दि वि वि आ

D E R C

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(2042)/DERC/2022-23

Petition No. 63/2022

In the matter of: **Petition for True up of expenses for FY 2021-22.**

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001 **...Petitioner/Licensee**

Coram:
Sh. Ram Naresh Singh, Member
Sh. Surender Babbar, Member

ORDER

(Date of Order:25.10.2025)

M/s New Delhi Municipal Council (NDMC) has filed the instant Petition for approval of True-up of expenses upto FY 2021-22. The Petition was admitted by the Commission *vide* Order dated 19.01.2023. 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.

The comments/suggestions of the stakeholders including the submissions made during the virtual public hearing held on 08.10.2024 & 09.10.2024 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers conferred under the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, this True-up Order is hereby passed and issued on this 25th day of October 2025.

(Surender Babbar)
Member

(Ram Naresh Singh)
Member

Contents

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 2021-22 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').

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.

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.

MULTI YEAR TARIFF REGULATIONS

1.5 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.

FILING OF PETITION FOR TRUE-UP OF FY 2021-22 FILING AND ACCEPTANCE OF PETITION

1.6 NDMC filed its Petition for the approval of Truing up of Expenses upto FY 2021-22 before the Commission on 4/11/2022.

1.7 The Commission admitted the Petition for True up of ARR for FY 2021-22 vide its Order dated 19/01/2023 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 19/01/2023 is enclosed as *Annexure I* to this Order.

1.8 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.

1.9 The Executive Summary and one-page snapshot Summary of True-up of FY 2021-22 was also prepared and uploaded on Commission's website (www.derc.gov.in) for quick glance of Tariff Petitions and for ease to consumers.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

1.10 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.

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

1.12 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 etc.

1.13 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.

1.14 The Commission decided to conduct Public Hearing for issuance of Tariff Order related to True up of FY 2021-22 and communicated the same through Public Notice published in leading newspapers on 10/09/2024 and also uploaded the same on Commission's website. Stakeholders were given additional time-period till 9/10/2024 or date of Public Hearing, whichever is later for submitting comments/suggestions on Tariff Petition filed by the utilities.

1.15 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 9/10/2024 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by Cash or by Demand Draft/Pay Order.

1.16 In order to extend help to the stakeholders in understanding the Petition and filing their comments, officers of the Commission viz. Executive Director (Engineering/Tariff), Joint Director (Tariff-Engineering), Joint Director (Tariff-Finance), Joint Director (Engineering), Deputy Director (Tariff-Economics) and

Deputy Directors (Tariff-Engineering) were nominated for discussion on the Petition. This was duly mentioned in the Public Notices published by the Commission.

1.17 The Commission decided to conduct Public Hearing virtually on 8/10/2024 & 9/10/2024 on Tariff Petitions for True Up of FY 2021-22.

1.18 Accordingly, the Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2021-22 on 8/10/2024 & 9/10/2024 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

1.19 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.

1.20 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 2.

1.21 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.

PUBLIC NOTICE

1.22 The Commission published Public Notice in the following newspapers inviting comments/suggestions from stakeholders on the Tariff Petition filed by the Petitioner latest by 10/07/2023 or the date of Public Hearing, whichever is later:

(a)	Hindustan Times (English)	:	13/06/2023
(b)	The Times of India (English)	:	13/06/2023
(c)	The Hindu (English)	:	13/06/2023
(d)	Dainik Jagran (Hindi)	:	13/06/2023
(e)	Navbharat Times (Hindi)	:	13/06/2023
(f)	Punjab Kesari (Hindi)	:	13/06/2023

(g)	Jadid-In-Dinon (Urdu)	:	13/06/2023
(h)	Jan Ekta (Punjabi)	:	13/06/2023

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

1.24 The Commission issued Public Notice in the following newspapers *(on dates mentioned alongside)*, indicating the date and time of Virtual Public Hearing scheduled on 8/10/2024 & 9/10/2024 for comments by stakeholders on the Tariff Petition filed by the Petitioner latest by 9/10/2024 and also indicated the conducting of Virtual Public Hearing.

(a)	Hindustan Times (English)	:	16/09/2024
(b)	The Times of India (English)	:	16/09/2024
(c)	The Hindu (English)	:	16/09/2024
(d)	Navbharat Times (Hindi)	:	16/09/2024
(e)	Punjab Kesari (Hindi)	:	16/09/2024
(f)	Dainik Jagran (Hindi)	:	16/09/2024
(g)	Jadid-In-Dinon (Urdu)	:	14/09/2024
(h)	Jan Ekta (Punjabi)	:	16/09/2024

1.25 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	8/10/2024 & 9/10/2024
Timings	11:00 AM to 02:00 PM
Last date for registration	4/10/2024 at 05:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

LAYOUT OF THE ORDER

1.26 This Order is organized into following Chapters:

a) ***Chapter 1*** provides details of the Tariff setting process and the approach of the Order.

b) ***Chapter 2*** provides brief of the comments of various stakeholders, the Petitioner's response and views of the Commission thereon.

c) ***Chapter 3*** provides details/analysis of the True up of FY 2021-22 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.

1.27 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 2021-22.

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

APPROACH FOR TRUE UP OF FY 2021-22

1.28 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."

1.29 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."

1.30 Accordingly, ARR for FY 2021-22 has been Trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2019.

CHAPTER 2: RESPONSE FROM THE STAKEHOLDERS, PETITIONER'S RESPONSES AND COMMISSION'S VIEWS

RESPONSE FROM STAKEHOLDERS

2.1 In pursuance of the invitation of comments by the Commission from the stakeholders, the comments were received from the stakeholders in respect of True-up Petition for FY 2021-22 as well as ARR Petition for FY 2023-24. However, as the Commission in this Order is only Truing-up for FY 2021-22, the comments related to the True-up Petition for the FY 2021-22 only have been dealt with in this Chapter.

2.2 Summary of objections/suggestions from stakeholders, response of Tata Power Delhi Distribution Limited (TPDDL) and the Commission's view.

INTRODUCTION

2.3 Section 64(3) of the Electricity Act, 2003, stipulates that the determination of the 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.

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

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

2.6 The Commission decided to conduct Public Hearing Virtually (through Google-Meet), for the issuance of the True-up Order of FY 2021-22 and communicated the same through Public Notice published in leading newspapers and uploaded the same on the Commission's website.

2.7 The Commission, vide its Public Notice dated 10/09/2024, scheduled Public Hearing on True up Petitions of FY 2021-22 on 8/10/2024 & 9/10/2024 to take a final view on various issues concerning the principles and guidelines for Tariff Determination.

2.8 Accordingly, all stakeholders were given additional time-period until 9/10/2024 to submit comments/suggestions on additional information filed by the utilities.

2.9 The comments/suggestions of various stakeholders, the replies/responses by the Petitioner and the views of the Commission are summarized under various subheads below.

ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS

STAKEHOLDER'S VIEW

2.10 The Commission is requested to forward/dispatch copy of Petitions free of cost for deliberation.

2.11 Petitions of DISCOMs have to be admitted by the Commission only after prudence check of the Petitions. It is observed that the DISCOMs have submitted the Petitions without Audited Balance Sheet.

PETITIONERS' RESPONSE

TPDDL

2.12 Executive Summary of the Tariff Petitions of DISCOMs for True up of FY 2021-22 and ARR for FY 2023-24 are uploaded on the website of the Commission (www.derc.gov.in) under the head *"ARR/True-up/MYT Petitions".*

2.13 Copy of Tariff Petitions of the DISCOMs are available on the website of the Hon'ble Commission (www.derc.gov.in) under the head *"ARR/True-up/MYT Petitions".* Tata Power-DDL's petition for True up of FY 2021-22 and ARR for FY 2023-24 is also available on its website (www.tatapower-ddl.com).

BYPL

2.14 Purchase cost of Publication of Rs.100 for a copy of Petition and Rs.25 for soft copy of Petition is fixed by the Commission in its Public Notice. Any change in the cost of the Petition is the sole prerogative of the Commission.

2.15 Highlights of the Petition are uploaded on the Commission's website as a single page snap-shot for summary of True - up of FY 2021 - 22 & ARR for FY 2023 - 24 which includes the summary for all the DISCOMs. In addition to the above, BYPL has also submitted the executive summary of the Petition in Chapter 1B. The stakeholders may also refer to this section for highlights of the Petition.

BRPL

2.16 Purchase cost of Publication of Rs.100 for a copy of Petition and Rs.25 for soft copy of Petition is fixed by the Commission in its Public Notice. Any change in the cost of the Petition is the sole prerogative of the Commission.

2.17 Highlights of the Petition are uploaded on the Commission's website as a single page snap-shot for summary of True - up of FY 2021 - 22 & ARR for FY 2023 - 24 which includes the summary for all the DISCOMs. In addition to the above, BRPL has also submitted the Executive Summary of the Petition in Chapter 1B. The stakeholders may also refer to this section for highlights of the Petition.

NDMC

2.18 NDMC does not commented on the issue.

COMMISSION'S VIEW

2.19 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 respective Petitioner head-office on working day till 10/07/2023 between 11 A.M. to 4 P.M. on payment of Rs. 100/- either by cash or by demand draft/pay order.

2.20 For ease of the consumers, Executive Summary of Tariff Petitions which is being a brief summary of the highlights and salient features of the Tariff Petition was uploaded on Commission's website. Further, a one-page snapshot summary of True-up of FY 2021-22 was also prepared and uploaded at the DERC website for quick glance of the Tariff Petitions.

ISSUE 2: O&M EXPENSES

STAKEHOLDER'S VIEW

2.21 The Ckt KM stated by DISCOM in the Petition is manipulatively high and needs to be scrutinized with the help of GIS.

2.22 As per the Financial Statement of FY 2021-22, Income from other Business earned by the Company is Rs. 65.86 Crore and after claiming expenses of Rs. 30.30 Crore and post other adjustment (Table 3.39 & Table 3.40) it offered only Rs. 10.33 Crore for NTI.

Since, the expenses of Rs. 39.30 Crore is already included in O&M Expenses by not separately disclosed in Other Expenses (Note 33 of the Financial Statements 2021-22), hence, it was already taken into consideration while calculating Normative O&M. Thus, the same should not be allowed again to the Company.

PETITIONERS' RESPONSE

TPDDL

2.23 While setting the Normative O&M expenses in DERC (Business Plan) Regulations, 2019, which is applicable for FY 2020-21 to FY 2022-23, the Commission has not included the direct other business expenses for deriving the base year expenses. Therefore, Normative O&M Expenses of Tata Power-DDL doesn't include the Direct Expenses related to Other Business Income and is to be allowed over and above the normative expenses. For expenses of other business, please refer Note 37 of the Financial Statement for FY 2021-22.

BRPL

2.24 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 consumers.

BYPL

2.25 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 consumers.

NDMC

2.26 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 consumers.

COMMISSION'S VIEW

2.27 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 of this True up Order .

ISSUE 3: POWER PURCHASE COST & ENERGY SALES

STAKEHOLDER'S VIEW

2.28 In the Year FY 2021-22, NDPL Solar has supplied 2 MU at Rs. 8.50/Unit, which was very high as compared to solar power from SECI plants. The power purchase cost from Tata Solar Power Plant must be reduced from Rs. 8.25/Unit to Rs 3.50/Unit or TPDDL may be advised not to inject power from Solar plant.

2.29 Sasan UMPP supplied Power at the rate of Rs. 1.46/Unit in FY 2021-22 against the discovered tariff of Rs. 1.15/Unit. The same rate should be considered for True-up & ARR.

2.30 The units under Enforcement Sales should be calculated as per the DERC Supply Code which is two times of the normal rate of supply.

2.31 DISCOM fails to claim the rebate on Power Purchase Cost even after the Commission allows the Working Capital equivalent to 2 months revenue minus one month Power Purchase and Transmission cost. As per estimate, DISCOM have surplus revenue of 125% all the time. As per Petition, DISCOM availed only Rs. 20.66 Cr. rebate against the normative rebate of Rs. 73.6 Cr. The failure of the Discoms to collect Rs. 53 Cr was due to their mismanagement of funds and hence shall be added to revenue collection. The power purchase cost of DISCOM shall be considered as Rs. 3379 Cr.

2.32 DISCOMs projected huge revenue gap and proposed hike in PPAC. Delhi need to arrange own generation, or option to sign PPA with other developers like Adani, Azure, Badla, SECI need to be explored.

PETITIONER'S RESPONSE

TPDDL

2.33 The rates for respective solar plants of Tata Power-DDL are as per the Tariff Order of the Commission for respective Solar Plants.

BYPL

2.34 The DISCOM has submitted the Petition as per the Provisions of Business Plan Regulation 2019, Business Plan Regulation, 2023 & Tariff Regulation, 2017. The revenue gap has been created after considering all the provisions of the aforesaid Regulations. With regard to Power Purchase cost, the DISCOM has sourced its power requirement through mix of long term and short-term sources to meet the demand in its licensed area. The power procured under long term PPAs through Long term which are owned by Central Government (like NTPC, NHPC), State Generating Stations (Pragati Power, Indraprastha) which are owned by State Government, IPP and JVs and any shortfall during the year is sourced through power exchange, bilateral & banking.

BRPL

2.35 Power Purchase Cost (which includes cost billed by to Generating Companies for availing supply of power and transmission charges billed to Transmission Companies for use of transmission lines) is a major component of BRPL's ARR and constitutes ~ 80% of the of the total ARR. This has been admitted by the Commission in its own Public Awareness Bulletin available on this Commission's website as also published in national dailies from time to time.

2.36 As such, any payments to be made by BRPL to the Transmission Companies such as DTL are directly dependent on such cost being allowed by the Commission by way of a cost-reflective tariff in a timely manner.

2.37 The DISCOM has submitted the Petition as per the Provisions of Business Plan Regulation 2019, Business Plan Regulation, 2023 & Tariff Regulation, 2017. The revenue gap has been created after considering all the provisions of the aforesaid Regulations.

2.38 With regard to Power Purchase cost, the DISCOM has sourced its power requirement through mix of long term and short-term sources to meet the demand in its licensed area. The power procured under long term PPAs through Long term which are owned by Central Government (like NTPC, NHPC), State Generating Stations (Pragati Power, Indraprastha) which are owned by State Government, IPP and JVs and any shortfall during the year is sourced through power exchange, bilateral & banking.

COMMISSION'S VIEW

2.39 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.

2.40 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 endeavor 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.

2.41 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.

2.42 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."

ISSUE 4: AT&C LOSSES

STAKEHOLDER'S VIEW

2.43 Distribution Loss of NDMC is very high in comparison to the lower area of operation. NDMC should focus on reducing the same.

PETITIONER'S RESPONSE

TPDDL

2.44 The issue does not pertain to TPDDL.

BRPL

2.45 The issue does not pertain to BRPL.

BYPL

2.46 The issue does not pertain to BYPL.

NDMC

2.47 NDMC did not reply.

COMMISSION'S VIEW

2.48 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

2.49 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.

2.50 The target for Distribution losses for the control period from FY 2020-21 till FY 2022-23 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.

2.51 The DISCOMs are given incentives if the Distribution Losses are reduced below the target fixed. Any financial impact on account of under achievement with respect to the distribution loss target shall be to the account of Distribution Licensees. 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 5: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDER'S VIEW

2.52 As per the proposal, 50 K smart meters were to be installed by utilities before end of their term.

2.53 DERC is requested to monitor the status of Cement Poles in Power Distribution. Cement Poles are overloaded with different cables and are in service beyond their lifespan. Audit to be undertaken for corrective actions to ensure safety. The Cross Subsidy concept is not correct. There should be no Cross Subsidies as they will harm the system.

2.54 Capital Asset Verification of all the DISCOMs shall be done, which is long pending issue.

PETITIONER'S RESPONSE

TPDDL

2.55 No replies received from TPDDL for respective comments.

BYPL

2.56 The DISCOM submits that the Ministry of Power vide notification dated 23/05/2022 has directed that all consumers (other than agricultural consumer) to be metered with smart meters by 31/03/2025. Hence, DISCOMs are bound by statutory obligation of Government of India (GoI). Further, the proposal for installation of smart meters is already submitted by BYPL to the Commission and the same shall be installed only after approval.

BRPL

2.57 The DISCOM submits that the Ministry of Power vide notification dated 23/05/2022 has directed that all consumers (other than agricultural consumer) to be metered with smart meters by 31/03/2025. Hence, DISCOMs are bound by statutory obligation of

Government of India (GoI). Further, the proposal for installation of smart meters is already submitted by BRL to the Hon'ble Commission and the same shall be installed only after approval.

NDMC

2.58 The party is not in NDMC area.

COMMISSION'S VIEW

2.59 The installation of smart meters have 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.

2.60 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.

ISSUE 6: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.61 The Commission needs to do a physical verification of Regulatory Assets booked by DISCOMs which include verification of related party transaction and tendering process. Furthers, Forensic audit of DISCOMs may be done to check the correct Regulatory Asset.

2.62 DMRC may be exempted from payment of regulatory surcharge, since they are not contributing to the revenue gap of DISCOM.

