.991	1.029
7	11/0.415 kV DT	MVA	1.489	1.546	1.605

3.72 The approved O & M expenses for FY 2020-21 vide order dated 28/08/2020 is given in table below:

Table 3. 25: Petitioner Submission: Expenses Approved for FY 2020-21

Sr. No.	Particulars	Units	Approved FY 2020-21	Rate in Lakh	Amount Rs. in Cr.
1	66 kV Line	Ckt KM	225.00	3.079	6.93
2	33 kV Line	Ckt KM			
3	11kV Line	Ckt KM	1043.00	0.935	9.76
4	LT Line system	Ckt KM	2705.00	7.338	198.53
5	66/11 kV Grid S/s	MVA	1460.00	0.954	13.93
6	33/11 kV Grid S/s	MVA			
7	11/0.415 kV DT	MVA	777.00	1.489	11.57
Total					**240.72**

3.73 The petitioner has filed a review petition 10/2021 in January 2021 against the Tariff Order dated 28/08/2020, for reconsideration of line length & MVA capacity and O&M Expenses for the FY 2018-19, which is under consideration of the Hon'ble Commission.

3.74 The Commission asked some clarification regarding details of line length and MVA capacity vide their letter No F.11/(1832)/DERC/2020-21/6992/2524 dated 11/02/2021 and the same were submitted to DERC vide NDMC Letter No. D-43/Con Power /2021 dated 27th May 2021 sent by mail dated 1st June, 2021. In this submission, all the details of division wise line length and MVA capacity were submitted as per format received vide Commission's letter dated 11th February 2021.

3.75 The revised Network details as on 31.03.2020 is given in table below:

Table 3. 26: Petitioner Submission: Revised Actual Network Details for FY 2019-20

Sr. No.	ITEM	Unit	Total as on 31/3/2020
1	66 kV Line	KMs	55.213
2	33 kV Line	KMs	169.012
3	11 kV HT Line	KMs	1045.080
4	LT System	KMs	4253.640
5	66/11 kV Grid S/s	MVA	490.000
6	33/11 kV Grid S/s	MVA	1006.000
7	11/0.415 kV DT	MVA	803.930

3.76 From the above table it is evident that there is a difference in line length provisionally approved by Hon'ble Commission and at actual network as shown in above table.

3.77 The Petitioner has submitted O&M (Operation and Maintenance) Expenses for length of lines and Transformer MVA capacity for the year FY 2020-21 as tabulated below:

Table 3. 27: Petitioner Submission: Actual Operation and Maintenance Actual Expenses FY 2020-21

Sr. No.	Particulars	Units	As on 31.03.2020	Addition During FY2020-21	As on 31.03.2021	Rate in Lakh	Amt in Lakh	Rs. Cr
1	66 kV Line	Ckt KM	55.21	0.49	55.71	3.079	171.52	1.72
2	33 kV Line	Ckt KM	169.01	6.29	175.30	3.079	539.76	5.40
3	11kV Line	Ckt KM	1045.08	4.24	1049.32	0.935	981.11	9.81
4	LT Line system	Ckt KM	4253.64	20.05	4273.69	7.338	31360.33	313.60
5	66/11 kV Grid S/s	MVA	490.00	0.00	490.00	0.954	467.46	4.67
6	33/11 kV Grid S/s	MVA	1006.00	0.00	1006.00	0.954	959.72	9.60
7	11/0.415 kV DT	MVA	803.93	41.00	844.93	1.489	1258.10	12.58
TOTAL								**357.38**

COMMISSION'S ANALYSIS

3.78 The Petitioner in its Petition has submitted the O&M Expenses for FY 2020-21 amounting to Rs. 357.38 Cr. as stated above. Further, the Petitioner has filed a Review Petition 10/2021 in Jan' 2021 against the Tariff Order dated 28/08/2020 for consideration of line length & MVA capacity and O&M Expenses for FY 2018-19, which is under consideration of the Commission.

3.79 The Petitioner has submitted that the Commission asked some clarification regarding details of line length and MVA capacity vide their letter No. F11/(1832)/DERC/2020-21/6992/2524 dated 11/02/2021 and the same were submitted to DERC vide NDMC letter no. O-43/Con Power / 2021 dated 27th May, 2021 sent by mail dated 1st June, 2021. In this submission, all the details of division wise line length and MVA capacity were submitted as per format received vide Commission's letter dated 11th February, 2021.

3.80 However, during the prudence check, the Commission observed that the service line is also considered in the LT line category. In this regard, Commission directed NDMC to submit the details of service line included in the LT line. The NDMC vide its letter dated 18/08/2022 submitted that the details of service line considered in LT line category as follows:

Name of Division	Length of service line as on 31.03.2021 (in KM)
Distribution South	1276.00
Distribution North	841.76
Total	**2117.76**

3.81 Accordingly, the Commission decided to reduce the capacity of the LT line provisional basis as per details submitted by NDMC.

3.82 Therefore, the O&M expenses of NDMC for FY 2020-21 approved by the Commission are as follows:

Table 3.25: NDMC-O&M Expenses for FY 2020-21

Particulars	Unit	As on 31/03/2020	Addition During FY 2020-21	As on 31/03/2021	Avg.	Rate	Amount
66 kV Line	Ckt KM	55.21	0.49	55.70	55.46	3.079	1.71
33 kV Line	Ckt KM	169.01	6.29	175.30	172.16	3.079	5.30
11kV Line	Ckt KM	1,045.08	4.24	1,049.32	1,047.20	0.935	9.79
LT Line system	Ckt KM	2,135.88	20.05	2,155.93	2,145.91	7.338	157.47
66/11 kV Grid S/s	MVA	490.00	-	490.00	490.00	0.954	4.67
33/11 kV Grid S/s	MVA	1,006.00	-	1,006.00	1,006.00	0.954	9.60
11/0.415 kV DT	MVA	803.93	41.00	844.93	824.43	1.489	12.28
	Total						**200.81**

CAPITAL EXPENDITURE AND CAPITALIZATION

PETITIONER'S SUBMISSION

3.83 The Petitioner had appointed SBI Caps as external consultant to determine the actual assets and accounts of the Electricity Distribution Business Unit. Based on capitalization of assets, the Petitioner had submitted the following details for capital Expenditure and Capitalization for FY 2020-21.

Table 3. 28: Petitioner Submission: Capitalization during 2020-21

Sr. No.	Particulars	Amount capitalised (Rs. In Cr)
1	Other schemes	9.10
2	IPDS - Strengthening of Transmission and Distribution Network	71.09
	Total Capitalization net of Grant	**80.19**

Table 3. 29: Petitioner Submission: Gross Fixed Assets for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Opening GFA	636.94	1012.55
2	Capitalization	39.50	80.19
3	Decapitalization	0.00	0.00
4	Closing GFA	676.44	1092.74
5	**Average GFA**	**656.69**	**1052.65**

COMMISSION'S ANALYSIS

3.84 The Petitioner in its Petition has submitted the capitalization of assets for FY 2020-21 as Rs. 80.19 Cr. excluding capitalization carried out on account of grant received. NDMC has further submitted that out of Rs. 80.19 Cr., Rs. 71.09 Cr. is on account of IPDS-Strengthening of Transmission and Distribution Network which is NDMC's own fund out of total package of Rs. 180.39 Cr. During the prudence check, NDMC has submitted the unaudited accounts for FY 2020-21 wherein it was observed that total capitalization of assets has been indicated by NDMC on account of electricity as Rs. 72 Cr. It was further observed that capital work in progress is Rs. 518 Cr. Therefore, in total the capitalization including the capital work in progress is Rs. 590 Cr. It was observed from Tariff Order that the Commission has already considered the capitalization of assets of NDMC as on 31.03.2020 as Rs. 612.76 Cr. Since, the approved closing GFA of NDMC upto 31.03.2020 is already more than the closing GFA as reported in unaudited accounts for FY 2020-21, therefore, no addition is considered on account of capitalization of assets for NDMC for FY 2020-21. Accordingly, the GFA and capitalization of NDMC is as follows:

Table 3. 30: Commission Approved GFA & Capitalisation for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening GFA	612.76	Approved in T.O. dated 28/08/2020
B	Capitalization	0	Para No. 3.84
C	Deletion	-	
D	Closing GFA	612.76	A+B-C

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.85 The Petitioner has submitted consumer contribution for FY 2020-21 as tabulated below.