2.63 DISCOMs stress on time bound recovery of regulatory assets but resist application of RTI Act.

2.64 DTL requested the Commission to disallow BRPL & BYPL to collect 8% surcharge from consumers till they pay their dues to DTL. Further, DTL requested to open escrow account in which all the receivable of DISCOM should be deposited.

PETITIONER'S RESPONSE

TPDDL

2.65 Regulatory Assets got created due to the non-cost reflective Tariff for previous years. Thus, in order to fund the Regulatory Assets, TPDDL is availing loans from the market and paying interests 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 at least 15%.

2.66 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.

2.67 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.

2.68 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.

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

2.70 Regulatory surcharge is levied to recover the carrying cost of Regulatory Assets built up during the last 15 years due to non-cost reflective tariff. DMRC was also part of the consumers where the tariff was non-cost reflective and hence cannot be exempted from the Regulatory surcharge.

BYPL

2.71 The DISCOM has been facing an imminent cash-flow crunch due to unrecovered expenses primarily on account of regulatory assets and requested the Hon'ble Commission to provide a cost reflective tariff. Further, as per Tariff Policy, 2016, the

Regulatory Assets along with carrying cost if created as a very rare exception in case of natural calamity or force majeure conditions, is to be recovered within a period of maximum 7 years. Ministry of Power in its recent Letter No. F.No.07/01/2021-RCM-Part (1) dated 11th November, 2022 has directed all SERCs/JERC/s of all the States/UTs for provision of Electricity Act, 2003 and Tariff Policy and directions of the Hon'ble Tribunal and the Hon'ble Supreme Court. The Ministry of Power has specifically stated that :-

> *"It is observed that large Regulatory Assets have been created by some Commissions, without specifying the mandatory trajectory for recovery of such Regulatory Assets. This is in contravention of the law. The State Commissions are required to comply with the provisions of the Electricity Act, 2003 and the Tariff Policy and lay down a trajectory for recovery of Regulatory Assets along with carrying costs. The State Commissions should also ensure that no fresh Regulatory Assets are created. The State Commissions should ensure that the provisions of the Electricity Act and the Tariff Policy, and directions of Hon'ble APTEL and Hon'ble Supreme Court are implemented.*
>
> *For the financial viability of the Distribution licensees and the whole power sector, it is essential that the Regulatory Assets are liquidated at the earliest. It is requested that the latest status of Regulatory Assets and the plan for liquidation of the same may be submitted to this Ministry within 30 days. This issues with the approval of Hon'ble Minister of Power & NRE".*

BRPL

2.72 The DISCOM states that there was no willful default in making payments to the power suppliers as it had achieved all operational performance targets set by the Commission over the years. In fact, the inability to make timely payments is on account of the vicious cycle of over-estimation of revenues and non-cost reflective tariff leading to substantial accumulation of Regulatory Asset *(recognized or pending recognition even after favorable orders or pending under litigation before various fora*). Therefore, there ought to be no penalty on BRPL who has been made to bear the burden of providing relief from tariff shock to the consumers.

2.73 As regards the contention that the Commission has also been allowing carrying cost and surcharge on the Revenue Gap / Regulatory Asset to BRPL, it is submitted that the carrying cost and surcharge for recovery of Regulatory Asset is to be allowed by the Commission to BRPL in terms of: -

a) Clause 8.2.2 of the statutory Tariff Policy, 2016 notified under Section 3 of the Electricity Act;

b) Judgments dated 11.11.2011 in OP No. 1 of 2011 *[2011 SCC OnLine APTEL 188](Paras. 65 & 66)* and 14.11.2013 in OP No. 1 and 2 of 2012 *[2013 SCC OnLine APTEL 137](Paras. 38 & 40)* of the Hon'ble Appellate Tribunal for Electricity *("Hon'ble APTEL")*; and

c) Order dated 15.12.2022 in MA Nos. 633-634 of 2022 passed by the Hon'ble Supreme Court.

2.74 Without prejudice to the above, it is submitted that the issue of recovery of Regulatory Asset and insufficiency of 8% surcharge has been raised by BRPL before this Commission, in matters before Hon'ble APTEL as well as before the Hon'ble Supreme Court.

2.75 On the issue of opening of LC in favor of DTL, considering the precarious financial condition of BRPL, for reasons not attributable to it as explained hereinabove, it is submitted that the issue of opening of LC was raised by DTL before the Commission in Petition No. 46 and 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 APTEL. As such, at this stage, DTL ought not to insist upon BRPL to open LC.

2.76 As regards the Liquidation Plan proposed by BRPL, it is submitted that: -

a) BRPL has made additional payments to DTL of Rs. 157.50 Crores, from June 2018 onwards which was in addition to the current dues payable, in order to demonstrate and establish BRPL's *bona fide* intent to pay the admitted dues of DTL on an 'ability to pay' basis. However, BRPL could not sustain the additional payments mainly due to reduction in Retail Tariff (on account of reduction in fixed charges) by the Hon'ble Commission in the Tariff Order dated 31.07.2019.

b) BRPL by its communications dated 02.07.2022 and 17.08.2022, without prejudice to its rights and contentions in proceedings pending in various fora, had proposed a consolidated and comprehensive One Time Settlement *("OTS")* plan for liquidation of overdues of Delhi Utilities.

2.77 In view of the above, it is submitted that BRPL has been taking proactive steps to liquidate the outstanding dues of DTL, while suffering on account of the non-cost reflective tariff determined by the Commission year-on-year. Aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. The Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.78 As regards the contentions of DTL qua alleged non-payment of dues / non-compliance with Orders of the Hon'ble Commission and the Hon'ble Supreme Court. It is submitted that: -

a) Carrying cost and surcharge for recovery of Regulatory Asset is being allowed by the Commission to BRPL in terms of Clause 8.2.2 of the statutory Tariff Policy, 2016 notified under Section 3 of the Electricity Act and directions of Hon'ble APTEL and Hon'ble Supreme Court, and the same cannot be linked to payment of alleged outstanding dues of DTL.

b) Without prejudice to the above, the surcharge of 8% for recovery of Regulatory Asset being allowed to BRPL by the Hon'ble Commission is inadequate as itself acknowledged by the Hon'ble Commission in its Statutory Advise dated 01.02.2013 given to the GoNCTD under Section 86(2)(iv) of the Electricity Act wherein it was *inter alia* noted that M/s. SBI Capital Markets Ltd. in their presentation have assessed that liquidation of pending Revenue Gap will require a surcharge of 20% for BRPL and 25% for BYPL on the applicable tariff from 2012-13 up to 2018-19.Issue of insufficiency of 8% surcharge has been raised by BRPL before this Hon'ble Commission, in matters before Hon'ble APTEL as well as before the Hon'ble Supreme Court.

c) Similarly, any incentive accruing to BRPL is on account of its efficiency in performance and has no bearing on alleged non-payment of dues of DTL.

2.79 It is submitted that BRPL is entitled to retain any gains on account of its efficiency in terms of Regulation 152(d) of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 *(“Tariff Regulations, 2017”)*, especially when BRPL is already being prejudiced on account of the non-cost reflective tariff determination and accumulation of Regulatory Asset year-on-year. The aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

NDMC

2.80 NDMC did not reply

COMMISSION’S VIEW

2.81 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."

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

2.83 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.

2.84 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.

2.85 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.

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

2.87 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."*

2.88 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 7: PENSION TRUST

STAKEHOLDER'S VIEW

2.89 The DERC is requested to issue directions to the DVB Pension Trust to stop misusing the corpus of Pension Fund by disbursing excessive pension to the employees on a post achieved by them as extra promotion by opting for the Migration Scheme announced by BSES on 20-02-2009 or opting similar scheme announced by the employees of TPDDL.

2.90 Stakeholder requested to the Commission to initiate framing regulations for terms and conditions allowing lifetime Pension and terminal liability of personnel of DVB.

2.91 Pension Trust Surcharge should be withdrawn and all amount so charges may be refunded to the Consumers. It is entirely the liability of DISCOM to pay the Pension Trust Surcharge as per the Tripartite Agreement.

2.92 The DERC is requested to release an appropriate order to stop recovery of Pension Trust Fund.

2.93 It is entirely the liability of DISCOM to pay the Pension Trust Surcharge. The amount of the Pension Trust Surcharge may be adjusted against Regulatory Asset year wise.

2.94 The DERC is requested to augment the existing surcharge @7% regularized with the consultation of the Delhi Govt. to obviate any scope of dispute which has time and again raised by DISCOMs and RWA. (DVB Pensioner's association)

2.95 The Commission is requested to allow recovery in the ARR of TPDDL for FY 2023 – 24 on account of Pension Trust Payment for the pensioners till Regulations for Terms and Conditions allowing lifetime pension and terminal benefits liability of personnel of DVB are framed by the Commission to ensure regular flow of funds.

2.96 The Commission is requested to allow proportionate funding by TPDDL against Rs. 1,596 Cr. in the ARR of the three DISCOMs for FY 2023 -24 to the Pension Trust.

2.97 Pension Fund may be paid by the Government instead of burdening the consumers.

PETITIONER'S RESPONSE

TPDDL

2.98 The DERC is requested to transfer the responsibility of funding pension trust to the GoNCTD. The recovery from 7% Pension Trust surcharge should be diverted for liquidation of Regulatory Assets. The Commission had directed the GoNCTD to have a forensic audit of the Pension Trust conducted which has not been done till date. The responsibility solely lies with GoNCTD 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.

2.99 Further, 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 failed to conduct the actuarial valuation in terms of the statuary framework ordained for the functioning and funding of the Pension Trust.

2.100 While there is no Tariff hike in Delhi DISCOMs for past 7 years, Pension Trust surcharge has been increased from 3.8% to 7% resulting in Tariff increase for the end consumer.

2.101 DERC is requested to transfer the responsibility of funding pension trust to GoNCTD. The recovery from 7% Pension Trust surcharge should be diverted for liquidation of Regulatory Assets.

2.102 The Commission in the past is of the view that it does not have the power, jurisdiction to frame Regulations dealing with such kind of issues raised by stakeholder. The pension trust surcharge has been already allowed by the Commission for year on year basis and is recovered as per directions of the Commission for servicing the liabilities, pension of the Pension Trust.

2.103 Pension Trust Liability is a fixed amount. There was a reduction in energy sales in locked in lockdowns due to COVID-19 during the last three financial years. However, FY 2023-24 may not have such lockdowns and hence, increased energy sales are expected in this Financial Year.

2.104 Hence, lesser percentage billing may suffice to recover the same amount due to higher sales.

2.105 Therefore, we request the Commission to allow 30% of the collected Pension Trust Surcharge to be retained by DISCOMs in order to liquidate the Regulatory Assets.

BYPL

2.106 With regard to the 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 2017 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."*

2.107 As a result, the 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. Hence the Discom is levying Pension trust surcharge as per the rate determined by the Commission. Further, the determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission u/s 45 of the Electricity Act, 2003.

BRPL

2.108 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."*

2.109 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. Hence the Discom is levying Pension trust surcharge charge as per the surcharge rate determined by the Commission.

NDMC

2.110 No reply from NDMC.

COMMISSION'S VIEW

2.111 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.

2.112 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.

2.113 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.

2.114 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.

2.115 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.

ISSUE 8: OPEN ACCESS

STAKEHOLDER'S VIEW

2.116 The Commission should consider to allow DTL to adjust the STOA Charges against the huge total outstanding dues of DTL since October 2010 towards wheeling charges, while Truing-up of FY 2021-22 and in ARR of FY 2023-24, which is payable to BYPL by DTL. Capitalization Pending Electrical Inspector Certificate: -

a. The Claim of Rs. 331 Cr and the interest thereon must be rejected and is not a matter of law as emphasized by the Hon'ble Supreme Court.

b. There is no necessity of any reviewing AT&C loss which the Hon'ble Supreme Court refused to entertain. No claim of Rs. 70 Cr and interest of Rs. 363.01 Cr of the first control period can entertained.

c. Revision of True up expenses for R&M. This shall be based on actual availability of machineries.

2.117 The Commission should consider to allow DTL to adjust the STOA charges against huge total outstanding dues of DTL since October' 2010 towards wheeling charges, while truing-up of FY 2021-22 and in ARR of FY 2023-24, which is payable to BRPL by DTL.

2.118 DERC is requested that Integrated Contract Demand and corresponding admissible drawl should be applicable for DMRC, similar to the facility being extended by Delhi Transco to the DISCOMs, as DMRC is also connected at multiple power connection points.

PETITIONER'S RESPONSE

TPDDL

2.119 Tata Power-DDL follows the DERC (Supply Code and Performance Standards) Regulations, 2017 and Tariff Orders issued by the Commissions for the billing of the consumers. There is no concept of integrated contract demand and each connection of consumer is treated and serviced separately by distribution utilities.

BYPL

2.120 No replies received.

BRPL

2.121 As regards to the adjustment of STOA charges, it is submitted that credit of STOA charges to be refunded by DTL to BRPL on monthly basis is to be adjusted with current bills of DTL. DTL cannot be allowed to adjust the same with past alleged overdues, as directed by the Commission in Tariff Order dated 30.09.2021, as under: -

2.122 *"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

2.123 No reply from NDMC.

COMMISSION'S VIEW

2.124 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.

2.125 The Open Access Charges will be governed by Order dated 1/6/2017, 3/9/2021, 1/10/2021 & 10/04/2024 as amended from time to time.

2.126 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 9: TARIFF HIKE

STAKEHOLDER'S VIEW

2.127 There are different charges levied under different heads due to which the final tariff is so high. DERC is requested to review these charges. The charges are mentioned below:

1. Fixed charges having different slabs of sanctioned load.
2. Time of Day Charges
3. 8% Surcharge
4. Electricity Charge @5%
5. Pension Charge @7%

2.128 In absence of transparency, verification of claims at stake, action taken report on PAC report 2006 on privatization of power in Delhi, the consumers should not be punished by a hike in tariff.

2.129 Tariff revision is not linked to the consumer price index but the power purchase cost. In the absence of the data, the proposal is misleading and intends to hike the tariff.

2.130 The Commission may dismiss the petition filed by NDMC for enhancing the tariff as it is without any merits.

2.131 The Commission should review power tariff of Power DISCOMs since they are earning huge profits.

2.132 To make cost reflective tariff to ensure liquidation of revenue gap, timely recovery of costs in line with National Tariff Policy 2016 by increasing DRS from 8% to 20% and allow levy of 8% DRS on PPAC.

PETITIONER'S RESPONSE

TPDDL

2.133 Timely release of Tariff Order is an important element for recovery of ARR which ensures that the required revenue is recovered in timely manner without any carrying cost burden on consumers.

2.134 It was observed that there was delay in issue of last few tariff orders and Tariff Order was not issued for FY 2022-23 at all. Such delays not only impact the DISCOMs by non-recovery of actual cost but also lead to the unwarranted carrying cost burden on the

Consumers. Further, 85% - 90% cost of any Distribution Company is Power Purchase and O & M Expenses which are directly affected by the rise in Inflation. Increase in cost of Coal, Gas and Transportation direction impact the long term and short-term Power Purchase Cost. Though the PPAC formula covers the increase in long term power purchase cost to some extent however there is delay of at least 4 months from incurring the cost to its recovery. Besides, recovery is also limited up to maximum of 8.75% on Suo Motto Basis. There is considerable delay in recovery of rest of differential cost through adjudication of differential PPAC Petition. Further, Current PPAC mechanism doesn't include short term power purchase cost.

2.135 Further, the Commission also provides increase in yearly O & M expenses by linking it to Inflation. Hence, though the O & M expenses of Discom increases from 1st April of every year, the corresponding increase in Tariff is not reflected till Tariff Order is released.

2.136 Hence, the Commission is requested to issue Tariff Schedule for first year of control period and the Tariff of next financial years be based on the formula proposed for timely implementation and for better clarity to consumers as well as DISCOMs for long term planning. The adjustment in Tariff will occur once the True Up is completed and Tariff Order is issued.

2.137 There is no Tariff hike in Delhi DISCOMs for past 7 years, Pension Trust surcharge has been increased from 3.8% to 7% resulting in Tariff increase for the end consumer.

2.138 Currently the Tariff for all Consumer Categories is not cost reflective. This in turn have led to creation of Regulatory assets which have burdened the consumers with its carrying cost and the DISCOMs with cash flow issues. Hence, cost reflective tariff along with early liquidation of Regulatory Assets is in the interest of the consumers and the power sector of Delhi.

BYPL

2.139 Determination of electricity tariff to be charged from the consumer is the sole prerogative of the Commission u/s 45 of the Electricity Act, 2003.

BRPL

2.140 As a Distribution Company ("Discom"), the ARR of BRPL, and consequently the tariff to be recovered from the consumers, is regulated by the Commission, and determined under Section 62 read with Section 61 of the Electricity Act, 2003 *("Electricity Act")*. Since the tariff and the ARR are regulated, BRPL cannot recover any amount in tariff from its consumers other than what is allowed by the Commission in the Tariff Order.

2.141 The Discom submits that the determination of electricity tariff to be charged from the consumer is the sole prerogative of the Commission u/s 45 of the Electricity Act, 2003.