Table 3. 31: Petitioner Submission: Consumer Contribution for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Opening Consumer Contribution	20.14	12.67
2	Addition of Consumer Contribution	8.34	0.91
3	Closing Consumer Contribution	28.48	13.58
4	**Average Consumer Contribution**	**24.31**	**13.13**

COMMISSION ANALYSIS

3.86 The Commission has approved the closing Consumer Contribution for FY 2019-20 at Rs. 14.95 Cr. Further, the Commission approves the Capital Addition of Rs. 0.91 Cr. for FY 2020-21. Consumer Contribution for FY 2020-21 is as follows:

Table 3. 32: Commission Approved Consumer Contribution & Grant for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening Consumer Contribution & Grant	14.95	Approved in T.O. dated 30/09/2021
B	Addition	0.91	
C	Closing Consumer Contribution & Grant	15.86	
D	Average Consumer Contribution & Grant	15.41	

DEPRECIATION

PETITIONER'S SUBMISSION

3.87 The Petitioner has submitted that depreciation has been charged on the basis of straight-line method and on the average Gross Fixed Assets at the beginning and at the end of each year. The depreciation is based on the original cost, estimated life and residual life. Depreciation has been computed at 3.60% of average GFA during the year as summarized in the table below:

Table 3. 33:Petitioner Submission: Depreciation for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Opening GFA	636.94	1012.55
2	Addition during the year	39.50	80.19
3	Deletion during the year	0.00	0.00
4	Closing Balance of GFA	676.44	1092.74
5	Average Balance of GFA	656.69	1052.65
6	Average Consumer Contribution	24.31	13.13
7	Average assets Net of Consumer Contribution	632.38	1039.52
8	Average Depreciation Rate	3.60%	3.60%
9	**Depreciation**	**22.77**	**37.42**

CUMULATIVE DEPRECIATION

PETITIONER'S SUBMISSION

3.88 The Petitioner has submitted the accumulated depreciation till FY 2020-21 as under:

Table 3. 34: Petitioner Submission: Cumulative Depreciation till FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Opening Balance of Cumulative Depreciation	469.21	628.53
2	Depreciation during the year FY 2020-21	22.77	37.42
3	Closing Balance of Cumulative Depreciation	491.98	665.95

UTILIZATION OF DEPRECIATION

PETITIONER SUBMISSION

3.89 The Petitioner has submitted that no portion of the depreciation has been used to repay debt in FY 2020-21 as tabulated below.

Table 3. 35: Petitioner Submission: Utilization of Depreciation for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Depreciation for FY 2020-21	22.77	37.42
2	Depreciation utilized for Debt repayment in FY 2020-21	0	0

COMMISSION'S ANALYSIS

3.90 The Commission has considered the approved GFA upto FY 2019-20 in Tariff Order dated 30/09/2021 as the opening GFA for FY 2020-21 and capital addition of Zero for FY 2020-21 has been considered as approved by the Commission.

3.91 The Commission observed depreciation is provided on the basis of straight-line method, on the average Gross Fixed Assets at the beginning and at the end of each year, keeping in view the methodology adopted by the Commission in the *DERC (Business Plan) Regulations, 2017* as no working of such Depreciation was provided. Accordingly, the depreciation has been computed at the rate of 3.60% of the average GFA during the year.

3.92 Accordingly, the Commission has considered the rate of depreciation at 3.60% as submitted by the Petitioner in accordance with appendix -1 of the *DERC (Terms and Conditions for determination of Tariff) Regulations, 2017*. The Commission has observed that the Petitioner has opening Consumer contribution & grant of Rs. 14.95 Cr. The same has been taken into account for computing depreciation. The depreciation as approved by the Commission is computed as below:

Table 3. 36: Commission Approved Depreciation for FY 2020-21

Sr. No	Particulars	Approved in Tariff Order dated 28/08/2020	Petitioner's Submission	True-up FY 2020-21
A	Opening GFA	636.94	1012.55	612.76
B	Addition	39.50	80.19	0
C	Deletion	-	-	-
D	Closing GFA	**676.44**	**1092.74**	**612.76**
E	Average GFA	656.69	1052.65	612.76
F	Opening Grant	20.14	12.67	14.95
G	Addition	8.34	0.91	0.91
H	Closing Grant	**28.48**	**13.58**	**15.86**
I	Average Grant	24.31	13.13	15.41
J	Depreciation Rate	3.60%	3.60%	3.60%
K	Total Depreciation	**22.77**	**37.42**	**21.50**

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.93 The Petitioner has calculated the Working Capital requirements on normative basis as stipulated by the methodology specified in the DERC *Wheeling and Retail Tariff Regulations, 2017*. The Petitioner has requested the Commission to approve the Working Capital Requirements as per the following:

Table 3. 37: Petitioner's Submission: Determination of Working Capital for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Aggregate Revenue Requirement (ARR)	1017.16	1236.25
2	Receivables Equivalent to 2 months	169.53	206.94
3	Net Power Purchase Expense (Including Transmission, SLDC, RPO & normative rebate)	737.14	793.94
4	1/12th of Power Purchase Expense	61.43	66.16
5	Total Working Capital	108.10	140.78
6	Less: Opening Balance of Working Capital	115.00	118.34
7	Change in Working Capital	-6.90	22.44

COMMISSION'S ANALYSIS

3.94 The Regulation 84 (4) of the *DERC (Terms and Conditions for Determination of Tariff), Regulations 2017* specify that working capital shall consist of:

(i) For wheeling business

Receivables for two months of wheeling charges

(ii) For Retail supply business

(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,

3.95 The Commission had approved the closing working capital for FY 2019-20 at Rs. 103.88 Cr. in its Tariff Order dated 28/08/2020. The approved working capital for FY 2020-21 is as follows:

Table 3. 38: Commission Approved Working Capital for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order dated 28/08/2020	Petitioner's Submission	True-up FY 2020-21
1	ARR	1017.16	1236.25	1019.72
2	Receivable equivalent to 2 months of ARR	169.53	206.94	169.95
3	Less: Net Power Purchase Cost	737.14	793.94	781.10
4	Less One Month Power Purchase charges	61.43	66.16	65.09
5	Working Capital requirement	**108.10**	**140.78**	**104.86**
6	Less: Opening Balance of Working Capital	115	118.34	118.34
7	Change in working capital	**(6.90)**	**22.44**	**(13.48)**

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.96 The Petitioner has submitted the computation for Regulated Rate Base for FY 2020-21 based on the *DERC Tariff Regulations, 2017* and requested for the approval of the Commission as tabulated below:

Table 3. 39: Petitioner Submission: Regulated Rate Base for FY 2020-21 (Rs. Cr.)

Sr. No.	Description	Approved in FY 2020-21	Actual
1	**RRB - Base Year**		

Sr. No.	Description	Approved in FY 2020-21	Actual
A	Opening Balance of GFA	636.94	1012.55
B	Opening Balance of Working Capital	115.00	118.34
C	Opening Balance of Accumulated Depreciation	469.21	628.53
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	20.14	12.67
E	**(A+B)- (C+D) i.e., RRB opening**	**262.59**	**489.69**
F	**RRB - for the year**		
G	Investment capitalised during the year	39.50	80.19
H	Depreciation for the year	22.77	37.42
I	Consumer Contribution, Grants, etc. for the year	8.34	0.91
J	Fixed Asset Retirement / Decapitalisation during the year	0.00	0.00
K	**Changes in Capital Investment**	**8.39**	**41.85**
L	**Change in Working Capital**	**- 6.90**	**22.44**
M	**RRB Closing (E+K+L)**	**264.09**	**553.98**
N	**Regulated Rate Base (RRB) (i) (E+K/2+L)**	**259.89**	**533.05**

COMMISSION'S ANALYSIS

3.97 The RRB has been considered based on capitalization, depreciation and working capital requirements for FY 2020-21 as detailed in the table as follows:

Table 3. 40: Commission Approved RRB for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	FY 2020-21
A	Opening Original Cost of Fixed Assets (OCFAo)	612.76
B	Opening Accumulated depreciation (ADo)	466.78
C	Opening consumer contributions received (CCo)/ grant	14.95
D	Opening Working capital (WCo)	118.34
E	Opening RRB (RRBo)	249.37
F	Investment capitalised during the year (INVi)	0
G	Depreciation during the year (Di)	21.50
H	Depreciation on decapitalised assets during the year	-
I	Government Grant during the year (CCi)	0.91
J	Fixed assets retired/decapitalised during the year (Reti)	-
K	Change in capital investment (ΔABi)	(22.41)
L	Change in working capital during the year (ΔWCi)	(13.48)
M	RRB Closing	213.48
N	RRBi	224.69

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.98 The Petitioner has submitted that capital expenditure incurred by it for creation of assets has been majorly incurred through its budgetary support and internal accruals. It has not used any type of loan for creation of assets. The Petitioner has considered normative debt-equity ratio of 70:30 for calculating RoCE. The Rate of Return on Equity (RoCE) for the first control period is kept at 16% as per the DERC *Wheeling and Retail Tariff Regulations, 2017*. Rate of Return on the Debt is considered as 8% as per order. Detailed calculation of Weighted average cost of capital (WACC) leading up to estimation of RoCE is submitted by the Petitioner is shown in the table below:

Table 3.41: Petitioner Submission: Return on Capital Employed for FY 2020-21 (Rs. Cr.)

Sr. No.	Description	Approved in FY 2020-21	Actual
A	RRBi	**259.89**	**533.05**
B	Opening Equity for Capitalization (Limited to 30%)	44.28	111.41
C	Closing Equity Limiting to 30% of net Capitalization	46.80	123.96
D	Average Equity for Capitalization (Limited to 30%)	45.54	117.68
E	Opening Debt at 70% of Net Capitalization	103.31	259.95
F	Closing Debt @70% of net Capitalization	109.19	289.24
G	Average Debt @70% of net Capitalization	106.25	274.59
H	Debt at 100% of Working Capital	108.10	140.78
I	Total Debt (G+H)	214.35	414.72
J	Rate of Return on Equity	16.00%	16.00%
K	Rate of Debt (%) on Capitalization	8.00%	8.00%
L	Rate of Debt (%) on Working Capital	8.00%	8.00%
M	Rate of Interest on Debt (%)	8.00%	8.00%
N	Weighted Average Cost of Capital (WACC) (%)	9.40%	9.77%
O	**Return on Capital Employed (ROCE)**	**24.43**	**52.06**

COMMISSION'S ANALYSIS

3.99 The return on capital employed considered by the Commission based on the RRB(i) and WACC for FY 2020-21 is as given in the table below:

Table 3. 42: Commission Approved Return on Capital Employed (RoCE) for FY 2020-21

Sr. No.	Particulars	UOM	Approved
A	RRBi	Rs.Cr	224.69
B	Opening Equity for Capitalisation (limited to 30%)	Rs.Cr	39.31
C	Closing Equity limiting to 30% of net capitalisation	Rs.Cr	32.59
D	Average Equity for Capitalisation (limited to 30%)	Rs.Cr	35.95
E	Opening Debt at 70% of net capitalisation	Rs.Cr	91.72
F	Closing Debt at 70% of net capitalisation	Rs.Cr	76.03
G	Avg Debt at 70% of net capitalisation	Rs.Cr	83.88
H	Debt at 100% of working capital	Rs.Cr	104.86
I	Debt- balancing figure	Rs.Cr	188.74
J	Rate of return on equity (re)	%	16.00%
K	Rate of debt (rd) on capitalisation	%	8.00%
L	Rate of debt (rd) on working Capital	%	8.00%
M	Rate of interest on debt(rd)	%	8.00%
N	WACC	%	9.28%
O	RoCE	Rs.Cr	20.85

INCOME TAX

PETITIONER'S SUBMISSION

3.100 The Petitioner has submitted that it is exempted from paying the Income tax, therefore claim for such tax liabilities has not been proposed in the petition. However, the petitioner requested the Commission to allow tax liability in future in case liability arises.

COMMISSION ANALYSIS

3.101 No claim towards income tax has been considered by the Commission since the Petitioner is exempted from paying the tax.

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

3.102 The Petitioner has considered the non-tariff income from the Late Payment Surcharge (LPSC) as per actual of FY 2020-21 and as under:

Table 3. 43: Petitioner's Submission: Non-Tariff Income for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Non-Tariff income	7.9	4.55

COMMISSION'S ANALYSIS

3.103 The Regulation 94 & 95 of *DERC (Terms and Conditions for Determination of Tariff) Regulations,* 2017 provides as follows:

> *"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:*
>
> *(i) Income from rent of land or buildings;*
> *(ii) Net Income from sale of de-capitalised assets;*
> *(iii) Net Income from sale of scrap;*
> *(iv) Income from statutory investments;*
> *(v) Net Interest on delayed or deferred payment on bills;*
> *(vi) Interest on advances to suppliers/contractors;*
> *(vii) Rental from staff quarters;*
> *(viii) Rental from contractors;*
> *(ix) Income from Investment of consumer security deposit;*
> *(x) Income from hire charges from contactors and others, etc.*
>
> *95. The Non-Tariff Income shall be reduced from ARR."*

3.104 As per *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017,* amount received by the licensee on account of Non-Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of such licensee. Accordingly, the Commission has considered the Non-tariff income, as submitted by the petitioner, of Rs. 4.55 Cr. as follows:

Table 3. 44: Commission Approved: Non-Tariff Income for FY 2020-21 (Rs. Cr.)

Particulars	Approved
Non-Tariff Income	(4.55)

AGGREGATE REVENUE REQUIREMENT FOR TRUING UP FOR FY 2020-21

PETITIONER's SUBMISSION

3.105 The Petitioner had submitted the Commission the Aggregate Revenue Requirement for FY 2020-21.

Table 3. 45: Petitioner Submission: Trued up ARR for FY 2020-21 (Rs. Cr.)

Sr. No.	Description	Approved in Tariff Order FY 2020-21	Actual
A	Net Power Purchase Cost	737.18	793.94

Sr. No.	Description	Approved in Tariff Order FY 2020-21	Actual
B	Net Operation & Maintenance (O&M)	240.72	357.38
C	Depreciation	22.77	37.42
E	RoCE (Including Interest on working capital)	24.43	52.06
F	Income Tax	0.00	0.00
G	Less: Non-Tariff Income	-7.90	-4.55
H	**Aggregate Revenue Requirement**	**1017.20**	**1236.25**

3.106 The Petitioner requested to Commission to allow the Aggregate Revenue Requirement of Rs. 1236.25 Crore.

COMMISSION'S ANALYSIS

3.107 Based on the above, the Commission approves the Aggregate Revenue Requirement (ARR) for True-up for FY 2020-21 as follows:

Table 3. 46: Commission Approved - Aggregate Revenue Requirement for FY 2020-21 (Rs. Cr.)