NDMC

2.142 No Response from NDMC

COMMISSION'S VIEW

2.143 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 like power purchase cost, O&M costs, CAPEX, financing cost, the gap in True up to FY 2021-22 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 10: TARIFF CATEGORY

STAKEHOLDER'S VIEW

2.144 The DERC is requested to declare Green Energy Tariff in order to achieve 100% renewable energy target.

2.145 CNG Stations to be considered under Public Utility Tariff Schedule as the Ministry of Labour and Employment has granted the Public Utility status to City Gas Distribution Companies, also requesting to help them in the green initiative.

2.146 The DERC is requested to consider electricity tariffs on Telecom Industry under Industrial Rates rather than the non-domestic/commercial rates.

2.147 The DERC is requested that Tariff under the Public Utility Category should be based upon actual cost of supply.

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

2.149 The DMRC requested to charge electricity tariff as per agreed principle of cost of serve for DISCOM at 220/66 kV. DMRC further requested to treat them as a separate category of consumers whose tariff would be based upon the actual cost of supply excluding both the subsidy and cross subsidy elements.

2.150 The DMRC is requested to reduce the tariff for Public Utility category.

2.151 The DERC is requested to put the pumping load and water treatment plant of MCD at par with DJB and the same may be kept under the head of Public Utilities.

2.152 The Commission may re-look in the tariff provision for Advocates and consider:

a) the Chamber of Advocates in the court Complex or outside the complex under domestic category; or
b) separate category for Advocates/Professional with tariff lower than non-domestic tariff; or
c) entire court complex including the chambers of advocates under Public Utility category; or
d) advocate chambers with upto 3 or 5 KW sanctioned load and consumption upto 1000 units per month under domestic tariff.

PETITIONER'S RESPONSE

TPDDL

2.153 Tariff Determination and Tariff Design for all consumer categories is the sole prerogative of the Commission.

2.154 The legislative framework relating to the electricity sector in India is provided by the Electricity Act, 2003. Section 174 of this Act specifies that the provisions of this Act shall have over-riding effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any law other than this Act. Hence, the Telecommunication (fixed network) and Telecom Towers have been given infrastructure status by the Government of India in the year 2012, may be beneficial for the growth of Telecom Sector but this cannot be the basis for seeking industrial Tariff of electricity.

2.155 Further, the State Electricity Regulatory Commissions have been given power to frame regulations under Section 181 of the Electricity Act 2003 with regard to methods and principles by which charges for electricity shall be fixed. Under Section 62(3) of the Act, it is for the State Electricity Regulatory Commission to decide as to under which category a consumer should be placed.

2.156 According to Section 61(g) of the said Act, tariff should reflect the cost of supply of electricity, and it should reduce cross-subsidies. The tariff is determined by adopting rationalization measures allowing almost equal tariff to all consumers barring a few, such as Agriculture and Domestic consumers. If consumers under the commercial Tariff category are brought under subsidized category, it would lead to increase in cross subsidy and would be in contravention to the provisions of the Act. Besides, the list of Infrastructure sub sectors notified by the Government of India in 2012 contains a number of subsectors and picking one out of the said list to give Industrial Tariff, would amount to discrimination to the other Infrastructure Sub-Sectors.

2.157 Telecom companies are profit making commercial enterprises. Any reduction in power tariff would add to the profits of these companies. Besides, if the Telecom Companies need to be subsidized, the Electricity Act, 2003 provides the provision of subsidy by State Government under Section 65.

2.158 Further, most of the State Electricity Regulatory Commissions have categorized Telecom infrastructure/ companies under commercial tariff category.

2.159 Moreover, valid Factory License shall be mandatory for applicability of Tariff under Industrial category as per the last Tariff Order issued on 30.09.2021 for Tata Power-DDL. It is further explained in the said Tariff Order that

> *"the Factory License for the purpose of applicability of industrial tariff shall mean the license or permission or authorisation or any other document issued or granted by Directorate of Industries or Ministry of Micro, Small and Medium Enterprises or MCD or any other Central or State Government Agency, as applicable, for running an Industry or Factory in respective field of operation."*

2.160 TPDDL is billing all of its consumers as per Tariff Order FY 2021 – 22. The Commission may decide the tariff differentiating it on the basis which have been provided for in the Electricity Act 2003, specifically under Section 62 (3) of the Act. However, tariff determination and design is the sole prerogative of the Commission.

2.161 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 & Commercial consumers.

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

2.163 The Commission had in Tariff Order for FY 2013-14 included the "Lawyer Chambers in Court Complexes" under Non-Domestic tariff. However, prior to that in the Tariff Order for FY 2011-12, the Commission had noted that it has already allowed domestic tariff for the professionals (including lawyers) who are using their residence for professional purposes in accordance with MPD 2021 and that in respect of the Chamber of the Lawyers in Court Complexes, the provision of professional services in the Chamber does not warrant domestic tariff.

BYPL

2.164 No replies received.

BRPL

2.165 No replies received.

NDMC

2.166 No replies received.

COMMISSION'S VIEW

2.167 Hon'ble APTEL in Appeal No. 195 to 2013, has remanded 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 considered in True-up of past period in Tariff Order dated 29/09/2015, as follows:

> *" Zero Billing – 195 of 2012*
>
> *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."

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

"(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."

2.169 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.

ISSUE 11: FIXED CHARGE

STAKEHOLDER'S VIEW

2.170 The DERC is requested to reduce fixed charges and instead of sanctioned load it may be charged on MDI Load.

2.171 DISCOM has not explained the basis of levying high Fixed Charges.

2.172 No fixed charges should be applicable on DMRC as no DISCOM network is used.

2.173 In regards FC and ECR to be recovered by DISCOMs from Consumers, the fixed charges of a consumer having load of 6 kW may be Rs. 290 but DISCOMs are collecting Rs. 600.

2.174 ECR and FC charges levied on consumers varies from DISCOM to DISCOM. As the choice of desired DISCOM is not provided to the consumer, uniform tariff across all DISCOMs may be devised.

PETITIONER'S RESPONSE

TPDDL

2.175 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.

2.176 The Recovery from fixed charges as per Tariff Order for FY 21-22 is only around 17% against around 60% fixed cost of the ARR.

2.177 In the interest of consumers and financial viability of the Delhi DISCOMs, the Hon'ble Commission is requested to kindly 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.

2.178 We also agree that fixed cost of DISCOM should be recovered from fixed charges of the consumer and hence the fixed cost of the consumer should be increased to match the recovery of fixed cost.

2.179 Fixed charges are part of Total tariff and is used for part recovery of fixed cost of DISCOMs. Further, the levy of Fixed charges is in line with Section 45(3) of the Electricity Act, 2003 and should not be exempted for any category of consumer.

2.180 The fixed charges are non-telescopic. i.e. charges are calculated as per the slab they fall in and not slab wise.

2.181 The 6 kW load will fall in the category of > 5kW and ≤ 15 kW for which the Fixed charges are Rs. 100/kW/month. Hence, for a 6 kW connection, charges of Rs. 100/kW/month are to be paid i.e. Rs. 600 and not Rs. 290/-.

2.182 Base Tariff i.e Fixed and Energy charges, notified by the Hon'ble Commission are till date uniform for all DISCOMs of Delhi and hence Tariff is same for all consumers of Delhi. Only Power Purchase Adjustment Charges (PPAC) vary from DISCOM to DISCOM in accordance to actual Power Purchase Cost.

2.183 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 Higher of Sanctioned load or Connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not.

2.184 DISCOM also need to establish its network in N-1 configuration to maintain the redundancy in electrical network in case of fault.

2.185 Further, the Peak of the different category of consumer varies in time and period and all consumer demand doesn't peak at same time and period. So Peaks for different types of consumptions do not occur simultaneously and hence network is to be maintained in accordance to local peak of network.

2.186 It is because of above reasons, the installed capacity of network is higher than that the peak load.

2.187 For all categories other than domestic, fixed charges are levied based on billing demand. For Domestic consumers, there is no timely updation by the consumer of enhanced load being used by them since there is no surcharge levied on excess load. This leads to excessive use of electricity which has a definitive impact on the electricity network. DISCOMs have to arrange for network augmentation since network has to be in conformity with load being supplied. Such excessive load at times leads to burning of meter and enhances consumer indiscipline.

2.188 Fixed charges for Domestic consumers if levied on billing demand will help recover costs according to the actual usage of the consumer. Also, the surcharge on excess load will help ensure discipline amongst Domestic consumers. We welcome this suggestion to bill fixed charges on billing demand.

BYPL

2.189 The determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission u/s 45 of the Electricity Act, 2003.

BRPL

2.190 No replies received

NDMC

2.191 No replies received.

COMMISSION'S VIEW

2.192 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.

2.193 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.

2.194 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.

2.195 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 12: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.196 BRPL has not remitted any amount to DTL against the Wheeling/Transmission Charges and therefore, no amount should be considered/ allowed by the Commission to BRPL towards transmission charges of DTL for FY 2021-22. Transmission Charges for FY 2023-24 was projected as Rs. 1466.40 Cr, however Bifurcation for intrastate Transmission was not provided by BRPL. Further, BRPL has not specified any roadmap for the payment of huge outstanding dues. DTL further requested to the Commission to direct BRPL to honour the Orders of Hon'ble Supreme Court at the earliest including LPSC @ 15%/18%.

2.197 BRPL in its True-up Petition for FY 2021-22 has considered 547.7 MU as Transmission Losses for FY 2021-22. However, BRPL 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 in the ARR Petition for FY 2023-24, BRPL has projected Intra-State Transmission Losses @0.88% i.e. 105.4 MU

2.198 BRPL is regularly defaulting the payments of the transmission charges of DTL. DERC is requested to take suitable decisions on carrying cost or any incentives being allowed to BRPL.

2.199 BYPL has not remitted any amount to DTL against the Wheeling/Transmission Charges and therefore, no amount should be considered/ allowed by Hon'ble Commission to BYPL towards transmission charges of DTL for FY 2021-22. Transmission Charges for FY 2023-24 was projected as Rs. 922.40 Cr, however Bifurcation for intrastate Transmission was not provided by BYPL. Further, BYPL has not specified any roadmap for the payment of huge outstanding dues. DTL further requested to the Commission to direct BYPL to honour the Orders of Hon'ble Supreme Court at the earliest including LPSC @ 15%/18%.

2.200 BYPL in its True-up Petition for FY 2021-22 has considered 368.9 MU as Transmission Losses for FY 2021-22. 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 in the ARR Petition for FY

2023-24, BRPL has projected Intra-State Transmission Losses @0.88% i.e. 75 MU

2.201 For FY 2021-22, TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-State Transmission Loss as 87.08 MU. Further in the ARR Petition for FY 2023-24, TPDDL has projected Transmission Loss @ 3.50 % for PGCIL and DTL as a whole, and has considered 100.61 MU towards the Intra-State Transmission Losses.

2.202 DERC should take necessary steps to ensure the timely recovery of huge outstanding transmission charges of DTL within the next 1-2 years. before the end of the license period of BRPL.

2.203 NDMC in its True-up Petition for FY 2021-22 has claimed Rs. 32.39 Crore towards Intra-State Transmission Loss / Charges, against the bills raised by DTL amounting to Rs. 44.98 Crore towards wheeling charges. However, NDMC has remitted only Rs. 26.94 Crore during for FY 2021-22 to DTL. Further, in the ARR Petition for FY 2023-24, NDMC has projected an amount of Rs. 45.00 Crore.

2.204 For FY 2021-22, the actual Intra-State Transmission Losses are 0.88% and NDMC has considered the Intra-State Transmission Loss as 12.25 MU. Further in the ARR Petition for FY 2023-24, NDMC has projected Transmission Losses as 0.88% i.e. 12.48 MU

PETITIONER'S RESPONSE

TPDDL

2.205 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:

1. 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.
2. For Inter State Losses:- Remaining difference is booked under Interstate head.

2.206 TPDDL has considered the total transmission loss at 3.5%. The same included both STU losses of 0.88% and CTU losses which generally varies in the range of 2.5% to 3.75%. Hence, it has been assumed that expected STU+CTU losses for the year may be around 3.5%. The same may change as per actual losses notified by CTU/STU.

BYPL

2.207 No replies received.

BRPL

2.208 BRPL has claimed total Transmission Charges of Rs. 1131.2 Crores including Rs. 262.30 Crores paid to DTL [Table No. 3A-23 & 3A-26 @ Pg. 131 to 134 of True Up Petition]. Notably, BRPL has been making payment of current dues of DTL for FY 2021-22in terms of Orders of the Hon'ble Supreme Court in W.P. (C) No. 104 of 2014, viz.: -

a) Order dated 26.03.2014 wherein the Hon'ble Supreme Court directed BRPL to make 100% payment of the current dues w.e.f. 01.03.2014 which will relate to the billing period from 01.01.2014, as under: -

"In our opinion, the suggestion made by Mr. Rohatgi is reasonable. This would avoid unnecessary delay on the ground that necessary information has not been given. Let the necessary questionnaire/proforma be given to the distribution companies within 10 days from today. The information would be furnished/ supplied by the distribution companies within 10 days thereafter to the DERC and within two weeks thereafter, the road map will be prepared by the DERC. In the meantime, the distribution companies will continue to pay the current payments to the generating and transmission companies with effect from 1st March, 2014 which will relate to the billing period from 1st January, 2014.

The interim order dated 7th February, 2014 with regard to no disconnection in the supply of electricity shall continue."

Order dated 26.03.2014 was continued by Orders dated 06.05.2014 and 03.07.2014.

b) Order dated 12.05.2016 wherein the Hon'ble Supreme Court directed BRPL to pay 70% of the current dues to Indraprastha Power Generation Co. Ltd. ("IPGCL"), Pragati Power Corporation Ltd. ("PPCL") and DTL (collectively "Delhi Utilities") as under: -

"We make it clear that till further orders, the alleged contemnors-respondents shall pay 70 per cent of the current dues".

2.209 Notably, BRPL has been making 100% payment of all current bills of DTL since November 2017, whereas Hon'ble Supreme Court has directed BRPL to pay 70% of the current dues. As on 30.06.2023, BRPL has already paid 101% of the current bills of DTL since January 2014 in terms of directions of Hon'ble Supreme Court.

2.210 It is ex-facie arbitrary on the part of DTL to contend that BRPL has not remitted any amount to DTL against Transmission / Wheeling Charges. Tabulated statement of the payments made by BRPL against the bills raised by DTL during FY 2021-22 in terms of Orders dated 26.03.2014 and 12.05.2016 of the Hon'ble Supreme Court and after considering adjustment of Subsidy released by the Government of NCT of Delhi ("GoNCTD") directly to DTL is as under:-

Table 2. 1 Status as on 30.06.2023 (Rs Crore)

TL	Total Dues – Post Jan 2014	Payments (January 2014 to June 2023)				Payment %
		Amount Paid including TDS	Subsidy	STOA Credit	Total Payments	
	A	B	C	D	(E = B+C+D)	F = E/A
Wheeling Charges	3,578	1,204	1,724	686	3,614	101%

Table 2. 2 : Payment of transmission bills for FY 2021-22 (Rs Crore)

DTL	Bill for FY 21-22	Payment			
		Through Subsidy	Cash & TDS	STOA Credit	Total Payment
Wheeling Charges	426.68	138.48	120.23	167.97	426.68
DTL SLDC	3.55	-	3.55		3.55
Total	430.23	138.48	123.79	167.97	430.23

2.211 The aforesaid is without prejudice to the rights and contentions of BRPL as regards the unlawful adjustment of Subsidy by the GoNCTD towards dues of DTL against the prescription of Section 65 of the Electricity Act.

2.212 In the ARR Petition, BRPL has projected total Transmission Charges of Rs. 1466.4 Crores [Table No. 2-49 @ Pg. 119 of ARR Petition] based on the escalation observed in the past trend. As regards bifurcation of Intra-State Transmission Charges during FY

2021-22, it is requested that Hon'ble Commission may be pleased to consider the actual data as submitted by the Delhi State Load Despatch Centre ("SLDC") while truing up for FY 2021-22.

2.213 As regards the alleged non-payment / delay in payment of Transmission / Wheeling Charges by BRPL, it is noteworthy that: -

a) BRPL has been making payments to DTL in terms of Orders dated 26.03.2014 and 12.05.2016 passed by the Hon'ble Supreme Court. Notably, by Order dated 26.03.2014, Hon'ble Supreme Court was pleased to direct BRPL to make payment of current dues with effect from 01.03.2014 which will relate to the billing period from 01.01.2014.

As such, any alleged dues of DTL prior to 01.01.2014 have been stayed by the Hon'ble Supreme Court and are subject to final adjudication of W.P. (C) No. 104 of 2014 and connected matters. Contention of DTL that BRPL is liable to pay alleged dues which have accumulated since October 2010 is contumacious and in the teeth of the Orders and directions of the Hon'ble Supreme Court.