Sr. No	Particulars	FY 2020-21
A	Net Power Purchase Cost	781.10
B	Operation & Maintenance (O&M)	200.81
C	Depreciation	21.50
D	Administrative Dept. & Civil Engg. Dept.	-
E	Return on Capital Employed (RoCE)	20.85
F	Income Tax	-
G	Less: Non-Tariff Income	(4.55)
I	**Aggregate Revenue Requirement (ARR)**	**1019.72**

REVENUE (GAP)/SURPLUS

PETITIONER'S SUBMISSION

3.108 The Petitioner has submitted that the overall gap based on the actual expenses and revenue during FY 2020-21 is Rs. 186.62 Cr. and same is tabulated as under:

Table 3. 47: Petitioner Submission: Revenue Gap / Surplus for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2020-21	Actual
1	Aggregate Revenue Requirement, FY 2019-20	1017.20	1236.25
2	Revenue Available Towards ARR	1037.74	1049.63
3	**Revenue (Gap) / Surplus**	**20.54**	**(186.62)**

Table 3. 48: Petitioner Submission: Allocation of ARR for Retail Supply for FY 2020-21

Sr. No.	Particulars	Ratio	Approved in Tariff Order FY 2020-21	Actual
1	Cost of Power Purchase	100%	737.18	793.94
2	Operation & Maintenance Costs	38%	91.47	135.80
3	Depreciation (including AAD)	23%	5.24	8.61
4	Return on Capital Employed	28%	6.84	14.58
5	Income Tax	28%	0.00	0.00
6	Non-Tariff Income	60%	-4.74	-2.73
7	**ARR for Retail Business**		**835.99**	**950.20**

Table 3. 49: Petitioner Submission: Allocation of ARR for Wheeling for FY 2020-21

Sr. No.	Particulars	Ratio	Approved in Tariff Order FY 2020-21	Actual
1	Operation & Maintenance Costs	62%	149.24	221.58
2	Depreciation (including AAD)	77%	17.53	28.81
3	Return on Capital Employed	72%	17.59	37.48
4	Income Tax	72%	0.00	0.00
5	Non-Tariff Income	40%	-3.16	-1.82
6	**ARR for Wheeling Business**		**181.21**	**286.05**

COMMISSION'S ANALYSIS

3.109 Based on the ARR and the revenue available towards the ARR, the Revenue Surplus/(Gap) is as follows:

Table 3. 50: Commission Approved Revenue (Gap/surplus) for FY 2020-21 (Rs. Cr.)

Sr. No	Particulars	Amount
A	Aggregate Revenue Requirement	1019.72

Sr. No	Particulars	Amount
B	Revenue Available Towards ARR	1068.12
C	Revenue (Gap)/Surplus	**48.40**

MERIT ORDER DESPATCH FOR FY 2013-14

3.110 The Commission in its DERC, Distribution Tariff Regulations, 2011, applicable from April 1st, 2012 introduced the Regulation on the principle of Merit Order Despatch (MOD), as follows:

"5.25 While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased from various sources in accordance with the principles of merit order schedule and despatch based on a ranking of all approved sources of supply in the order of their variable cost of power purchase. All power purchase costs shall be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates or the power procurement guidelines as laid down by the Commission from time to time has not been followed."

3.111 The Commission, exercising Regulations 12.7 *(Enquiry and Investigation) of DERC Distribution Tariff Regulation 2011*, sent a letter dated 07/12/2018 to the SLDC seeking detailed reasons as to why MOD principle was not followed in Delhi in FY 2013-14 as was mandated under DERC Distribution Tariff Regulation 2011. In response, SLDC vide letter dated 22/01/2019 certified that MOD principle was adhered to during FY 2013-14 while preparing the schedule during FY 2013-14.

3.112 Thereafter, based on the findings in Review Order dated 13/12/2019 against the Tariff Order for FY 2018-19, the Commission vide its letter dated 1/07/2020 sought plant-wise and month-wise Merit Order Despatch (MOD) violation for FY 2013-14 from SLDC. In response, SLDC vide its letter dated 24/07/2020 submitted the details wherein it is observed that from the date of implementation of DISCOM wise scheduling i.e. 21/02/2014 till 31/03/2014 for Anta, Auraiya and Dadri Gas Stations of NTPC there was sale of power in Exchange during the slots where power was scheduled above Minimum Technical Limit (MTL) from these stations by BRPL, BYPL and TPDDL. Further, the Commission directed SLDC to include all of the generating stations and not just Anta, Auraiya and Dadri Gas Stations of NTPC. In response, SLDC vide its email dated 30/07/2020 submitted the data indicating the slot-wise details of DISCOM's (i.e.

BRPL, BYPL, TPDDL & NDMC) power sale in Exchange when power is scheduled more than MTL. The Commission computed penalties for the period from 21/02/2014 till 31/03/2014 in Tariff order dtd. 28/08/2020.

3.113 Delhi SLDC expressed its inability to provide the information Plant wise, month wise and date wise violations for FY 2012-13. Accordingly, the Commission requested NRLDC & IEX to provide the said information. IEX submitted the information, however, in-spite of Commission's letter dated 5/07/2021 and reminder email dated 21/09/2021, NRLDC didn't submit the information related to FY 2012-13. In the absence of the desired information, the Commission in its Tariff Order dated 30/09/2021 decided to consider this issue in subsequent Tariff Order.

3.114 NRLDC vide its letter no. NRLDC/SO-I/151 dated 20/12/2021 has submitted the said information. The information received from NRLDC was forwarded to Delhi SLDC vide letter dated 04/01/2022 and Delhi SLDC has emailed the desired information on 03/03/2022.

3.115 Accordingly, meeting with Delhi SLDC and DISCOMs was held and the Commission vide its email dated 30/05/2021 sought inputs in the information submitted by Delhi SLDC and DISCOMs vide its email & letters submitted their inputs on the same. In their reply, DISCOMs have submitted the following:

"Delhi SLDC, in its reply at para 29 in Petition No. 10 of 2014 had indicated the following:

a. DISCOM-wise scheduling was implemented from 22.02.2014 onwards. There were some initial teething troubles though for few months.

b. Network constraints, grid security aspects etc. will always have preference to economic factors.

Before 22.02.2014, there was no violation of MOD and Delhi SLDC/NRLDC scheduled power for Delhi as a whole considering grid and network constraints."

3.116 The Commission vide its Notice dated 21/09/2022 had sought replies from DISCOMs w.r.t. Merit Order Despatch for FY 2012-13 and FY 2013-14, however, no reply was received from NDMC.

3.117 Accordingly, based on the determined violations during the period 21/02/2014 to 31/03/2014, the Commission considered the penalty amounting to Rs.1.26 Cr. for FY 2013-14 as follows:

Merit Order Despatch violations for FY 2013-14 post implementation of DISCOM-wise

Feb 2014 (From 21/02/2014 to 28/02/2014)															
Particulars	ANTA	AURAIYA	DADRI	JHAJJAR	RIHAND-1	RIHAND-2	RIHAND-3	SASAN	SINGRAULI	UNCHAHAR-1	UNCHAHAR-2	UNCHAHAR-3	DADRI-1	DADRI-2	TOTAL
BRPL (MU)	0.23	0.00	0.30	-	1.01	1.45	0.78	1.60	1.76	0.20	0.51	0.26	3.43	5.37	16.91
BYPL (MU)	0.10	0.01	0.10	-	0.29	0.44	0.24	0.48	0.69	0.06	0.06	0.07	1.13	1.75	5.41
TPDDL (MU)	0.19	0.01	0.23	0.22	-	0.81	1.13	0.60	1.19	1.41	0.18	0.46	1.54	3.10	11.08
NDMC (MU)	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-	1.60
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.07	0.00	0.10	-	0.14	0.20	0.10	0.09	0.21	0.06	0.15	0.08	1.13	1.68	4.01
MOD Dis BYPL (Rs. Cr)	0.03	0.00	0.03	-	0.04	0.06	0.03	0.03	0.08	0.02	0.02	0.02	0.37	0.54	1.28
MOD Dis TPDDL (Rs. Cr)	0.05	0.00	0.08	0.08	-	0.11	0.15	0.03	0.14	0.41	0.05	0.13	0.50	0.97	2.73
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.53	-	0.53
Mar 2014 (From 01/03/2014 to 31/03/2014)															
Particulars	ANTA	AURAIYA	DADRI	JHAJJAR	RIHAND-1	RIHAND-2	RIHAND-3	SASAN	SINGRAULI	UNCHAHAR-1	UNCHAHAR-2	UNCHAHAR-3	DADRI-1	DADRI-2	TOTAL
BRPL (MUs)	0.28	0.03	0.21	-	2.29	3.62	2.17	3.65	4.00	0.52	1.15	0.40	0.46	2.10	20.87
BYPL (MUs)	0.07	0.02	0.07	-	0.81	1.26	1.26	1.61	1.78	0.19	0.36	0.16	0.81	2.01	10.40
TPDDL (MUs)	0.24	-	0.19	-	-	2.47	3.60	1.87	2.76	3.36	0.64	1.29	0.53	5.12	22.07
NDMC (MUs)	-	-	-	-	-	-	-	-	-	-	-	-	2.23		2.23
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.08	0.01	0.07	-	0.32	0.51	0.29	0.21	0.48	0.15	0.33	0.11	0.15	0.65	3.38
MOD Dis BYPL (Rs. Cr)	0.02	0.01	0.02	-	0.11	0.18	0.17	0.09	0.21	0.06	0.10	0.05	0.27	0.63	1.91
MOD Dis TPDDL (Rs. Cr)	0.07	-	0.06	-	-	0.35	0.48	0.11	0.33	0.98	0.19	0.37	0.17	1.60	4.71
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.73	-	0.73
MOD Dis BRPL (Rs. Cr)															7.38
MOD Dis BYPL (Rs. Cr)															3.19
MOD Dis TPDDL (Rs. Cr)															7.44
MOD Dis NDMC (Rs. Cr)															1.26
TOTAL															19.28

Final Penalty on account of Merit Order Despatch violations for FY 2013-14 (Rs. Cr.)

Sr. No.	Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
1	**Opening Balance**	-	1.34	1.49	1.65	1.83	2.01	2.21
2	Merit Order Despatch for FY 2013-14	1.26						
3	**Total (Principal for the Year)**	1.26	-	-	-			
4	**Rate of Carrying Cost**	12.85%	11.00%	10.90%	10.90%	9.80%	9.80%	9.80%
5	**Carrying Cost**	0.08	0.15	0.16	0.18	0.18	0.20	0.22
6	**Closing amount**	1.34	1.49	1.65	1.83	2.01	2.21	2.42

3.118 The closing Revenue Surplus for FY 2019-20 as per the Tariff Order dated 30/09/2021 is Rs. 238.73 Cr. The Revenue surplus/(gap) for FY 2020-21 as now approved by the Commission is summarized as follows:

Table 3. 51: Commission Approved Net Revenue Surplus/ (Gap) at the end of FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	FY 2020-21
A	Opening Revenue Surplus/(Gap)	238.73
B	Penalty on account of Merit Order Despatch for FY 2013-14	2.42
C	Revised Opening Revenue Surplus/(Gap)	241.15
D	Revenue Surplus/(Gap) for the year	48.40
E	Rate of Return on equity	14.00%

Sr. No.	Particulars	FY 2020-21
F	Rate of Return on debt	8.00%
G	Rate of Carrying Cost	9.80%
H	Amount of Carrying Cost	26.00
I	**Closing Revenue Surplus/(Gap)**	**315.55**

Annexure-I

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1933)/DERC/2021-22

Tariff Petition No. 01/2022

In the matter of: **Petition for approval of True-up for FY 2020-21 along with Aggregate Revenue Requirement (ARR) and Determination of Tariff for FY 2022-23.**

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001

...Petitioner/Licensee

Coram:
Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasht, Member

INTERIM ORDER

(Date of Order: 17.03.2022)

1. The Commission in its meeting No. 2022/01 held on 10.03.2022 at 12:30 pm at its Head Office took up for consideration an agenda item with regard to the Tariff Petitions filed by DISCOMs, GENCOs and TRANSCO for truing up of expenses for FY 2020-21 and Aggregate Revenue Requirement (ARR) for FY 2022-23.

2. The Commission deliberated that under Section 86(1)(a) of the Electricity Act, 2003 it has the mandate to discharge the following function, namely: -

   " (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State….."

3. It was noted that the Tariff Petition filed by New Delhi Municipal Council (NDMC) for truing up of expenses for FY 2020-21 and Aggregate Revenue Requirement (ARR) for FY 2022-23 has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. Further, the Commission observed that the said function under Section 86(1)(a) of the Electricity Act, 2003 is regulatory in nature and these functions are determined as per Section 62 and 64 of the Electricity Act, 2003.

4. On due consideration, the Tariff Petition has been admitted by the Commission. Further, the Petitioner shall have to furnish clarifications/additional information, as and when required by the Commission.