2.214 As regards the contention that Commission has also been allowing carrying cost and surcharge on the Revenue Gap / Regulatory Asset to BRPL, it is submitted that carrying cost and surcharge for recovery of Regulatory Asset is to be allowed by the Hon'ble Commission to BRPL in terms of: -

a) Clause 8.2.2 of the statutory Tariff Policy, 2016 notified under Section 3 of the Electricity Act;
b) Judgments dated 11.11.2011 in OP No. 1 of 2011 [2011 SCC On-line APTEL 188](Paras. 65 & 66) and 14.11.2013 in OP No. 1 and 2 of 2012 [2013 SCC OnLine APTEL 137](Paras. 38 & 40) of the Hon'ble Appellate Tribunal for Electricity ("Hon'ble APTEL"); and
c) Order dated 15.12.2022 in MA Nos. 633-634 of 2022 passed by the Hon'ble Supreme Court.

2.215 Without prejudice to the above, it is submitted that the issue of recovery of Regulatory Asset and insufficiency of 8% surcharge has been raised by BRPL before this Hon'ble Commission, in matters before Hon'ble APTEL as well as before the Hon'ble Supreme Court.

2.216 Precarious financial condition of BRPL as also the inadequacy of 8% surcharge allowed by the Hon'ble Commission was admitted by the Hon'ble Commission itself in its Statutory Advice dated 15.12.2010 and 01.02.2013 issued under Section 86(2)(iv) of the Electricity Act to the GoNCTD.

2.217 In view of the above, it is submitted that the suggestions / contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Hon'ble Commission. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.218 Detailed submissions as regards opening of LC by BRPL in favor of DTL have been made hereinabove at Para. 3.2 which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.219 It is requested that Hon'ble Commission may be pleased to consider the actual data of Transmission Losses as submitted by the Delhi SLDC while truing up for FY 2021-22. Further, BRPL has projected 0.88% of Intra-State Transmission Losses as submitted by Delhi SLDC. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.220 As regards the contentions of DTL qua alleged non-payment of dues / non-compliance with Orders of the Hon'ble Commission and the Hon'ble Supreme Court, detailed submissions have been made hereinabove at Paras. 2 to 2.7 which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity.

2.221 On the issue of opening of LC in favor of DTL, considering the precarious financial condition of BRPL, for reasons not attributable to it as explained hereinabove, it is submitted that the issue of opening of LC was raised by DTL before the Hon'ble Commission in Petition No. 46 and 47 of 2013 wherein the Hon'ble 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 APTEL. As such, at this stage, DTL ought not to insist upon BRPL to open LC.

2.222 As regards the Liquidation Plan proposed by BRPL, it is submitted that: -

2.223 BRPL has made additional payments to DTL of Rs. 157.50 Crores, from June 2018 onwards which was in addition to the current dues payable, in order to demonstrate and establish BRPL's bona fide intent to pay the admitted dues of DTL on an 'ability to pay' basis. However, BRPL could not sustain the additional payments mainly due to reduction in Retail Tariff (on account of reduction in fixed charges) by the Hon'ble Commission in the Tariff Order dated 31.07.2019.

2.224 BRPL by its communications dated 02.07.2022 and 17.08.2022, without prejudice to its rights and contentions in proceedings pending in various fora, had proposed a consolidated and comprehensive One Time Settlement ("OTS") plan for liquidation of overdues of Delhi Utilities.

2.225 Proposed OTS plan has also been placed before the Hon'ble Commission for its guidance and imprimatur by way of Interim Applications in Review Petition Nos. 59 and 60 of 2019 which were disposed of on 15.09.2022 as under: -

2.226 "Heard Mr. Rahul Kinra, holding brief of Sr. Advocate, Mr. Bhatt. We have been informed that IPGCL and PPCL have filed an affidavit before this Commission categorically denying the willingness to participate in the reconciliation proceedings as proposed by the Commission on request of the Petitioner. Earlier also they had appeared and shown reluctance, today the affidavit is on record. Mr. Kinra has pleaded that he may be granted a week's time to consult his clients and the case may be fixed on the next date. However, after going through the contents of the IPGCL and PPCL, the Commission feels that this was an attempt for a reconciliation and the Commission had passed orders in a persuasive manner in the hope that the matter can be settled amicably in the interest of all the parties. However, if the other party has filed a categorical denial to the reconciliation proceedings, no rejoinder can be filed by the Petitioner. Ms. Kavya Shandilya, Counsel for DTL, has also submitted orally that as per the instructions they are not willing to come to the table for discussion. Mr. Kinra has pleaded vehemently that the matter should be kept pending but we feel it will be totally unnecessary as the prayer of the Petitioner is categorically denied. The interim relief applications bearing Nos. 3 and 4 of 2022, on which these reconciliation proceeding were sought to be started, stands disposed of. Disposal of these applications will not mean that the contentions of the Petitioner have been rejected or the stand of the opposite parties has been legally accepted."

2.227 The said Review Petitions are still pending before the Commission and were last listed on 15.11.2022 wherein the Commission had adjourned the hearing in the matters to 16.02.2023. However, the hearing on 16.02.2023 in the Review Petitions was adjourned due to the non-availability of the Commission, and the next date is to be informed in due course.

2.228 By its communication dated 14.11.2022, DTL has informed that the OTS is not tenable and cannot be entertained.

2.229 In view of the above, it is submitted that BRPL has been taking proactive steps to liquidate the outstanding dues of DTL, while suffering on account of the non-cost reflective tariff determined by the Commission year-on-year. Aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. The Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.230 It is requested that the Commission may be pleased to consider the actual data of Transmission Losses as submitted by the Delhi SLDC while truing up for FY 2021-22. Further, BRPL has projected 0.88% of Intra-State Transmission Losses as submitted by Delhi SLDC. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

NDMC

2.231 Did not provide any comment.

COMMISSION'S VIEW

2.232 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.

2.233 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.

ISSUE 13: E-BILL & ONLINE PAYMENT

STAKEHOLDER'S VIEW

2.234 The DERC is requested to make provision for DISCOMs to share paper bill rather than sharing e-bill.

2.235 Hard Copy of Electricity Bill must be provided to the consumers and option of payment by cheque though RWA drop box must be maintained.

PETITIONER'S RESPONSE

TPDDL

2.236 Hard copy of the bills are being provided to the consumers. At present, the bills are also being provided on email and whatsapp if the consumer so opts.

2.237 Soft copy of the bill provided on email or whatsapp has all the details as in the actual hard copy of the bill and can be viewed on smart phone or laptop/tablet. SMS are sent in addition and not in place of the soft copy of the bill.

2.238 Proposal to make e-bill mandatory for consumers with sanctioned load above 5 KW and for Zero Amount Payable bills was with the intention of saving trees (saving the environment), ease of access by consumer, time saving in delivery of bill and less documentation and that for zero payable bills the consumer needs to keep the bill only for records which can be kept in soft format.

2.239 Secondly, drop boxes placed in societies are prone to mischief and there is no responsibility taken for its security. All drop boxes cannot be cleared daily which will lead to delayed posting and imposition of late payment surcharge. To avoid these issues and for timely updation of payments, online payments are advisable.

BYPL

2.240 The consumer is given option to consumers to get e-Bill from application or through website.

2.241 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. 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."*

BRPL

2.242 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."

NDMC

2.243 Replies not received

COMMISSION'S VIEW

2.244 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.

2.245 Provided that if the cheque of a Consumer is 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 4,000/- or as may be decided by the Commission from time to time.

2.246 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."*

2.247 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.

ISSUE 14: PPAC AND OTHER SURCHARGE

STAKEHOLDER'S VIEW

2.248 The DERC is requested to review implementation of PPAC. Tremendous increase in PPAC has led to drastic increase in overall electricity bills due to which industries are suffering with deep losses.

2.249 There are different charges under different heads levied due to which the final tariff is so high. The DERC is requested to review these charges. The Charges are mentioned below.

1.PPAC on Fixed Charges @8.75%

2. PPAC on Energy Charges @8.75%

3. Differential PPAC on Fixed Charges @20% approx.

4. Differential PPAC on Energy Charges @20% approx.

5. Surcharge on Fixed Charges @8%

6. Surcharge on Energy Charges @8%

7. Pension Trust Surcharge on Fixed Charge @7%

8. Pension Trust Surcharge on Energy Charge @7%

9. Electricity Tax @5%

2.250 The DERC is requested to withdraw various surcharge including Pension Trust, PPAC, differential PPAC, Deficit Revenue Recovery Surcharge.

2.251 The amount of PPAC is being charged beyond the provisions of the Tariff, also requested to reduce the PPAC.

2.252 Time of Day surcharge should not be applicable on DMRC keeping in view the nature of operations, which does not allow any flexibility of shifting the loads.

2.253 DISCOM has proposed for introduction kVAh billing in both lag and lead mode. However, DMRC proposed that existing practice of kVAh billing under Lag only metering may be continued to them.

2.254 DRS & PPAC are part of tariff. Distribution loss of BRPL 7.16% against NDPL 6.36% when the former's area is more developed. Power purchase cost per unit is not indicated.

PETITIONER'S RESPONSE

TPDDL

2.255 PPAC is levied to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year.

2.256 The Commission vide its Tariff Order dated 30.09.2021 has subsumed the revenue of Rs 626.57 Crore from PPAC for meeting the ARR requirement for the FY 2021-22. Thus, the PPAC has been subsumed in the Tariff Charges by the Commission. Hence, the Tariff was notified for various consumer categories by utilizing this PPAC amount in revenue of ARR. Thus, PPAC has already become part of Base Fixed Charge or Variable / Energy Charge as the revenue is considered against both as a whole. Since DRS is levied on basic tariff and PPAC has become part of base Energy Charge and Fixed Charge Tariff (excluding Taxes surcharges etc.), hence DRS should be applicable on PPAC Charges.

2.257 Any exemption in tariff is the prerogative of the Commission. However, Discoms need to purchase High Cost Power up to Rs 20 per unit during the Peak Period and are forced to sell the power in exchange at lower rate during off Peak Period in order to meet the fluctuating demands of consumers. Thus, the Tariff of consumer should reflect the actual cost of supply during that period irrespective of its ability to shift the load.

2.258 Further, the present ToD Tariff is applicable since last 7 years and hence, Tata Power-DDL requests the Commission to review its performance on the basis of 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.

2.259 While the average power purchase cost at base load @ 1400 MW April – September and @ 900 MW during October – March is almost the same based on the Merit Order Despatch (MOD) principles, the power purchase cost increases by ~ 150% to meet the peak load during April – September and~ 30% to meet the peak load during October - March.

2.260 Accordingly, Tata Power-DDL has submitted the following proposal for ToD:

Months	Peak Period	Surcharge on Energy Charges	Off-Peak Period	Rebate on Energy Charges
April – September	0000 – 0100 hrs. 1300 – 1700 hrs. 2100 – 2400 hrs.	50%	0300 – 0900 hrs.	20%
October - March	0600 – 1200 hrs. 1700 – 2200 hrs.	20%	0000 – 0400 hrs.	20%

2.261 Regulatory Assets got created due to non-cost reflective tariff for previous years. Thus, in order to fund the said Regulatory assets Tata Power-DDL is availing loans from the market and also paying interest on the same to the banks/FIs. 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, this 8% surcharge has not been changed and is still 8% in 2023 and is not sufficient to recover even the interest cost of Regulatory Assets and it should be enhanced to atleast 15%.

2.262 Further, recovery from the 8% Deficit Revenue Recovery Surcharge is shown in the True Up Petition under table no. 3.4 under a separate head and is also separately mentioned in the consumers' bills.

2.263 The Distribution Licensee is allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year.

2.264 These charges can be allowed as amount per unit or as percentage but either way the same amount has to be recovered and Trued Up. So, there would not be any change in the recovery of the total amount.

BYPL

2.265 With regard to Power Purchase cost, the Discom has sourced its power requirement through mix of long term and short-term sources to meet the demand in its licensed area. The power procured under long term PPAs through Long term which are owned by Central Government (like NTPC, NHPC), State Generating Stations (Pragati Power, Indraprastha) which are owned by State Government, IPP and JVs and any shortfall during the year is sourced through power exchange, bilateral & banking.

COMMISSION'S VIEW

2.266 Rationale of different charges are as follows:

Fixed Charges: Fixed charges are levied to recover the Fixed Costs incurred by DISCOMs which include Capacity Charges to Generating companies / Transmission companies. It is determined based on DERC (Terms and Conditions for Determination of Tariff) Regulations 2017.

Energy Charges: Energy Charges are levied to recover the variable costs incurred by DISCOMs which include the Fuel Cost of Generating plants and other Variable Charges. It is determined based on DERC (Terms and Conditions for Determination of Tariff) Regulations 2017.

Power Purchase Cost Adjustment Charges (PPAC): Power Purchase Cost is uncontrollable in nature, therefore, the variation of increase in Cost over and above the approved Cost in the Tariff Order is allowed to be recovered through a mechanism called PPAC. Such variation of Cost is on account of increase in Fuel Cost, increase in Fixed Cost of Power Plants, increase in Transmission Charges etc. Section 62(4) of Electricity Act, 2003 and Tariff Policy 2016 empowers the Commission to implement PPAC mechanism. Accordingly, PPAC is levied in accordance with DERC (Terms and Conditions for Determination of Tariff) Regulations 2017. It is levied on Fixed Charges and Energy Charges.

Pension Trust Surcharge (7%): It is for recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD. It is levied on Fixed Charges and Energy Charges.

Regulatory Asset Surcharge (8%): It is for liquidation of Regulatory Assets based on the submission before Hon'ble Supreme Court in Civil Appeal No. 884 of 2010 and 9003 & 9004 of 2011. It is levied on Fixed Charges and Energy Charges.

Electricity Duty (5%): It is levied and collected by respective DISCOMs on the basis of DMC (Assessment and collection of Tax on the consumption, Sale of Supply of Electricity) Bye Laws 1962. It is levied on the Energy Charges.

Time of Day Tariff: ToD Tariff is a measure to flatten the load curve and avoid high cost peaking power purchases. In this peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours, 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%

ISSUE 15: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.267 The DERC is requested that DISCOMs shall come under ambit of RTI Act to establish transparency. DISCOMs stresses upon time bound recovery of Regulatory Assets but resist application of RTI.

2.268 The DERC is requested to not link Tariff revision to Consumer Price Index.

2.269 The DERC is requested to direct BRPL/BYPL to re-state their books of accounts by considering the firm liability of LPSC rate as per provisions of applicable Tariff Regulations and PPA signed between IPGCL and PPCL. As unilateral reduction of LPSC rate from 18%/15% to 12% in their books of accounts does not reflect true and fair accounting.

2.270 Legal Expenses of DISCOMs may be restricted to the expenses in case of the Electricity Court only.

2.271 Interest on Security Deposit shall not be paid by the Consumers held by DPCL.

2.272 The collection charges recovered from MCD shall be treated as NTI.

2.273 The Advocate fee shall be restricted to Electricity Court cases only not for Petitions filed in Tribunal, High Court and Supreme Court.

2.274 The Books of accounts prepared by BYPL show that BYPL has unilaterally changed the rate of LPSC from 18%/15% to 12%. The Commission may give directions to BYPL to re-state their books of accounts by considering the firm liability of LPSC rate as per provisions of applicable Tariff Regulations and PPA signed between IPGCL and PPCL, for the default in Payment of IPGCL and PPCL, so as to reflect the true and fair accounts.

2.275 DERC is requested to direct BRPL to honor the Orders of Hon'ble Supreme Court, Hon'ble APTEL and Hon'ble DERC and clear the outstanding dues of DTL pending since October – 2010, at the earliest including LPSC @ 15%/18%.

2.276 BRPL has not complied with the directions of Hon'ble Supreme Court for payment of 70% of Current Dues and against which BRPL has made payment only 41.51% of Current Dues.

2.277 The existing practice of KVAh billing under "Lag only" metering may be continued.

2.278 DISCOMs may be advised to create awareness regarding harmonics among all HT/EHT consumers so that they can take steps to minimize the harmonics voluntarily at their level.

2.279 Meter reading must be done after due communication. In case the household person is female , only woman employees shall be authorized to take meter reading.

PETITIONER'S RESPONSE

TPDDL

2.280 The applicability of RTI to DISCOMs has been challenged in the Hon'ble Delhi High Court and the matter is sub-judice. Hence, it won't be appropriate to comment on the same.

2.281 Besides, the Commission always does the prudence check and considers the stakeholders' comments before the release of Tariff Order to ensure transparency. The Commission does the prudence check of energy sales & revenue, power purchase cost, O&M expenses, Loans and capitalization through in house officers and 3rd party CAG empanelled auditors before truing up.

2.282 Increase in cost of Coal, Gas and Transportation direction, impacts the long term and short-term Power Purchase Cost. Though the PPAC formula covers the increase in long term power purchase cost to some extent however, there is delay of at least four months from incurring the cost to its recovery. Besides, recovery is also limited up to maximum of 8.75% on *Suo moto* basis. There is considerable delay in recovery of rest of differential cost through adjudication of differential PPAC Petition. Further, the Commission also provides increase in yearly O&M expenses by linking it to Inflation.

2.283 Consumer doesn't provide its equipment and installation with appropriate and adequate capacitor compensation. Mostly consumer uses fixed capacitors or bulk compensation on HT in fixed mode, thereby leading to additional Reactive (lead) Power Charges, which is causing undesirable unwarranted burden on other Tata Power-DDL consumers.