(Dr. A.K. Ambasht)	(Justice Shabihul Hasnain 'Shastri')
Member	Chairperson

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

Annexure-II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF FY 2020-21

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
1.	1	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	9971225322	Domestic	DISCOMs	06.04.2022
2.	2	Ms. Asha	L-2, 91B, DDA, LIG, Kalkaji New Delhi	9971225322	Domestic	DISCOMs	06.04.2022
3.	3	Sh. Sanjay Bansal	House No. 1066, Block – F, Kamla Nagar New Delhi	-	Domestic	DISCOMs	12.04.2022
4.	4	Sh. A.K. Wardhan	Plot No. 179, F-5, Shastri Nagar New Delhi	-	Domestic	DISCOMs	12.04.2022
5.	5	Sh. Ajay Singh	Plot 5C, 3rd Floor, Karol Bagh Delhi	-	Domestic	DISCOMs	12.04.2022
6.	6	Sh. J.N. Prasad HON FL LT (RETD) President	Ex. Serviceman Association Najafgarh, RZ/21, Gopal Nagar Extn. New Delhi 110 043	9250696469	Domestic	DISCOMs	12.04.2022
7.	7	Sh. Manmohan Kumar	House No. 35, Block C Pocket – 4 Rohini Sector 20, Delhi	-	Domestic	DISCOMs	18.04.2022
8.	8	Sh. Abhijeet	House No. 37, Block C, Libaspur 110 042	-	Domestic	DISCOMs	18.04.2022
9.	9	Sh. Chander Prasad	House No. 54, Block –H Pitampura 110 034	-	Domestic	DISCOMs	18.04.2022
10.	10	Sh. Satish Kumar	House No. 90A, 3rd Floor, Block A, Gandhi Vihar Delhi 110 009	-	Domestic	DISCOMs	18.04.2022
11.	11	Sh. B.S. Sachdev President	Elderly People's Forum Varishth Nagrik Manorajan Kendra, Ist Floor, C-4, Keshav Puram, Delhi 110 035	9891059738	RWA	DISCOMs	18.04.2022
	11A	Sh. B.S. Sachdev President	Elderly People's Forum Varishth Nagrik Manorajan Kendra, Ist Floor, C-4, Keshav Puram, Delhi 110 035	9891059738	RWA	DISCOMs	19.04.2022
	11B	Sh. B.S. Sachdev President	Elderly People's Forum Varishth Nagrik Manorajan Kendra, Ist Floor, C-4, Keshav Puram, Delhi 110 035	9891059738	RWA	DISCOMs	28.04.2022
12.	12	Sh. Karan Jolly	Green Energy Plantation Pvt. Ltd. 48/1, Commercial Centre, Malcha Marg, Chanakya Puri,	46711000	Agriculture	DISCOMs	08.04.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
			New Delhi 110 021				
13.	13	Sh. Hemant Kumar	28/7 Second Floor, Patel Nagar, Delhi 110 008	-	Domestic	TPDDL	13.04.2022
14.	14	Sh. Ashok Bhasin President	North Delhi Resident's Welfare Federation 1618, Main Chandrawal Road Delhi 110 007 Ashok.bhasin2015@gmail.com	9818375106	RWA	DISCOMs	13.04.2022
	14A	Sh. Ashok Bhasin President	North Delhi Resident's Welfare Federation 1618, Main Chandrawal Road Delhi 110 007 Ashok.bhasin2015@gmail.com	9818375106	RWA	DISCOMs	17.05.2022
15.	15	Ms. Sugata Ghosh	House 1523, Ganesh Pura Trinagar, Delhi 110 035	-	Domestic	DISCOMs	18.04.2022
16.	16	Sh. Rajender Sobti	House No. 75, Pkt. 11 Sector, 24, Rohini Delhi 110 085	-	Domestic	TPDDL	18.04.2022
17.	17	Sh. Govind Singh	House No. 35, 1st Floor, Block G, Prashant Vihar, Rohini 110 085	-	Domestic	TPDDL	18.04.2022
18.	18	Sh. Vinod Bhatt	Shop No. 5 N-Block , DDA Market, Mangolpuri 110 083	-	Domestic	TPDDL	18.04.2022
19.	19	Sh. Arun Sharma	FD – 55 Pitampura 110 034	-	Domestic	TPDDL	18.04.2022
20.	20	Sh. Ravi Malik	House No. 335 1st Floor, Streen No. 9 Shalimar Bagh 110 088	-	Domestic	DISCOMs	18.04.2022
21.	21	Sh. Jaspal Singh	D-12 SF Narina Vihar, Moti Nagar	-	Domestic	DISCOMs	18.04.2022
22.	22	Sh. Mukesh Kumar	House No. 504, GF Pkt 3, Sector C-12, DSIDC, Narela	-	Domestic	TPDDL	19.04.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
			New Delhi 110 040				
23.	23	Sh. Arvind Pratap Singh	House No. 47, Block WZ Basai Darapur, New Delhi 110 015	-	Domestic	DISCOMs	19.04.2022
24.	24	Sh. Satish Kumar	Plot 46, Pkt D, Sector 4, DSIDC Bawana	-	Domestic	DISCOMs	19.04.2022
25.	25	Sh. Jagdish Khurana	Plot 136, Pocket-7, 2nd Floor, Sector -22 Rohini-85	-	Domestic	DISCOMs	19.04.2022
26.	26	Sh. Ramesh Chand	Shop No. 37 K-Block, LSC Market Sultanpuri Delhi 110 041	-	Domestic	DISCOMs	19.04.2022
27.	27	CA Sanjay Gupta Vice President	C-4/15, Model Town-III Delhi 110 009 sanjayrsons@gmail.com	9311025900	RWA	DISCOMs	23.04.2022
28.	28	Sh. Satish Joshi	Satish_j@hotmail.com	9818846659	Commercial	BYPL	24.04.2022
29.	29.	Sh. B.K. Gupta	Missionanti420@gmail.com	-	Domestic	DISCOMs	25.04.2022
30.	30	Sh. Rakesh Tayal	Sunder Vihar, New delhi Rakesh79tayal@gmail.com	981907502	Domestic	BRPL	17.04.2022
31.	31	Sh. Vipin Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd. Sector-14 Extn., Rohini, Delhi 110 085 Vipin.bfi@gmail.com	9010001240	RWA	DISCOMs	18.04.2022
32.	32	Sh. Sat Goel	sgoel@ismp2.HBS.edu	9650241273	Domestic	DISCOMs	11.04.2022 20.04.2022
33.	33	Er. Sarbajit Roy	B-59, Defence Colony New Delhi 110 024 Sroy.mb@gmail.com	9953586513	Domestic	DISCOMs	25.04.2022
	33A	Er. Sarbajit Roy	B-59, Defence Colony New Delhi 110 024 Sroy.mb@gmail.com	9953586513	Domestic	DISCOMs	10.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
34.	34	Sh. Rakesh Gupta President	Delhi Watch Material Dealers Association Dwmda123@gmail.com	9810036939	Domestic/ Industrial	DSICOMs	24.04.2022
35.	35 35A	Sh. Rahul Arora Social Engineer Sh. Rahul Arora Social Engineer	Rahul1943@gmail.com Rahul1943@gmail.com	- -	Domestic Domestic	DISCOMs DISCOMs	21.04.2022 09.05.2022
36.	36	Sh. Ajay Aggarwal President	Shop No. 17, Block-A, Saraswati Vihar, DDA Market, Pitampur, Delhi 110 034	9555350061	NGO	DISCOMs	20.04.2022
37.	37	Sh. Suresh Kumar Gupta Director	The Midland Fruit & Vegetable Products (India) Pvt. Ltd. Jombo House, Dr, Jha Marg, Okhla ndustrial Area, Phase III New Delhi 110 020	0114260216 7	Industrial	DISCOMs	22.04.2022
38.	38	Sh. Nagendra Prakash Bhargava	Jumbo International Manufacturer Exporters Jumbo House, Dr. Jha Marg Okhla Industrial Area, Phase-III New Delhi 110 020	0114180250 5	Industrial	DISCOMs	25.04.2022
39.	39	Sh. Neeraj Rastogi	Plot No. 1123, Block A DSIDC Bawana	-	Domestic	DISCOMs	02.05.2022
40.	40	Sh. Brijender Singh	House No. 37, Khasra No. 21/53/11, Ist Floor, Kewal Park Extn. Delhi	-	Domestic	TPDDL	02.05.2022
41.	41	Sh. Ranjit Malik	House No. B-89 Gandhi Vihar Market, Delhi 110 009	-	Domestic	DISCOMs	02.05.2022
42.	42	Sh. Jameel Ahmed	D-1/203, 3rd Floor, Sector-11, Rohini, Delhi 110 085	-	Domestic	DISCOMs	02.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
43.	43	Sh. Naveen Gupta	House No. B-29 Near Metro Station Sarai Rohilla	-	Domestic	DISCOMs	02.05.2022
44.	44	Sh. Balraj	49D, Block – 5 Sector -3 Bawana New Delhi 110 039	-	Domestic	TPDDL	02.05.2022
45.	45	Sh. Neeraj Thakur	House No. 34, 4th Floor, Block D Pocket 2, Sector 20, Rohini Delhi 110 086	-	Domestic	DISCOMs	02.05.2022
46.	46	Sh. Bharat Kumar	E-32, Gali No. 3, Near Shastri Nagar Metro Station Shastri Nagar New Delhi 110 052	-	Domestic	DISCOMs	02.05.2022
47.	47	SH. Mahendra Wadhwa	Plot No. 129, Ist Floor, D-Pocket, Sector, 2 DSIDC Bawana Delhi 110 039	-	Domestic	DISCOMs	02.05.2022
48.	48	SH. Joginder Prasad	B-4/345 2nd Floor, Sector 110 008 Rohini Delhi 110 085	-	Domestic	TPDDL	02.05.2022
49.	49	Sh. Banwari Lal Ojha	House No. 232 3rd Floor, D-Block Nehru Vihar Delhi 110 054	-	Domestic	DISCOMs	02.05.2022
50.	50	Sh. Ashwani	House No. 124, Block-C Phase-II, Shopping Centre Ashok Vihar Delhi 110 052	-	Domestic	DISCOMs	02.05.2022
51.	51	Sh. Satya Parkash	AD-132 Shalimarbagh Delhi 110 088	-	Domestic	TPDDL	02.05.2022
52.	52	Sh. Sumit Nath	Plot No. 42/7, Block A Ramesh Nagar, Delhi 110 015	-	Domestic	DISCOMs	02.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
53.	53	Dr. Anil Gupta Chairman	Friends Colony Inudstrialist Association Plot No. 26, Lane No. 3 Friends Colony Industrial Area, G.T. Road, Shahdaa, Delhi 110 095 Friendscolony1998@gmail.com	9312215009	Industrial	BYPL	02.05.2022
54.	54	Sh. Vineet Jain General Secretary	East Delhi Manufacturers Association (Regd.) B-17, Jhilmil Industrial Area, Behind Jhilmil Metro Station Delhi 110 095 Edmaeastdelhi@gmail.com	9871102111	Industrial	BYPL	02.05.2022
55.	55	Sh. Abhishek Kumar	H.No. 142, Pocket C Phase – 3, Ashok Vihar, Delhi 110 052	-	Domestic	DISCOMs	02.05.2022
56.	56	Sh. Rajan	H. No. 1145, Kh. NO. 265, Shanti Nagar, Trinagar Delhi 110 035	-	Domestic	DISCOMs	02.05.2022
57.	57	Dr./Er. Sarbajit Roy	B-59, Defence Colony New Delhi 110 024 Sroy.mb@gmail.com	9953586513	Domestic	DISCOMs	25.04.2022
	57A	Dr./Er. Sarbajit Roy	B-59, Defence Colony New Delhi 110 024 Sroy.mb@gmail.com	9953586513	Domestic	DISCOMs	17.05.2022
58.	58	Sh. B.K. Gupta	Missionanti420@gmail.com	-	Domestic	DISCOMs	25.04.2022
59.	59	SH. Satish Joshi	Satish_j@hotmail.com	9818846659	Domestic	DISCOMs	25.04.2022
60.	60	Sh. Brajesh Monga	C-18, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi 110 026	-	Domestic	DISCOMs	27.04.2022
61.	61	Sh. Arun Kaushik	Plot No. 165, Ground Floor, Block-G, Pkt-6 Sector C-7, Industrial Area, Narela	-	Domestic	DISCOMs	02.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
62.	62	Ms. Anju Kumari	B-154, Hari Enclave, Khasra-42 Delhi 110 041	-	Domestic	DISCOMs	29.04.2022
63.	63	Sh. Amit Kumar	Shop – 59 , DDA Market Shakurpur, Delhi	-	Domestic	DISCOMs	29.04.2022
64.	64	Sh. Vikrant Nayak	Plot No. 5, 2nd Floor, C-Block, Patel Nagar, New Delhi 110 008	-	Domestic	DISCOMs	29.04.2022
65.	65	Sh. Rajinder Jindal Hony.General Secretary	All India Federation of Plastic Industries Suite No. 17, (Ist Floor)40, D.L.F Industrial Area, Kirti Nagar, New Delhi 110 015	9810079904	Industrial/ Commercial	DISCOMs	26.04.2022
66.	66	Sh. Arun Kumar Datta	222, Pocket-E, Mayur VIhar Phase II Delhi 110 091	-	RWA	TPDDL	06.05.2022
	66A	Sh. Arun Kumar Datta	222, Pocket-E, Mayur VIhar Phase II Delhi 110 091	-	RWA	BYPL	08.05.2022
67.	67	Sh. Rakesh Jain Secretary	Vikrant Tower Owners Association carebio@gmail.com	9312537622	RWA	DISCOMs	27.04.2022
68.	68	Sh. Sushant Gaur	Pitampura BSES Power Ltd. Area Sushi.gaur1948@gmail.com	-	Domestic	DISCOMs	09.05.2022
69.	69	Sh. Atul Kumar Goyal	14A/23, WEA, Karol Bagh, New Delhi 110 005 Atulkumargoyal9@gmail.com	-	Domestic	BRPL	03.05.2022
70.	70	Sh. Prashant Chavan	P.S. Chavan & Co. Chartered Accountants, 17/212, Ramkrishna Nagar, Swami Vivekanand Road, Khar (West) Mumbai 400 052 Prashant.pscl07@gmail.com	-	Domestic	DISCOMs	25.04.2022
71.	71	Sh. Saurabh Gandhi	United Residents of Delhi (URD)	7503141516	RWA	DISCOMs	04.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
		Gen. Secretary	C6/7 Rana Pratap Bagh, Delhi 110 007				
	71A	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi (URD) C6/7 Rana Pratap Bagh, Delhi 110 007	7503141516	RWA	TPDDL	10.05.2022
72.	72	Sh. Hemanta Madhab Sharma	146(FF), Vinobapuri Lajpat Nagar-2 New Delhi 110 024 hemantahemanta@rediffmail.com	9810566869	RWA	BRPL	17.05.2022
73.	73	Sh. Manmohan Verma Chief Petron	C-1/128, Sector – 5, Rohini, Delhi 110 085 Mmverma.rwc@gmail.com	9540089600	RWA	DISCOMs	
74.	74	Sh. Nalin Tripathi Vice President	22-D Pocket C, Siddhartha Extension New Delhi 110 014 Nalin_ntlaw@yahoo.co.in	9810036122	RWA	BRPL	10.05.2022
75.	75	Sh. B.B. Tiwari	sarwasharpan@gmail.com	-	RWA	BRPL	10.05.2022
			sarwasharpan@gmail.com	-	RWA	TPDDL	11.05.2022
	75A	Sh. B.B. Tiwari	sarwasharpan@gmail.com	-	RWA	BYPL	11.05.2022
	75B	Sh. B.B. Tiwari					
76.	76	Sh. Yashpal	Sector-3/G-27/152 Rohini, Delhi	9818702630	Domestic	TPDDL	
77.	77	Sh. Narender Vashisht Gen. Secretary	D-26/15, Street No. 4-C, Guru Gobind Singh Marg, Anand Parbat Indl. Area, New Delhi 110 005	9811261601	Indl. Area	DISCOMs	05.05.2022
78.	78	Sh. Pankaj Gupta Gen. Manager	Delhi Metro Rail Corporation ltd. Metro Bhawan, 13, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	-	Industrial Area	BRPL	10.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
	78A	Sh. Pankaj Gupta Gen. Manager	Delhi Metro Rail Corporation ltd. Metro Bhawan, 13, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	-	Industrial Area	BYPL	10.05.2022
	78B	Sh. Pankaj Gupta Gen. Manager	Delhi Metro Rail Corporation ltd. Metro Bhawan, 13, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	-	Industrial Area	TPDDL	10.05.2022
79.	79	Sh. Abhishek Srivastava	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma Delhi 110 032	-	DISCOM	IPGCL PPCL	09.05.2022
	79A	Sh. Abhishek Srivastava	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma Delhi 110 032	-	DISCOM	DTL	10.05.2022
	79B	Sh. Abhishek Srivastava	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma Delhi 110 032	-	DISCOM	DTL	12.05.2022
80.	80	Sh. Kanishk Khetterpal DGM	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019	-	DISCOM	IPGCL PPCL	10.05.2022
	80A	Sh. Rajul Aggarwal Head Regulatory Affairs	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019	-	DISCOM	DTL	17.05.2022
81.	81	Sh. Peyush Tandon	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lane Kinngsway Camp Delhi 110 009	-	DISCOM	DTL	05.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
	81A	Sh. Peyush Tandon	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lane Kinngsway Camp Delhi 110 009	-	DISCOM	PPCL	06.05.2022
	81B	Sh. Peyush Tandon	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lane Kinngsway Camp Delhi 110 009	-	DISCOM	IPGCL	05.05.2022
82.	82	Sh. Mukesh Sood	RWA Green Flats Rajouri Garden New Delhi 110 027	-	RWA	BRPL	10.05.2022
83.	83	Sh. S.S. Bhatia	DDA Markets Joint Action Committee, 152, Pkt G-27, Sector-3 Rohini Delhi 110 085 Dmjacdelhi2006@gmail.com	9971671919 9818534672	RWA	DISCOMs	09.05.2022
84.	84	Sh. Brijesh Mathur	Mathur.b@gmail.com	-	Domestic	DISCOMs	11.05.2022
85.	85	Sh. Jogendra Behera CRO & VP (Regulatory & Market Economics)	Indian Energy Exchange C-001/A/1, 9th Floor Max Tower, Sector 16B Noida, Gautam Buddha Nagar, Uttar Pradesh 201301 Kshitij.Dhingra@iexindia.com	0120-4648100	Commercial	DISCOMs	13.05.2022
86.	86	Sh. Praveen Gupta Joint Secretary	Brotherhood Society (RWA) Model Town Delhi 110 009 prakaand@gmail.com	9899296833	RWA	BYPL	10.05.2022
87.	87	Sh. Dhani Ram	D/16-303, Sector-7 Rohini, Delhi 120085	-	RWA	BYPL	11.05.2022
	87A	Sh. Dhani Ram	Cgdhaniram@gmail.com	-	RWA	BRPL	11.05.2022
88.	88	Sh. Vijender Gupta	Deputy Ganj Sadar Bazar Residence Welfare Association	9811300379	RWA	DISCOMs	11.05.2022