2.284 It is important to note that, more particularly, during winter season, there is hardly any reactive injection, and due to high capacitive injection by high end consumers, the voltage becomes very high and sometimes it becomes difficult to control the same.

2.285 Further, it has been observed that some of the high end consumers are using fix type capacitors matching with maximum demand. In these cases, the reduction in load/less load, causes excess injection of leading reactive power leading to billing of reactive charges by DTL to DISCOMs. However, actions from only DISCOM will not serve the purpose of reactive power management in power system as reactive injection and drawl can be from generator as well as transmission system.

2.286 It is only the distribution companies who are paying for the inefficiency of other entities in power sector value chain.

2.287 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.

2.288 The most effective remedy to remove such anomaly is to introduce kVAh billing in lag as well lead mode i.e. kVARh consumption in the leading power factor mode has to be taken in account as consumption. Introduction of kVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises. Therefore, to ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on kVAh basis so that the injection by high end consumers (More than 30 KVA) is as per their actual requirement and proper voltage is maintained for all the consumers.

2.289 It has to be noted that Tata Power-DDL is creating suitable awareness among the consumers to minimise the harmonics. However, it is not yielding the impact. 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.

2.290 Regulation 8 of DERC (Supply Code and Performance Standards) Regulations, 2017, also talks of penal charges on non-compliance which are to be notified by the Hon'ble Commission. This Regulation is reproduced below for ready reference:

> *"(5) Failure to comply with the permissible limits of Harmonics after inspection as in sub-regulation (3) above may attract penal charges, as may be notified by the Commission from time to time:"*

2.291 However, since the Commission has not notified any penal charges till date, Tata Power-DDL requests for notification of the same at the earliest and direct all the HT/EHT consumers to install Power Quality meters in accordance to Central Electricity Authority (Technical Standards for Connectivity of the Distributed Generation Resources) Amendment Regulations, 2019 and also specify the periodicity for sharing the recorded data of PQ meters with the DISCOMs as stipulated in the Amended Regulations of CEA.

2.292 Allowing expenses incurred in defending/prosecuting regulatory matters/Appeals/Tariff Orders or any other contentious actions of generating companies etc. is necessary to allow Tata Power-DDL to effectively avail of its statutory remedies before the Hon'ble Commission or the Hon'ble CERC or the Hon'ble APTEL under the applicable provisions of the Act. All the benefits arising out of successful litigations are passed on to the consumers.

2.293 Tata Power-DDL being engaged in distribution and retail supply of electricity is exposed to a variety of litigation and legal issues. These range from filing of Petitions, Appeals and cases which are mandatory under applicable Regulations, Acts, for instance Legal expenses pertaining to power procurement (Approval of PPA/PSA, seeking clarifications, responding to petitions filed by generators, transmission licensees, renewable power related, miscellaneous proceedings); Public Interest Litigations initiated where Tata Power-DDL is made a party to the proceedings and has to respond/defend the matters upon it; Miscellaneous matters in Forums like National Green Tribunal, Remand back matters to this Hon'ble Commission, Central Information Commission, Scheduled Casts and Minorities Commission, National Human Rights Commission, Labour law courts/forums, recovery suits in courts and so on.

2.294 Non allowance of legal expenses amounts to curtailment of Statutory Right of the DISCOM to challenge the decisions of the Commission and is against the principle of natural justice as well as the same is against Article 14 of the Constitution of India. The distribution business is a regulated business under the aegis of the Hon'ble Commission. Majority of the issues in Distribution Business will arise out of orders/ directions issued by the Hon'ble Commission. In all such cases, the DISCOM has right to challenge the same before the Hon'ble High Court, Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses without any distinction should be allowed as an expense in the ARR.

2.295 DISCOM also agrees that the responsibility of funding of pension trust lies with GoNCTD and the amount recovered from pension trust should be used for liquidation of Regulatory assets.

2.296 The Commission had directed the GoNCTD to have a forensic audit of the Pension Trust conducted which has not been done till date. The responsibility solely lies with GoNCTD 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.

2.297 Further, 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 failed to conduct the actuarial valuation in terms of the statuary framework ordained for the functioning and funding of the Pension Trust.

2.298 While there is no Tariff hike in Delhi DISCOMs for past 7 years, Pension Trust surcharge has been increased from 3.8 to 7% resulting in Tariff increase for the end consumer.

2.299 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.

2.300 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.

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.

2.301 Considering above, the Commission is requested to allow levy of surcharge on all residential connections under temporary supply category.

2.302 The Petitioner follows the 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.

2.303 Interest on security deposit of consumers is adjusted in bills in accordance with the DERC (Supply Code and Performance Standards) Regulations, 2017.

2.304 Non-Tariff Income are shown as per relevant Regulations. All Non-Tariff Incomes are included in the ARR and benefit given to the consumers.

2.305 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.

2.306 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

2.307 Private Discoms are not covered under the RTI Act, however, transparency in ARR / Tariff determination and functioning of Discoms is maintained. Further all the information on performance parameters is shared with the Commission.

2.308 The Discom would like to submit 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.

2.309 The matter relating to Late Payment Surcharge (LPSC) is subjudice before the Hon'ble Supreme Court in Writ Petition no. 104 & 105 of 2014.

2.310 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.

2.311 The Non-Tariff Income for True-up of FY 2020-21 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.

2.312 As per the Policy on replaced meter under tempering/DEA, the damaged/replaced meters are sent to the laboratories for disposal.

2.313 As regard to stakeholder's 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…"*

2.314 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.

2.315 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."*

2.316 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.

2.317 Accordingly, the Pole Rental income has been duly considered under Non-Tariff Income in the ARR Petition.

2.318 The Petitioner always endeavors to resolve the consumer complaints at the earliest besides providing quality and uninterrupted supply of Power. For redressal of consumer grievances, 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.

2.319 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.

2.320 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.

2.321 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

2.322 The audited accounts has been submitted to the Hon'ble Commission prior to filing the Petition vide letter no. RA/2022-23/01/A/429 dated 22.11.2022 and the same has been referred while preparing the petition. Hon'ble Commission vide letter no. F.11 (2053)/ DERC/ 2022-23/7593/1859 dt. 09.12.2022 sought audited accounts for FY 2021-22 along with other details on Petition of True Up upto FY 2021-22. Thereafter, BRPL vide letter no. RA/2022-23/01/A/472 dt. 19.12.2022 has again shared the audited accounts for FY 2021-22 in Annexure 4 and the same has been uploaded by the Hon'ble Commission in its website.

2.323 Purchase cost of Publication (₹100/-)/ e-Publication (₹25) is fixed by the Commission in its Public Notice. Any change in the cost of the Petition is the sole prerogative of the Commission.

2.324 Private DISCOMs are not covered under the RTI Act, however, transparency in ARR / Tariff determination and functioning of DISCOMs is maintained. Further all the information on performance parameters is shared with the Commission.

2.325 In compliance of the Order dated 12.05.2016 passed by the Hon'ble Supreme Court, BRPL has been endeavoring to make 70% payment of the current dues to DTL while also considering the adjustment of Subsidy released by GoNCTD, which is a current receivable to BRPL. Tabulated statement of the payments made by BRPL against the bills raised by DTL during FY 2021-22

2.326 As regards the contentions of DTL qua alleged non-payment of dues / non-compliance with Orders of the Hon'ble Commission and the Hon'ble Supreme Court, detailed submissions have been made hereinabove at Paras. 2 to 2.7 which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. It is submitted that: -

a) Carrying cost and surcharge for recovery of Regulatory Asset is being allowed by the Hon'ble Commission to BRPL in terms of Clause 8.2.2 of the statutory Tariff Policy, 2016 notified under Section 3 of the Electricity Act and directions of Hon'ble APTEL and Hon'ble Supreme Court, and the same cannot be linked to payment of alleged outstanding dues of DTL.

b) Without prejudice to the above, the surcharge of 8% for recovery of Regulatory Asset being allowed to BRPL by the Hon'ble Commission is inadequate as itself acknowledged by the Hon'ble Commission in its Statutory Advise dated 01.02.2013 given to the GoNCTD under Section 86(2)(iv) of the Electricity Act wherein it was *inter alia* noted that M/s. SBI Capital Markets Ltd. in their presentation have assessed that liquidation of pending Revenue Gap will require a surcharge of 20% for BRPL and 25% for BYPL on the applicable tariff from 2012-13 up to 2018-19.Issue of insufficiency of 8% surcharge has been raised by BRPL before this Hon'ble Commission, in matters before Hon'ble APTEL as well as before the Hon'ble Supreme Court.

c) Similarly, any incentive accruing to BRPL is on account of its efficiency in performance and has no bearing on alleged non-payment of dues of DTL.

2.327 It is submitted that BRPL is entitled to retain any gains on account of its efficiency in terms of Regulation 152(d) of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 ("Tariff Regulations, 2017"), especially when BRPL is already being prejudiced on account of the non-cost reflective tariff determination and accumulation of Regulatory Asset year-on-year. The aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Hon'ble Commission. Hon'ble Commission is requested to allow the claims of

BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.328 The contentions raised by DTL are erroneous and misconceived. It is submitted that there is no reduction in the LPSC liability and the same has been considered as Trade Payables (12%) and remaining as Contingent Liability based on various background facts, including: -

a) Regulations specified by the Hon'ble Commission / Hon'ble Central Electricity Regulatory Commission;

b) Ministry of Power, Government of India's ("MoP") Advisory dated 20.08.2020;

c) Trend of reducing LPSC rates in the country recognized inter alia in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 ("LPSC Rules, 2022") even though the same are not strictly applicable. MoP by its Affidavit dated 12.12.2022 filed in W.P. (C) No 105 of 2014 has stated that:"...the Late Payment Surcharge fixed by most of the Commissions was about 18°/o which was usurious considering the fact that the present lending rate in Banks is around 6 to 7 percent."

d) This Hon'ble Commission's Order dated 13.05.2019 in Petition Nos. 8 and 26 of 2018 wherein the Hon'ble Commission has inter alia expressed its 'no-objection' to a Bilateral Settlement between the parties;

e) Ongoing settlement talks between the Delhi Utilities and BRPL;

f) Proceedings pending adjudication before various for a including the Hon'ble Supreme Court and the Hon'ble Commission.

g) Constrained ability of BRPL to pay LPSC at exorbitant rates especially in view of non-cost reflective tariff fixed by the Hon'ble Commission, year-on-year, resulting in accumulation of substantial Regulatory Asset.

h) Further, the fact that no bills were raised by DTL after June 2014 and the manner of treatment of LPSC in the Books of Accounts of DTL would show that DTL has been recognizing LPSC in a very conservative manner.

i) BRPL has been consistently, honestly, with the highest standards of corporate governance and to provide a true and fair view recognizing and disclosing, in its accounts, even a possible claim of LPSC. LPSC is levied as a penalty for willful non-payment or delay in payment under the Electricity Act and the Regulations framed under it.

2.329 On one hand, BRPL is not fully allowed to recover its cost from the consumers in tariff and, on the other hand, is being burdened with high LPSC rate from the Delhi Utilities on account of delay in payment. LPSC, being levied on account of an artificially induced inability to pay, leads to an incidence of LPSC liability being levied for no fault of BRPL. There is clear inconsistency in the rate of LPSC accrued (15% p.a. / 18% p.a.) on BRPL as: -

a) Rate of Carrying Cost being allowed to BRPL on the Regulatory Asset which is in the range of 11% to 13% p.a.

b) Cost of borrowing of BRPL, which was in the range of 13% to 15% p.a. due to the weakened financial position and substantial volume of Trade Payables caused by accumulation of substantial Regulatory Asset being created year-on-year and insufficient tariff being determined by the Hon'ble Commission.

c) Cost of borrowing of the Delhi Utilities which is at an average rate of ~ 9% p.a.

2.330 Aforesaid differential impact of 6% p.a. is a perpetual drain on the net worth of BRPL, which is not a pass through in tariff, and has deteriorated its financial position and creditworthiness for reasons beyond the control of BRPL and which can be fairly considered to be a circumstance akin to Force Majeure. Since the reversal of 6% was neither recovered nor is eligible to be recovered through tariff, there is no question of wrongful gains or illegal profiteering by the BRPL.

2.331 In view of the above, it is submitted that the aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Hon'ble Commission. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.332 DTL's contention that Subsidy amount released by GoNCTD must be adjusted against the outstanding dues only, is misconceived, erroneous and unlawful as: -

a) It has been the consistent stand of BRPL that the Subsidy amount cannot be adjusted unilaterally towards payment of outstanding dues of other State utilities.

b) The subsidy received by BRPL under Section 65 of the Electricity Act is a current receivable / revenue required to meet the current expenses incurred by BRPL including obligations towards power purchase costs on a monthly basis.

c) Any adjustment of the subsidy against past dues impairs the ability of BRPL to pay the monthly dues for power purchase cost of the Generating and Transmission Companies and also exposes BRPL to levy of unwarranted LPSC.

d) Recently, on 26.07.2023, the MoP has notified the Electricity (Second Amendment) Rules, 2023wherein Rule 15 of the Electricity Rules, 2005 has been amended to inter alia provide that subsidy must be provided by State Government in accordance with Section 65 of Electricity Act. In case the subsidy has not been paid in advance, then the State Commission shall issue the order for implementation of the tariff without subsidy, in accordance with provisions of Section 65. Relevant extracts of the Electricity (Second Amendment) Rules, 2023 are as under: -

“2. For rule 15 of the Electricity Rules, 2005 (hereinafter referred to as the said rules), the following rule shall be substituted, namely:-

‘15. Subsidy accounting and payment.-

(1) The accounting of the subsidy payable under section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard Operating Procedures issued by the Central Government, in this regard.

(2) A quarterly report shall be issued by the State Commission for each distribution licensee, in its jurisdiction, giving findings whether demands for subsidy were raised by the distribution licensee in the relevant quarter based on accounts of the energy consumed by the subsidised category and consumer category wise per unit subsidy

declared by the State Government, the actual payment of subsidy in accordance with section 65 of the Act and the gap in subsidy due and paid as well as other relevant details.

Explanation: For the purpose of this rule, (The term "Unit" means Kilo Watt Hour (kWh) or Kilo Watt (kW) or Horse Power (HP) or Kilo Volt Ampere (kVA), in accordance with the relevant Regulations or the Tariff Orders issued by the Appropriate Commission.

(3) The quarterly report shall be submitted by the distribution licensee within thirty days from end date of the respective quarter and the State Commission shall examine the report, and issue it with corrections, if any, in accordance with sub rule (2), within thirty days of the submission.

(4) In case the subsidy has not been paid in advance, then the State Commission shall issue order for implementation of the tariff without subsidy, in accordance with provisions of the section 65of the Act.

(5) If subsidy accounting and the raising bills for subsidy is not found in accordance with the Act or Rules or Regulations issued there under, the State Commission shall take appropriate action against the concerned officers of the licensee for non-compliance as per provisions of the Act.'"

2.333 Reliance cannot be placed upon Hon'ble APTEL's Order dated 23.05.2014 which only relates to the adjustment done in terms of GoNCTD Letters dated 12.09.2013 and 24.03.2014, and being an Interim Order does nothold any precedential value and cannot be applied as a matter of right and principle for adjustment of subsidy amounts against the old outstanding dues for perpetuity.

2.334 Even otherwise, the Order dated 23.05.2014 merely follows the directive of the GoNCTD to adjust Subsidy amounts towards past dues, without examining the issue of whether: -

a) Such a direction of the GoNCTD were itself permissible in the light of Section 65 of the Electricity Act, which in fact was / is against the statute;

b) Such a direction was itself in violation of the Hon'ble Supreme Court's Order dated 26.03.2014.

2.335 Order dated 23.05.2014 does not finally or conclusively decide an issue of adjustment of Subsidy. Further: -

a) Order dated 23.05.2014 has been challenged by BRPL in Civil Appeal Nos. 8464-66 of 2014 and 8387-89 of 2014 before the Hon'ble Supreme Court inter alia contending that subsidy amount has to be allowed as per mandate of Section 65 of Electricity Act and should be adjusted towards current dues only as per Order dated 26.03.2014 as specifically requested by BRPL and not otherwise. Matters are currently pending before the Hon'ble Supreme Court and being taken up along with other matters including the Writ Petitions.

b) By Order dated 19.09.2014, Hon'ble Supreme Court was pleased to issue notice on I.A. No. 2 of 2014 in aforesaid Civil Appeals filed by BRPL seeking stay of the Order dated 23.05.2014.

c) By Order dated 09.02.2015, Hon'ble Supreme Court stayed the proceedings before Hon'ble APTEL, wherein the issue of inter alia establishment of Payment Security Mechanism has been raised by the Delhi Utilities, till disposal of W.P. (C) No. 104 of 2014, as under: -

"The learned counsel for the parties have brought it to the notice of this Court that the main issue is posted for hearing before this Court on 18.02.2015. Therefore, the Appellate Tribunal is directed to defer the hearing slated to 12.02.2015 till the writ petitions are disposed of." [Emphasis Supplied]

2.336 As such, it cannot be said that the issue of adjustment of subsidy has been finally adjudicated in terms of the Order dated 23.05.2014 and the subsidy is liable to be adjusted against the old outstanding only.

2.337 In view of the above, it is submitted that the aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Hon'ble Commission. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.338 BRPL in its True Up Petition at Paras. 3A.196 to 3A.273 has provided detailed reasoning for considering the aforesaid heads of income under the category of Income from

Other Business and not NTI, which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition in the ensuing Tariff Order.

2.339 The contentions raised by DTL are erroneous and misconceived. Detailed submissions as regards the alleged change in Accounting Policy have been made hereinabove at Para. 6 to 6.4 which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.340 DISCOM physically inspects and tests meter for its accuracy as per DERC (Supply Code and Performance Standards) Regulations, 2017.

2.341 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…"*

2.342 Accordingly, the Pole Rental income has been duly considered under Non-Tariff Income in the ARR Petition.

2.343 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.

2.344 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.

2.345 As regard to stakeholder's 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.

2.346 As regard to stakeholder's 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.

2.347 BRPL has submitted the Non-Tariff Income for True-up of FY 2020-21 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.

2.348 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.

2.349 In regard to the stakeholder's 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.

2.350 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.

2.351 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.

2.352 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

2.353 No reply received.

COMMISSION'S VIEW

2.354 The new and existing connections shall be as per the 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.

2.355 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.

2.356 The Commission while determining the norms for O&M expenses in its Business Plan Regulations, 2019 has not considered the legal expenses as it shall be allowed based on prudence check in true up of ARR for the relevant year.

ISSUE 16: RITHALA PLANT

STAKEHOLDER'S VIEW

2.357 Rithala power plant was set up by NDPL (G) in 2009 – 10 in NDPL area of distribution on a plot of land of DDA during the prestigious Commonwealth Games held in 2010 in Delhi. The Combined Cycle was commissioned long after the games were over. Since 2009 Delhi was power surplus.

2.358 Delhi's total power requirement in 2010 was 5000MW, the NDPL (G) offer of 94.8MW CCGPP came as a beacon of hope for the State with a drop in the ocean of surplus power. Discoms are claiming increasing tariff by filing petition after petition in various courts spending tens of crores of rupees.

2.359 Rithala CCGPP 94.8MW was procured second – hand from China around 2009 under non – working condition. GoNCTD allowed power plant on a temporary basis for five to six years for the purpose of Commonwealth games. Delhi became power surplus in 2009 – 10.

2.360 In the Tariff Order of 31.08.2017, the Commission decided the variable cost of APM gas @ Rs.3.68/kWh and for RLNG @ Rs. 8.45/kWh for combined cycle operation. This power was outside the MOD and hence there was no supply to Delhi system. As per 2007 regulation, no fixed charges shall be payable to the power plant in case of no supply. The Rithala had no buyer.

2.361 As per letter dated 21.04.2016, the Delhi Govt. has informed that Delhi is power surplus and TPDDL are pursuing for surrender / re – allocation of surplus power. Moreover, the time period for which the permission and approval for this power plant were given is over. TPDDL shall decommission the plant and hand over the land back to the Government.

2.362 Delay of over 7 years to decommission the plant shall invite penalty of Rs.11.85Cr. which is also to be adjusted against approved Regulatory Assets.

2.363 Unjust benefit of Rs. 78.42Cr. was provided to TPDDL for Rithala Generating Company in Tariff Order for FY 2019-20

TPDDL

2.364 The Commission has issued trued up tariff order for Rithala on dated 11th Nov, 2019. In the said Tariff Order, the Hon'ble Commission has approved recovery of fixed charges & variable charges from FY 2010-11 to FY 2017-18. We have accordingly requested the Hon'ble Commission for providing impact of True Up order in ensuing Tariff Order.

COMMISSION'S VIEW

2.365 The Commission in True-up Order for FY 2020-21 has dealt with the matter in detail.

ISSUE 17: NON TARIFF INCOME

STAKEHOLDER'S VIEW

2.366 NDMC should focus on maximizing the revenue from property tax without any significant expenses, the same should be used to subsidize the electricity division.

2.367 For calculating the ARR for FY 2023-24, Income from Other Business is considered as NIL, since the Company is already in other business in past years, it is necessary that projected income from other business should be considered in NTI. Thus, the same should be reduced from the ARR of the Company.

2.368 DTL requested to consider the following amount as Non-Tariff Income of BRPL:

(i) LPSC collected from customers @ Rs. 41.4 Cr.
(ii) Short-term gain @ Rs. 12.5 Cr.
(iii) Transfer from consumer contribution for capital works @ Rs. 50.4 Cr.
(iv) Bad debts recovered @ Rs. 1.4 Cr.
(v) Income from NTPC @ Rs. 20.6 Cr.
(vi) Gain on retirement of assets @ Rs. 15.3 Cr.
(vii) Income from sale of scrap @ Rs. 7.4 Cr.

2.369 DTL requested to consider the following amount as Non-Tariff Income of BRPL:

(i) LPSC collected from customers @ Rs. 25.1 Cr.
(ii) Short-term gain @ Rs. 5.27 Cr.
(iii) Transfer from consumer contribution for capital works @ Rs. 18.4 Cr.
(iv) Bad debts recovered @ Rs. 4.1 Cr.

(v) Interest on Income Tax Refund @ Rs. 2.78 Cr.

(vi) Income from NTPC @ Rs. 2.2 Cr.

(vii) Gain on retirement of assets @ Rs. 1.56 Cr.

(viii) Income from sale of scrap @ Rs. 4.95 Cr.

PETITIONERS' SUBMISSION

TPDDL

2.370 The Company has kept Non-Tariff Income for FY 2023-24 at Rs. 94.01 Cr which is in line with the methodology followed by the Commission in the past. Kindly refer Table No. 2.41 & 2.43 of ARR Petition for FY 2023-24.

BRPL

2.371 BRPL submitted that they have provided detailed reasoning for considering the aforesaid heads of income under the category of Income from Other Business and not NTI, which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. The Commission is requested to allow the claims of BRPL in the True Up Petition in the ensuing Tariff Order.

COMMISSION'S VIEW

2.372 The Commission conducts prudence check of the income under the head of Non-Tariff Income that are submitted by the utilities. The same are available in Chapter-3 of this True-up Order.

CHAPTER 3 TRUE UP OF FY 2021-22

BACKGROUND

3.1 The True up of FY 2021-22 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 has appointed the C&AG empanelled Auditors M/s Shridhar & Associates hereinafter referred as 'Regulatory Auditor' Or 'Consultant' for conducting the Regulatory Audit relating to True up of Expenses for FY 2021-22 as claimed under the Petition including verification of Books of Accounts of the Petitioner

3.3 The report of the Consultant has been considered appropriately by the Commission for True-up of various parameters of ARR of FY 2021-22 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 2021-22 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*. The Commission has considered all information submitted by the Petitioner as part of True-up Petition, response to queries raised during discussions and also considered the stakeholder's submission during Virtual Public Hearing process and those submitted in written for finalization of the True-up 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 2021-22. The actual energy sales for FY 2021-22 were 1104.02 MU against the approved energy sales of 1217.76 MU. The Energy Sales in FY 2021-22 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 2021-22 (MU)

Sr. No.	Category	Approved in TO FY 2021-22	Actual
1	Domestic	262.55	271.32
2	Non-domestic	892.45	186.36
3	Mixed Load		601.47
4	Industrial (Small Industrial Power)	0.02	0.03
5	Public Lighting	6.49	6.09
6	DMRC	41.43	20.94
7	Others	14.82	17.83
	Total	**1217.76**	**1104.02**

COMMISSION'S ANALYSIS

3.6 The Commission has trued-up Category-wise Energy Sales for FY 2021-22 indicated in the table as follows:

Table 3. 2 Commission Approved -Energy Sales for FY 2021-22 (MU)

Sr. No.	Category	Petitioner's Submission	Commission Approved
1	Domestic	271.32	271.32
2	Non Domestic		
	(I) NDLT	186.36	186.36
	(II) Mixed Load	601.47	601.47
3	Small Industrial Power	0.03	0.03
4	Public Lighting	6.09	6.09
5	DMRC	20.94	20.94
6	Others	17.83	17.83
Total		**1104.02**	**1104.02**

REVENUE FROM ENERGY SALES

PETITIONER SUBMISSION

3.7 The Petitioner has submitted that the category wise Revenue billed for FY 2021-22 against the sales achieved by the utility is as follows:

Table 3. 3 Petitioner Submission: Category-wise Revenue Billed for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Approved in TO FY 2021-22			Actual Revenue			E. Tax Actual	Actual Total FY 2021-22 Including E. Tax
		Fixed Charge	Energy Charge	Total Revenue	Fixed Charge	Energy Charges (including Misuse charges)	Total Revenue without E Tax		
1	Domestic	23.00	123.00	146.00	35.24	155.07	190.31	10.25	200.56
2	Non-domestic (LT & HT)	166.00	790.00	956.00	192.66	733.96	926.62	44.97	971.59
3	Small Industrial Power	0.01	0.02	0.03	0.01	0.02	0.02	0.00	0.02
4	Public Lighting	3.00	30.00	33.00	0.51	3.83	4.34	0.23	4.57
5	DMRC			0.00	1.48	13.83	15.32	0.76	16.07
6	Others (Including Temporary Connections + JJ Cluster	2.00	16.00	18.00	2.53	14.25	16.78	1.11	17.88
	Total	**194.01**	**959.02**	**1153.03**	**232.44**	**920.95**	**1153.39**	**57.31**	**1210.70**

3.8 The Petitioner has submitted the consolidated Revenue approved for FY 2021-22 and the Sales achieved by the utility is as under:

Table 3. 4 Petitioner Submission: Revenue from Sale of Power for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Energy Charges Billed (excluding Electricity Tax)	959.00	920.95
2	Fixed Charges	194.00	232.44
3	**Total (1 + 2)**	**1153.00**	**1153.39**
4	E-tax billed	0.00	57.31
5	**Revenue Billed Including Electricity tax and including Surcharge (3 + 4)**	**1153.00**	**1210.70**

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 2021-22 as follows:

Table 3. 5 Petitioner Submission: Category Wise Consumers for FY 2021-22

Sr. No.	Consumer Category	Total No. of Consumers as on 31/03/2021	No. of Consumers added during FY 2021-22	No. of Consumers deleted during FY 2021-22	Total No. of Consumers as on 31/03/2022
1	Domestic	35567	210	0	35777
2	Non-Domestic	17800	0	84	17716
3	Mix Load (High Tension) Load >100kw	515	0	14	501
4	Small Industrial Power (SIP)	5	4	0	9
5	Public Lighting	68	0	4	64
6	Delhi Metro Rail Corporation (DMRC)	1	0	0	1
7	Temporary Connection more or equal to 16 days	1527	0	31	1496
8	Others	0	0	0	0
9	JJ Cluster (Flat Rate)	933	0	42	891
10	**Grand Total**	**56416**	**214**	**175**	**56455**

REVENUE COLLECTION

3.11 The Petitioner has submitted that the revenue billed and collected excluding Late Payment Surcharge (LPSC) and Electricity Duty (ED) for FY 2021-22 is as below:

Table 3. 6 Petitioner Submission: Revenue Billed and Revenue Collected for FY 2021-22

Sr. No.	Particulars	Approved in TO FY 2021-22	Actual
1	Revenue Billed (Rs. Crore)	1153.00	1153.39
2	Revenue Collected (Rs. Crore)	1148.00	1172.91

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. 1206.81 Crore and Rs. 1149.50 Crore without E-Tax. Against the same, as per RPT105 the total revenue collected is Rs.1229.14 and revenue collected without considering LPSC & E. Tax works out to Rs.1172.91 Crore. (Excluding Rs.48.83 Crore E Tax and Rs. 7.40 Crore LPSC)

COMMISSION'S ANALYSIS

3.13 The Regulation 23(2) & 23(3) of *DERC (Business Plan) Regulations, 2019* provides as below:-

"23

(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."

3.14 The Commission has trued-up Revenue Billed for the Petitioner for FY 2021-22 as Rs. 1153.39 Cr. (excluding E-Tax).

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY

PETITIONER'S SUBMISSION

3.15 The Petitioner has submitted its Distribution Losses achieved against the losses approved by the Hon'ble Commission vide its Tariff Order dated 30/09/2021 for FY 2021-22 as follows:

Table 3. 7 Petitioner Submission: Distribution Loss for FY 2021-22

Sr. No.	Particulars	Approved in Tariff Order for FY 2021-22	Actual
A	Energy Requirement / Procured (MU)	1334.53	1204.57
B	Energy Sales (MU)	1217.76	1104.02
C	Distribution Loss (MU)	116.77	100.55
D	**Distribution Loss (%)**	**8.75%**	**8.35%**

INCENTIVE FOR OVER ACHIEVEMENT OF DISTRIBUTION LOSS

PETITIONER SUBMISSION

3.16 The Petitioner submitted that it has achieved distribution loss as 8.35% against the target of 8.75% 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 2021-22 is fixed as 8.75%.

(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."*

3.17 Based on Regulation 25 (4) the computation for incentive for over achievement of distribution loss is given in table below:

Table 3. 8 Petitioner Submission: Over achievement Incentive on account of reduction in Distribution Loss Level

Sr. No.	Particulars	As per Petitioner	Remarks
A	Billed Sales (MUs)	1104.02	
B	Actual Distribution Loss Level	8.35%	
C	Target Distribution Loss Level	8.75%	As per BPR
D	Actual Input @ Actual Distribution Loss Level (MUs)	1204.57	
E	Desired Input at Target Distribution Loss Level (MUs)	1209.89	A/(1-C)
F	Saving in Input (MU) due to lower Distribution Loss Level	5.32	(E-D)
G	Power Purchase Cost	7.78	
H	Total Over achievement Incentive	4.14	F*G/10
I	NDMC share - 2/3rd of Over achievement Incentive	2.76	H*2/3
J	Consumer Share of Incentive	1.38	H*1/3

INCENTIVE FOR OVER ACHIEVEMENT OF COLLECTION EFFICIENCY

PETITIONER SUBMISSION

3.18 The Petitioner has submitted that it has achieved collection efficiency @ 101.69% 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 2021-22 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."*

3.19 Based on Regulation 26 (3) the computation for incentive for over achievement of collection efficiency is given in as follows:

Table 3. 9 Petitioner Submission: Computation of Collection Efficiency and Incentive for FY 2021-22

Sr. No.	Particulars	UoM	As per Petitioner	Remarks
A	Amount Billed	(Rs. Cr.)	1153.39	
B	Amount Collected	(Rs. Cr.)	1172.91	
C	Collection Efficiency	%	101.69%	
D	Target Collection Efficiency	%	99.50%	As per BPR, 2019
E	99.50% of Amount Billed	(Rs. Cr.)	1147.62	A*E
F	Amount of Collection over and above 99.50% target		5.77	A-F
G	Sharing Incentive			
(i)	DISCOM's (50% up to 100%)		2.88	G/2
(ii)	DISCOM's 100% beyond 100% collection		19.52	B-A
(iii)	**TOTAL INCENTIVE to NDMC**		22.40	(i)+ (ii)
(iv)	Consumers (50% of collection beyond 99.50% but up to 100% collection)		2.88	G/2

REVENUE AVAILABLE FOR FY 2021-22

3.20 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. 10 : Petitioner Submission: Computation of Revenue Available for FY 2021-22

Sr. No.	Particulars	Collection	Remark
A	Total Collection*	1172.91	Table 2-6
B	Less – Over achievement Incentive towards lower Distribution Loss Level (NDMC's share)	(2.76)	Table 2-9
C	Less - Overachievement Incentive towards collection efficiency (NDMC's share)	(22.40)	Table 2-10
D	**Collection available towards ARR**	1147.75	(A-B-C)

* Total Revenue Collection in FY 2021-22 was Rs 1229.14 crore which included E. Tax of Rs 48.84 crore and LPSC of Rs 7.40 crore. However, for the purpose of collection efficiency and incentive E. Tax of Rs 48.84 crore and LPSC of 7.40 crore have been excluded.

COMMISSION'S ANALYSIS

3.21 The Commission vide its Letter No. F.3(703)/Tariff/DERC/2023-24/7778/554 dated 19/06/2023 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 2021-22. Accordingly, the SLDC vide its email dated 11/07/2023 has submitted the joint signed statement. However, the Power Purchase units for FY 2021-22 as approved by the Commission correspond to 1204.57 MU. Accordingly, the Commission has computed the Distribution Loss for the Petitioner as follows:

Table 3. 11: Commission Approved – Distribution Loss for FY 2021-22

Sr. No.	Particulars	Unit	Actual	Remarks
A	Energy Input	MU	1204.57	
B	Energy Billed	MU	1104.02	
C	Actual Distribution Loss Level	%	8.35%	(A-B)/A
D	Target Distribution Loss Level	%	8.75%	

3.22 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 %*
> *P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."*
> *L2 = Actual Distribution Loss in %* = $[1 - \frac{Q2}{Q1}] * 100$

Q2 =Actual quantum of Energy Billed in MU.