Sr. No.	R. No.	Name	Address	Contact No.	Category	Company/ Licensee	Date of Receipt
			4617, Deputy Ganj, Sadar Bazar Delhi 110 006 Vijendergupta57@gmail.com				
89.	89	Sh. Arpan Hedge	Apran.hedge1970@gmail.com	-	Domestic	BRPL	14.05.2022
90.	90	Sh. Harmeet Singh President	2462, Basti Punjabian, Roshanara Road, Subzi Mandi Delhi 110 007	9873364739	RWA	TPDDL	10.05.2022
91.	91	Sh. Yash Tandon	Yashtandon151996@gmail.com	-	Domestic	DISCOMs	27.04.2022
92.	92 92A 92B 92C	Sh. Ashok Kumar General Manager (C&RA) Sh. Ashok Kumar General Manager (C&RA) Sh. Ashok Kumar General Manager (C&RA) Sh. Ashok Kumar General Manager (C&RA)	33KV Grid S/Station Building, IP Estate, New Delhi 110 002 33KV Grid S/Station Building, IP Estate, New Delhi 110 002 33KV Grid S/Station Building, IP Estate, New Delhi 110 002 33KV Grid S/Station Building, IP Estate, New Delhi 110 002	- -	Transmission Transmission	BYPL BRPL NDMC TPDDL	19.05.2022 19.05.2022 19.05.2022 19.05.2022
93.	93	Sh. Balkishan Gupta President	House No. 1449/204, 30 Futa Road Durga Puri Loni Road, Shahdara, Delhi 110 093	9212721361	RWA	DISCOMs	20.05.2022