"161 Any financial impact on account of underachievement with respect to Distribution Loss targets shall be to the Distribution Licensee's account"

3.23 The Regulations 25 (1) of DERC (Business Plan) Regulations, 2019 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	***2020-21***	***2021-22***	***2022-23***
New Delhi Municipal Council	*9.00%*	*8.75%*	*8.50%*

3.24 The Regulation 25(1) of *DERC (Business Plan) Regulations, 2019* has specified the Distribution Loss Targets for the Petitioner for FY 2021-22 at 8.75%. The Regulation 25(2) of *DERC (Business Plan) Regulations, 2019* 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.

3.25 It is observed that actual Distribution loss achieved by the Petitioner is lower than the Distribution loss target for FY 2021-22, therefore, the Commission has computed the financial impact on account of overachievement of Distribution loss for FY 2021-22 as follows:

Table 3. 12 Commission Approved: Incentive/Penalty on account of Overachievement/Underachievement of Distribution Loss for FY 2021-22

Calculation of Transmission & Distribution Loss Incentive for FY 2021-22					
Distribution Loss					
S.No	**Particulars**	**UoM**	**As per Petitioner**	**As per Commission**	**Ref**
A	Energy Input	MU	1,204.57	1,204.57	
B	Energy Billed	MU	1104.02	1104.02	
C	Actual Distribution Loss Level	%	8.35%	8.35%	(A-B)/A
D	Targeted Distribution Loss Level	%	8.75%	8.75%	
E	Average Power Purchase Cost	Rs./Unit	7.78	7.73	
F	Financial Impact of Overachievement or Underachievement	Rs.Cr	4.14	3.75	A*(D-C)*E/10
S.No	**Particulars**	**UoM**	**As per Petitioner**	**As per Commission**	**Remarks**
A	Distribution Loss Target in previous Year	%	9.00%	9.00%	As per BPR 2017, 25(4)
B	Distribution Loss Target in Current Year	%	8.75%	8.75%	As per BPR 2017, 25(4)
C	Actual Distribution Loss	%	8.35%	8.35%	
D	50% of (previous year target - current year target)	%	0.13%	0.13%	50%*(A-B)
E	Distribution loss target - 50% of (previous year target - current year target)	%	8.63%	8.63%	B-D
F	Actual Energy Input at Distribution periphery	MU	1,204.57	1,204.57	
G	Average Power purchase Cost	Rs/KWh	7.78	7.73	
H	**Total Incentive**	**Rs. Cr**	**4.14**	**3.75**	**(B-C)*F*G/10**
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr	2.76	0.39	(B-E)*F*G/10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr		1.72	(E-C)*F*G/10*(2/3)
K	**Total Incentive to Petitioner**	Rs. Cr	**2.76**	**2.11**	I+J
L	Incentive to Consumer	Rs. Cr	1.38	1.64	(B-E)*F*G/10*(2/3)+(E-C)*F*G/10*(1/3)

COLLECTION EFFICIENCY

3.26 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) * A_b*

Where,

*C1 = Actual Collection Efficiency in % =[$\frac{Ar}{Ab}$]*100*

A_r = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

A_b = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs. Cr.;

C2 = Target Collection Efficiency in %

3.27 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 to 100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."*

3.28 Regulation 26 of *DERC (Business Plan) Regulations, 2019* states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2021-22 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."

3.29 Accordingly, the Collection Efficiency is as follows:

Table 3. 13 : Commission Approved: Incentive on account of Over-achievement of Collection efficiency for FY 2021-22

Sr. No	Particulars	UoM	Petitioner's Submission	As per Commission	Remarks
A	Revenue Billed	Rs. Cr	1,153.39	1153.39	
B	Revenue Collected	Rs. Cr	1,172.91	1172.91	
C	Actual Collection efficiency	%	101.69%	101.69%	
D	Target Collection efficiency	%	99.50%	99.50%	
E	Revenue collected @ 99.50%	Rs. Cr	1147.62	1147.62	A*D
F	Over-achievement/ (Under-achievement)	Rs. Cr	25.29	25.29	B-E
G	In case of Over achievement, amount of collection over & above 99.50% till 100%	Rs. Cr	5.77	5.77	A-E
H	Sharing incentive				
a1	DISCOM (50% up to 100%)	Rs. Cr	2.88	2.88	
a2	DISCOM (100% and above)	Rs. Cr	19.52	19.52	
A	Total incentive to NDMC	Rs. Cr	22.40	22.40	a1+a2
B	Consumers (50% of collection beyond 99.50% but up to 100% collection)	Rs. Cr	2.88	2.88	

3.30 As per Directive 6.7 of Tariff Order 2021-22, 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."

3.31 The Consultant has submitted in its report that it was noticed that NDMC during

FY 2021-22 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. 0.26 Cr. on account of cash transaction above Rs. 4000/. The details of number of consumers and amount accepted during FY 2021-22 are as below:

No. of Consumers	Amount Paid exceeding Rs. 4000 (Rs. Cr.)	Penalty (Rs. Cr.)
51	2.62	0.26

IMPROPER ENERGY ACCOUNTING

3.32 The Auditor in its Audit Report analyzed the net power purchase with energy billed and observed that the Energy purchased month-wise, Sales and T&D Loss for FY 2021-22. The observation is as follows:

Table 3. 14: T & D Loss month wise percentage for FY 2021-22

Month	Net Purchase	Energy Sale	Difference (MU)	T & D loss (%)
APR	85.01	81.72	3.29	3.87
MAY	85.56	77.3	8.26	9.65
JUN	120.25	78.69	41.56	34.56
JULY	143.12	113.26	29.86	20.86
AUG	139.8	127.77	12.03	8.61
SEPT	125.99	131.98	-5.99	-4.75
OCT	108.63	114.46	-5.83	-5.37
NOV	72.38	94.39	-22.01	-30.41
DEC	87.67	51.99	35.68	40.70
JAN	94.07	96.51	-2.44	-2.59
FEB	74.29	78.87	-4.58	-6.17
MAR	89.07	67.38	21.69	24.35

3.33 From the above table, it is observed that in certain months, energy purchase is less than the energy sales, resulting into negative T&D Loss. Accordingly, the Commission has provisionally allowed the incentive on account of Distribution Losses for FY 2021-22 subject to detailed submission on above observation of improper energy accounting within a month from the date of receipt of True-up Order by NDMC.

3.34 Accordingly, the Commission has approved the revenue available towards ARR for FY 2021-22 as below:

Table 3. 15: Commission approved: IMPROPER ENERGY ACCOUNTING

Sr. No	Particulars	Amount (Rs. Crore)
1	Revenue Realized	1172.91
2	Less: Incentive on account of over achievement of Distribution Loss	2.11
3	Less: Incentive on account of Over-achievement towards higher collection efficiency	22.40
4	Add: Penalty on account of Cash transactions above Rs. 4000/-	0.26
5	**Total revenue available towards ARR for FY 2021-22**	**1148.66**

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.35 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. 16 Petitioner Submission: Power Purchase Quantum for FY 2021-22 (MU)

Sr. No.	Particulars	Approved in Tariff Order for FY 2021-22	Actual
A	Power Purchase from Outside Delhi (Teesta Hydro)	0.00	412.72
B	Power Purchase from Short Term Small Hydro		72.04
C	Power Purchase from IEX		105.45
D	**Total Interstate: Power Purchase**	0.00	590.21
E	Interstate Transmission Losses	0.00	-18.89
F	Net Power Purchase from Central stations and Small Hydro	0.00	571.32
G	Power Purchase from State Generating Stations (Excluding RE)	751.00	639.13
H	Power Purchase from DMSWSL	6.00	7.05
I	Power Purchase from GTPS	32.00	8.89
J	Power Purchase from Short Term Large Hydro at NDMC Periphery	0.00	166.65
K	**Power Available at Delhi Periphery**	**789.00**	**1393.04**
L	Intra-State Transmission Loss	0.00	-12.25
M	Power Available at NDMC Periphery	789.00	1380.79
N	Power Purchase from UI		10.37
O	Solar Power from Grid Connected		0.97
P	Power Purchase from IEX (GTAM & GDAM)		22.49
Q	**Total**	**789.00**	**1414.62**
R	Sale of Power (IEX) & UI		210.05
S	**Net Power Available for Retail Sale**	**789.00**	**1204.57**

3.36 The Petitioner has submitted that in FY 2021-22, 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.

3.37 The Petitioner has submitted that the Hon'ble commission has revised the allocation of power from PPS-III, Bawana from present 9.12% to 12.12% w.e.f. 01st October, 2021 to 31st March, 2022 vide Tariff order dated 30/09/2021.

3.38 Power from GTPS was not scheduled by the Petitioner but injected and accounted for the payment has not been made but energy (MU) has been accounted.

3.39 The Petitioner has submitted that in FY 2021-22 also sourced 0.97 MU from solar power from grid connected solar PV plants and 9.77 MU from net metering solar installations.

3.40 The average inter-state transmission losses and intra-state losses are at 3.20% and 0.88% respectively. The Petitioner has requested to the Commission to kindly consider the actual value of such losses.

3.41 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).

3.42 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

3.43 The Commission in its Tariff Order dated 30/09/2021 has approved Gross Power Purchase Quantum of 789 MU from all sources including Central and State Sector Generating Stations for FY 2021-22.

3.44 The Commission vide its Letter dated 19/06/2023 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.

3.45 Based on the Power Purchase Bills and submission of SLDC, the Power Purchase Quantum of the petitioner is Trued up for FY 2021-22 as follows:

Table 3. 17 Commission Approved - Power Purchase Quantum for FY 2021-22 (MU)

Sr. No	Power Generating Stations	Petitioner	Commission
1	Dadri TPS	-	0.00
2	Pragati - I	437.79	437.78
3	PPS -III, Bawana	201.34	201.32
4	DMSWSL	7.05	7.05
5	Solar Power - Installed by NDMC on ownership basis	0.97	0.97
6	GTPS	8.89	8.89
7	**Total Quantum**	**656.03**	**656.02**
8	Short Term Power Purchase	789.73	789.73
9	Inter-State Transmission Loss	-18.89	-18.89
10	Intra-State Transmission Loss	-12.25	-12.25
11	Open Access for Small Hydro	-	-
12	STOA Charges for Large Hydro	-	-
13	Rebate on Power Purchase	-	-
14	Rebate on Transmission	-	-
15	Short Term Sale of Power	210.05	210.05
	Total	**1,204.57**	**1,204.57**

LONG TERM POWER PURCHASE

PETITIONER’S SUBMISSION

3.46 The Petitioner has submitted that the cost of long-term & Short-Term power purchase are as follows FY 2021-22 and prays to the Commission to approve the same:

Table 3. 18 Petitioner Submission:Total Cost of Long Term Power Purchase FY 2021-22

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Cr.)	Average Rate (Rs./kWh)
A	Dadri TPS (Only Arrear & Adjustment)	0.00	26.35	0.00
B	Pragati-I	437.79	438.28	10.01
C	Pragati-III - CCGT Bawana	201.34	178.90	8.89
D	DMSWSL	7.05	4.95	7.03

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Cr.)	Average Rate (Rs./kWh)
E	GTPS	8.89	0.00	0.00
F	Solar Power – Installed by NDMC on Ownership basis, Through Developer Mode Grid Connected	0.97	0.00	0.00
G	**Total**	**656.03**	**648.48**	**9.88**
H	Short Term: Power Purchase	789.73	329.72	4.18
I	Inter State Transmission Loss / Charges	(18.89)	2.03	
J	Intra State Transmission Loss / Charges	(12.25)	32.39	
K	OA Charges for Small Hydro-PTC		2.29	
L	STOA Charges for large Hydro-PTC		33.20	
M	Payment for Goodwill to PTC		0.27	
N	OA Charges for Large Hydro - TPL		2.55	
O	Less Refund from for STOA, RRAS & SCED Charges		(18.26)	
P	**Power Purchase Cost with ST & Transmission Charges**	**1414.62**	**1032.68**	**7.30**
Q	Less Timely Payment Rebate in Power Purchase	-	(17.61)	-
R	**Net Power Purchase cost after Rebate**	**1414.62**	**1015.07**	**7.18**
S	Less: Short Term Sale of Power	210.05	(78.33)	3.73
T	**Total Power Purchase**	**1204.75**	**936.74**	**7.78**

3.47 The Petitioner has submitted Power Purchase from Bilateral source as follows:

Table 3. 19 : Petitioner Submission: Cost of Power Purchase from Bilateral Sources FY 2021-22

S. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
A	**Small Hydro**	**72.04**	**33.57**	**4.66**
1	KPCPL	72.04	33.57	4.66
B	**Large Hydro**	**579.37**	**222.81**	**24.92**
1	TEESTA	412.72	163.17	3.95
2	ADHPL	80.79	30.14	3.73
3	MPCL	9.30	3.90	4.19
4	SAINJ	30.82	10.57	3.43
5	KWHPS	31.30	10.85	3.47
6	GoHP	3.48	1.19	3.43
7	TUSL	10.96	2.98	2.72
C	**Total (A+B)**	**651.41**	**256.38**	**3.94**

SHORT TERM POWER PURCHASE

3.48 The Petitioner has requested the Commission to approve the cost of Short-Term Power Purchase as tabulated below:

Table 3. 20: Petitioner Submission: Short Term Power Purchase for FY 2021-22

Sr. No.	Particulars	Power Quantum	Amount (Rs. Crore)	Average Rate (Rs./kWh)
1	Bilateral - Small Hydro	72.04	33.57	4.66
2	Bilateral - Large Hydro	579.37	222.81	3.85
3	Banking	0.00	0.00	
4	IDT	0.00	0.00	
5	UI	10.37	5.55	5.35
6	IEX	**127.94**	**67.79**	**5.30**
(a)	DAM	64.25	35.96	
(b)	RTM	41.19	21.07	
(c)	GTAM	21.56	10.33	
(d)	GDAM	0.93	0.43	
7	PXIL	0.00	0.00	
	Total Purchases	**789.73**	**329.72**	**4.18**

3.49 The Petitioner has submitted that the details of Short-Term Power Purchased from Small Hydro Project (Renewable Energy Source) for the purpose of fulfilling the RPO requirements and Large Hydro Projects through PTC Ltd. and Tata Power Trading Corporation Ltd. The details are as under:

3.50 **From Small Hydro Power Plant**

LOA No. D-31/EE(SLDC)/2021 dated 25/03/2021 for procurement of Renewable Hydro Power from M/s PTC India Ltd.

a) Name of Generator: KPCPL

b) Period: 01.04.2021 to 31.10.2021, Round the Clock (RTC)

c) Quantum in MW: Up to 27 MW

3.51 **From Large Hydro Power Plant**

1. LOA No. D-35/EE(SLDC)/2021 dated 30/03/2021 for purchase of hydro power from M/s PTC India Ltd under Tender No. PFC Consulting Limited /Medium/Supply from hydro-electric power station/20-21/ET/73 and Acknowledgement from PTC India: Ref No. C/PTC/NDMC/MT-Hydro Tender/860 dated 31/03/2021 for LOA issued by NDMC.

a) Name of Generator: Teesta-III HEP

b) Period: 05/04/2021 to 30/09/2021

c) Quantum in MW: 142 MW

2. LOA No. D-56/EE(SLDC)/2021 dated 29/09/2021 for procurement of Hydro Power from M/s PTC India Ltd under Tender No. PFC Consulting Limited/Medium/Supply from hydro -electric power station/20-21/ET/73.

a) Name of Generator: Teesta-III HEP

b) Period: 01/10/2021 to 31/03/2022

c) Quantum in MW: 142 MW

3. LOA No. D-18/EE(SLDC)/20-21 dated 4/02/2021 for purchase of Hydro power from M/s PTC India Ltd under Tender No. PFC Consulting Limited/Short/20-21/ET/76 for a total capacity of 355 MW.

Name of Generator	**A. D. Hydro Power Ltd. (ADHPL)**	**Malana Power Company Ltd. (MPCL)**
Period		
April, 2021	38 MW	22 MW
May, 2021	80 MW	5 MW
June, 2021	45 MW	-
July, 2021	80 MW	-
Sept, 2021	25 MW	-
Up to 15th October 2021	50 MW	10 MW
Total	**318 MW**	**37 MW**

4. LOA No. D-17/EE(SLDC)/2021 dated 4/03/2021 for purchase of hydro power from M/s Tata Power Trading Company Ltd. under Tender No. PFC Consulting Limited/Short/20-21/ET/76

a) Name of Generator: Govt. of Himachal Pradesh and Sainj HEP

b) Period: 01.05.2021 to 30.09.2021 from 09.00 to 19.00 Hrs.

c) Quantum: 315 MW - 140 MW from Govt of HP and 175 MW from Sainj HEP.

SHORT TERM POWER SALE

3.52 The Petitioner prays to the Commission to approve the Revenue from Short Term Power Sale as tabulated below:

Table 3. 21: Petitioner Submission: Short Term Power Sale for FY 2021-22

Sr. No.	**Particulars**	**Power Quantum**	**Amount (Rs. Crore)**	**Average Rate (Rs./kWh)**
1	UI	54.71	15.10	2.76
2	**IEX**	**155.34**	**63.23**	**4.07**
(a)	DAM	92.21	36.10	
(b)	RTM	63.13	27.14	
	Total Sales	**210.05**	**78.33**	**3.73**

3.53 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 2021-22 based on the bills paid during the financial year.

b) Bilateral Purchase from Large Hydro Projects - From Teesta III HEP, Government of Himachal Pradesh (GoHP), AD Hydro Power Ltd (ADHPL), Malana Power Company Ltd. (MPCL) and Sainj HEP, KWHPS and TSUL have been accounted for the FY 2021-22 based on the bills paid during the financial year.

c) Purchase / Sales through Indian Energy Exchange (IEX) Exchange have been accounted for the FY 2021-22 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 2021-22.