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE VIRTUAL PUBLIC HEARING FOR THE PETITION FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2020-21

Sr. No.	Name	Address
1	CA Sanjay Gupta	RWA Model Town
2	Sandeep Kapoor	Narela Reloction Industrial Welfare association
3	Dr. Mohanthi Prasad Yadav	RWA
4	Dr. Pradeep Gupta	Domestic Consumer
5	Bhanu Singh Bishnoi	Domestic Consumer
6	Saurabh Gandhi	United Residence oF Delhi (URD)
7	Manmohan Verma	EWS Residence Welfare Association
8	B. B. Tiwari	United Residence oF Delhi (URD)
9	Pankaj Agarwal	RWA Joint Front
10	Rajesh Kumar Dokwal	Domestic Consumer
11	Sarbajit Roy	India Against Corruption
12	Chandra Pal Singh	RWA Jyoti Sadan
13	Chetan Sharma	GK II Complex RWA
14	Mukesh Sood	RWA Mig Green Flats, Rajouri Garden
15	Manoj Kumar	RWA Sangam Vihar
16	Brijesh Mathur	Domestic Con
17	Peyush Tandon	TPDDL
18	Dr. M. K. Aggarwal	RWA Balbir Nagar Ext, Shahdara
19	Balkishan Gupta	RWA Durgapuri, Shahdara
20	Ashok Kumar	Delhi Transco Limited
21	Sumesh Lilothia	RWA Sadar Bazar
22	Arun Kumar Dutta	Domestic Consumer & RWA
23	Harsh Arya	DMRC
24	Surendra Kumar Gupta	DMRC
25	Anil Kumar Jha	RWA Mandawali
26	Alok Vasudeva	RWA Prasad Nagar
27	Sanjeev Kumar Gupta	Domestic consumer
28	Gurdip Singh	RWA MTA
29	Chandrakant Shrivas	DMRC
30	Somya Tripathi	DMRC
31	Ritu Bhatia	Mahila pragatisheel Association
32	Pankaj Gupta	DMRC
33	Kunwar Pratap Singh	Bhajanpura jan sanhyog sabha Ragd.
34	Khalid Mubeen	RWA Ahata
35	H.P.Singh Sehrawat	Pitampura
36	Satya Prakash	RWA Basti Julahan
37	Jag Mohan	Saini Coop. House Building Society
38	Ajay Gupta	Media
39	Shailender Khatri	Rajpura Gurmandi RWA
40	Rajan Asthana	RWA - SG Dilshad Garden
41	Kapil Verma	RWA, Dilshad Garden
42	Puneet Goel	RWA Gali Nathan Singh

Sr. No.	Name	Address
43	Narender Chhabra	CHHABRA ELECTRONICS, Damodar Park Indl. Area
44	Prakash Mathur	RWA R Block Dilshad Garden
45	Rohit Arora	East Delhi RWA
46	Raj Rani Sharma	RWA, EAST END ENCLAVE
47	Pradeep Arora	Domestic
48	Rajul Agarwal	BRPL
49	Kanishk Khetterpal	BRPL
50	Mayank Ahlawat	BRPL
51	Amit Joshi	BRPL
52	Archana Singh	BRPL
53	Monika Dhyani	BRPL
54	Ravi Kalra	BRPL
55	Akash Gupta	BRPL
56	Vishnu Kumar	BRPL
57	Gaurav Thapan	BRPL
58	Rajesh Bansal	BRPL
59	Surya Shankar Banerji	BRPL
60	Raj Arora	BRPL
61	B.S.Vohra	East Delhi RWA Bhagidari
62	Rajiv Kakria	RWA GK
63	Rajeev Chowdhury	BYPL
64	Prachi Jain	BYPL
65	Abhishek Srivastava	BYPL
66	Vikas Dixit	BYPL
67	Sameer Singh	BYPL
68	Brajesh Kumar	BYPL
69	Garima Belwal	BYPL
70	Deepak Benjamin	BYPL
71	Lalit Mohan Sharma	RWA
72	Anita Juyal Sharma	Domestic
73	Shehzad Amhad	Domestic
74	Anil Bhardwaj	Domestic
75	Nice Johney	RWA
76	Rajesh Aggarwal	Shahdara RWA
77	Hemant Madhab Sharma	Domestic Consumer
78	Sat Goel	Domestic
79	Manmohan Verma	RWA
80	Rajendra Yadav	IPGCL
81	Rajendra Yadav	PPCL
82	Balram Choudhary	Domestic
83	Pawan Gour	RWA
84	RK Soni	RWA
85	DK Bhandari	RWA
86	Ashok Bhasin	Domestic
87	Chandermohan kapahi	Domestic
88	Chander Mohan Jain	Power and energy consultants pvt. Ltd.
89	Mahesh Kumar Mittal	NDMC
90	Lalit Chopra	NDMC

Sr. No.	Name	Address
91	A W Ansari	NDMC
92	Sandeep Gaur	NDMC
93	Chanda Sharma	NDMC
94	Sanjay Kumar	Domestic