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.

3.54 Refund Received from DTL: DTL has paid an amount of Rs. 18,26,22,001/- towards refund from RRAS, SCED and STOA and the same has been considered in the cost of power purchase. The month wise details of refund received are given in table below:

Table 3. 22: Petitioner Submission: Details of Refund received from DTL in FY 2021-22

Period	RRAS	SCED	STOA	Total
Apr-21	49,81,632.00	-	99,04,325.00	1,48,85,957.00
May-21	1,42,812.00	-	99,89,133.00	1,01,31,945.00
Jun-21	4,13,908.00	12300.00	1,98,61,165.00	2,02,87,373.00
Jul-21	8,95,993.00	-	2,08,78,728.00	2,17,74,721.00
Aug-21	38,03,224.00	-	1,91,29,605.00	2,29,32,829.00
Sep-21	4,73,105.00	-	1,26,75,148.00	1,31,48,253.00
Oct-21	11,72,547.00	-	95,93,288.00	1,07,65,835.00

Period	RRAS	SCED	STOA	Total
Nov-21	-	-	1,09,85,747.00	1,09,85,747.00
Dec-21	39,42,990.00	-	95,89,561.00	1,35,32,551.00
Jan-22	-	-	85,14,671.00	85,14,671.00
Feb-22	1,39,32,818.00	-	92,69,852.00	2,32,02,670.00
Mar-22	-	-	1,24,59,449.00	1,24,59,449.00
Total	**2,97,59,029.00**	**12,300.00**	**15,28,50,672.00**	**18,26,22,001.00**

COMMISSION'S ANALYSIS

3.55 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 2021-22 and payment made by the Petitioner.

3.56 The power purchase cost based on the bills raised by various parties for power procured/sold from short term sources during FY 2021-22 were also verified.

3.57 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.

3.58 Regulation 28 of *DERC (Business Plan) Regulations, 2019* 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."

3.59 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, 2019* 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. 0.93 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. Sale Rate (Rs./kWh)	UI Rate (Rs./kWh) Sale	Difference in rate	Difference Amount (Rs. Cr.)
Apr-21	85.01	8.01	9.42	3.76	2.82	3.00	(0.18)	(0.07)
Jul-21	143.12	10.33	7.22	3.17	2.06	2.27	(0.21)	(0.07)
Aug-21	139.8	8.08	5.78	1.09	4.30	4.13	0.17	0.02
Nov-21	72.38	8.65	11.95	5.03	3.16	2.57	0.59	0.30
Feb-22	74.29	6.00	8.08	2.29	5.29	2.03	3.26	0.75
Total								**0.93**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

COMMISSION'S ANALYSIS

3.60 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".*

3.61 The Commission has considered rebate towards Power Purchase and Transmission as Rs. 17.61 Cr.

REVENUE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

3.62 The Petitioner has submitted the Renewable Purchase Obligation as per DERC Business Plan Regulations, 2019 as tabulated below:

Table 3. 23 : Petitioner Submission: Renewable Power Purchased Obligation

Sr. No.	Particulars		FY 2021-22
1	Non-Solar	Other Non-Solar	10.25%
		HPO	0.18%
2	Solar		8.75%
TOTAL			19.18%

3.63 The Energy Purchased from Non-Solar and Solar sources are as under:

Table 3. 24 : Petitioner Submission: Power Purchase Renewable and Net metering FY 2021-22

S. No	Particulars	Energy in MU
A	**SOLAR**	
1	From IEX (GTAM)	22.49
2	From Grid connected solar projects	0.97
3	From Net Metering	9.77
	TOTAL SOLAR POWER	**33.23**
B	**NON-SOLAR**	
1	DMSWSL	7.05
2	Small Hydro	72.04
	TOTAL NON-SOLAR	**79.09**

3.64 The Renewable Purchase Obligation fulfilled during FY 2021-22 is tabulated below:

The total sale of energy is 1104.023 MU and Energy purchased from Large Hydro is 579.37 MU. Therefore, RPO to be calculated on balance energy i.e., 524.65 MU.

Table 3. 25: Petitioner's Submission: RPO for FY 2021-22

RPO		Approved in TO FY 2021-22			Actual			Shortfall / Excess
		% of Total Energy Sales	Total Sales	RE to be Procured in MUs	Total Sale Less: Energy from Large Hydro (MUs)	MUs to be Procured	MUs procured during the year	
Solar		8.75%	1217.76	106.55	524.65	45.91	23.46	-22.44
Other	Other Non-Solar	10.25%		124.82		53.78	79.09	25.31
	HPO	0.18%		2.19		0.94	0.00	-0.94
Total		**19.18%**		**233.57**		**100.63**	**102.55**	**1.92**

**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, 2019* provides the RPO requirement for FY 2021-22 as 10.25% for Non-Solar, 0.18% for HPO and 8.75% for Solar. The details of RPO requirement has been checked by the Commission. The details of RPO requirement and fulfilment are given as below:

Table 3. 26: Commission's Approval – Calculation of RPO for FY 2021-22

Sr. No.	Particulars	MU
1	Total Energy Sale	1,104.02
2	Less: Energy from Hydro	579.37
3	Net Energy Requirement for RPO	524.65

Table 3. 27 : Commission's Approval – Calculation of Excess/(Short Fall) in RPO for FY 2021-22

<table>
<tr><th colspan="2" rowspan="2">Type of Energy</th><th colspan="2">Requirement</th><th>Purchased</th><th rowspan="2">Excess/(Short fall)</th></tr>
<tr><th>%</th><th>MU</th><th>MU</th></tr>
<tr><td rowspan="2">Non-Solar</td><td>Other Non-Solar</td><td>10.25%</td><td>53.78</td><td>79.09</td><td>25.31</td></tr>
<tr><td>HPO</td><td>0.18%</td><td>0.94</td><td>0.00</td><td>(0.94)</td></tr>
<tr><td colspan="2">Solar</td><td>8.75%</td><td>45.91</td><td>23.46</td><td>(22.45)</td></tr>
<tr><td colspan="2">Total</td><td>19.18%</td><td>100.63</td><td>102.55</td><td>1.92</td></tr>
</table>

3.66 In view of above, it is observed that the Petitioner has meet the RPO Targets for FY 2021-22.

3.67 Further, the Commission vide its letter dated 19/06/2023 has sought the penalty on account of Additional Deviation Charges and Sustained Deviation Charges and SLDC vide its email dated 11/07/2023 has submitted such penalties as Rs. 1.90 Cr. as Additional Deviation Charges and Rs. 2.89 Cr. as Sustained Deviation Charges. Accordingly, the Commission has reduced the Additional Deviation Charges and Sustained Deviation Charges from Power Purchase Cost for FY 2021-22 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 2021-22 as tabulated below:

Table 3. 28 : Petitioner Submission: Total Power Purchase Cost including Transmission & SLDC Charges for FY 2021-22 (Rs. Cr.)

S. No.	Particulars	Power Quantum	Amount
A	Gross Power Purchase Cost excluding Waste to Energy, Short Term Purchase and Transmission Charges	648.02	643.53
B	Waste to Energy	7.05	4.95
C	**Total Long Term**	**655.06**	**648.48**
D	Short Term Purchase	789.73	329.72
E	Solar Power (Grid connected)	0.97	0.00
F	Payment for Goodwill to PTC	0.00	0.27
G	Inter State Transmission Charges (PGCIL)	(18.89)	2.03
H	Intra State Transmission Charges (DTL)	(12.25)	32.39
I	OA Charges for Small Hydro	-	2.29
J	OA Charges for Large Hydro	-	35.74
K	**Gross Power Purchase**	**1414.62**	**1050.94**
L	Less: Rebate on Power Purchase	-	17.27
M	Less: Total Rebate on Transmission	-	0.34
N	Less Refund from for STOA, RRAS & SCED Charges	-	18.26
O	Less: Sale of Surplus Power	210.05	78.33
P	**Net Power Purchase**	**1204.57**	**936.74**
R	Average Cost Per Unit		7.78

3.69 The Petitioner prays to the Commission to allow the power purchase cost of Rs. 936.74 Cr.

COMMISSION'S ANALYSIS

3.70 Based on the findings above, the Commission approves Power Purchase Cost for FY 2021-22 as follows:

Table 3. 29 : Commission Approved Power Purchase Cost for FY 2021-22 (Rs. Cr.)

Sr.No.	Particulars	Petitioner's Submission	Approved
1	Gross Power Purchase Cost (including Short Term Purchase)	978.20	978.20
2	Less: Cost of Surplus Power Sold	78.33	78.33
3	Net Power Purchase Cost	899.87	899.87
4	Total Transmission Charges	54.46	54.20
5	Total Power Purchase Cost	954.33	954.07

Sr.No.	Particulars	Petitioner's Submission	Approved
6	Less: Rebate	17.61	17.61
7	Net Power Purchase Cost including Transmission Charges	936.72	936.46
8	Less: RPO Penalty	0.00	0.00
9	Less: Penalty on account of Add Deviation and Sustained Deviation	0.00	4.80
10	Less: UI- Violation over & above Contingency Limited	0.00	0.93
11	Trued-Up Power Purchase cost	936.74	930.73
12	Average Cost Per Unit		7.73

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. 30 : Petitioner Submission: Normative O & M Expenses for NDMC for the Control Period

Sr. No.	Particulars	Units	FY 2021-22	FY 2022-23
1	66 kV Line	Ckt KM	3.197	3.320
2	33 kV Line	Ckt KM	3.197	3.320
3	11kV Line	Ckt KM	0.971	1.008
4	LT Line system	Ckt KM	7.620	7.912
5	66/11 kV Grid S/s	MVA	0.991	1.029
6	33/11 kV Grid S/s	MVA	0.991	1.029
7	11/0.415 kV DT	MVA	1.546	1.605

3.72 The approved O & M expenses for FY 2021-22 is Rs. 253.90 Cr. vide order dated 30/09/2021 is given in table below:

Table 3. 31 : Petitioner Submission: O&M Expenses Approved for FY 2021-22

<table>
<tr><th rowspan="2">NETWORK</th><th rowspan="2">Network Capacity as on 1/4/2021</th><th rowspan="2">Projected Addition during FY 2021-22</th><th rowspan="2">Projected Addition during FY 2021-22</th><th rowspan="2">Closing Network Capacity</th><th colspan="2">Norms as per BPR, 2019</th><th colspan="3">Commission Approved</th></tr>
<tr><th>Units</th><th>Rate/ Unit</th><th>Average Network Capacity</th><th>Unit Rate (Rs/Unit)</th><th>Rs. Cr.</th></tr>
<tr><td>66 kV Line (kms)</td><td rowspan="2">234</td><td rowspan="2">0</td><td rowspan="2">0</td><td rowspan="2">234</td><td>Rs. Lakh / Ckt. Km</td><td rowspan="2">3.197</td><td rowspan="2">234</td><td rowspan="2">3.197</td><td rowspan="2">7.48</td></tr>
<tr><td>33 kV Line (kms)</td><td>Rs. Lakh /ckm</td></tr>
</table>

<table>
<tr><th rowspan="2">NETWORK</th><th rowspan="2">Network Capacity as on 1/4/2021</th><th rowspan="2">Projected Addition during FY 2021-22</th><th rowspan="2">Projected Addition during FY 2021-22</th><th rowspan="2">Closing Network Capacity</th><th colspan="2">Norms as per BPR, 2019</th><th colspan="3">Commission Approved</th></tr>
<tr><th>Units</th><th>Rate/ Unit</th><th>Average Network Capacity</th><th>Unit Rate (Rs/Unit)</th><th>Rs. Cr.</th></tr>
<tr><td>11 kV Line (kms)</td><td>1072</td><td>0</td><td>6</td><td>1078</td><td>Rs. Lakh /ckm</td><td>0.971</td><td>1075</td><td>0.971</td><td>10.44</td></tr>
<tr><td>LT Lines system (kms)</td><td>2729</td><td>0</td><td>0</td><td>2729</td><td>Rs. Lakh /ckm</td><td>7.62</td><td>2729</td><td>7.62</td><td>207.96</td></tr>
<tr><td>66/11 kV Grid sub-station (MVA)</td><td rowspan="2">1496</td><td rowspan="2">0</td><td rowspan="2">48</td><td rowspan="2">1544</td><td>Rs. Lakh / MVA</td><td rowspan="2">0.991</td><td rowspan="2">1520</td><td rowspan="2">0.991</td><td rowspan="2">15.06</td></tr>
<tr><td>33/11 kV Grid sub-station (MVA)</td><td>Rs. Lakh / MVA</td></tr>
<tr><td>11/0.4 kV DT (MVA)</td><td>838</td><td>0</td><td>0</td><td>838</td><td>Rs. Lakh / MVA</td><td>1.546</td><td>838</td><td>1.546</td><td>12.96</td></tr>
<tr><td>Total</td><td colspan="9">253.90</td></tr>
</table>

3.73 The actual network details as on 31/03/2022 is given in table below:

Table 3. 32 : Petitioner Submission: Revised Actual Network Details for FY 2021-22

Sr. No.	Particulars	Units	As on 01/04/2021	Addition During FY 2021-22	As on 31/03/2022
1	66 kV Line	Ckt KM	55.71	0.00	55.71
2	33 kV Line	Ckt KM	175.30	0.00	175.30
3	11kV Line	Ckt KM	1049.32	9.92	1059.24
4	LT Line system	Ckt KM	4273.69	13.04	4286.73
5	66/11 kV Grid S/s	MVA	490.00	0.00	490.00
6	33/11 kV Grid S/s	MVA	1006.00	0.00	1006.00
7	11/0.415 kV DT	MVA	844.93	18.40	863.33

3.74 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.

3.75 The Petitioner has submitted O&M (Operation and Maintenance) Expenses for length of lines and Transformer MVA capacity for the year FY 2021-22 as tabulated below:

Table 3. 33 : Petitioner Submission: Actual Operation and Maintenance Actual Expenses FY 2021-22

Sr. No.	Particulars	Units	As on 31.03.2022	Rate	Amt in Lakh	Rs. Cr.
1	66 kV Line	Ckt KM	55.71	3.197	178.10	1.78
2	33 kV Line	Ckt KM	175.30	3.197	560.44	5.60
3	11kV Line	Ckt KM	1054.28	0.971	1023.70	10.24
4	LT Line system	Ckt KM	4280.21	7.620	32615.20	326.15
5	66/11 kV Grid S/s	MVA	490.00	0.991	485.59	4.86
6	33/11 kV Grid S/s	MVA	1006.00	0.991	996.95	9.97
7	11/0.415 kV DT	MVA	854.13	1.546	1320.48	13.20
Total						**371.80**

3.76 The Petitioner further submitted Operation and Maintenance (O&M) Expenses of NDMC as per Annual Accounts, it consists of the following elements:

a) Employee Expenses comprises of Salaries, Dearness Allowances, Leave Travel Assistance, Earned Leave Encashment, Other allowances & Relief Bonus and Honorarium / overtime etc.

b) Administrative and General Expenses mainly comprises of rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, other debits etc.

c) Repair and Maintenance Expenses go towards day-to-day upkeep of distribution functions of NDMC and form an integral part of NDMC's efforts towards reliable and quality power supply to its consumers and reduction of losses in its system.

3.77 The Petitioner has submitted that O&M expenses as per Annual Accounts are as under:

Table 3. 34: Petitioner Submission: O&M expenses as per Annual Accounts FY 2021-22 (Rs. Cr.)

Sr. No.	Description	Amount
1	A&G Costs	9.21
2	Base Employee Costs	235.12
3	R&M Expenses	7.97
4	**Total**	**252.30**

3.78 The Petitioner has prays to the Hon'ble Commission to approve the same as per Normative expenses amounting to Rs.371.80 Crore.

COMMISSION'S ANALYSIS

3.79 The Petitioner in its Petition has submitted the O&M Expenses for FY 2021-22 amounting to Rs. 371.80 Cr. as stated above.

3.80 The Petitioner has also submitted that the Commission asked some clarification regarding details of line length and MVA capacity vide their letter No. F11/(1832)/DERC/202021/6992/2524 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.

3.81 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**

3.82 Accordingly, the Commission decided to reduce the capacity of the LT line on provisional basis as per details submitted by NDMC which has also been clarified in the NDMC True-up Order dated 19/07/2024.

3.83 Again, the Commission vide its email dated 10/09/2025 sought the details of length of service lines in LT Line System for FY 2021-22. The Petitioner has submitted the details vide email dated 17/09/2025 are as follows:

Name of Division			Dist South Division			Dist North Division		
Sr. No.	**Particulars**	**Units**	**as on 31/03/2021**	**Addition during FY 21-22**	**Total 31/03/2022**	**as on 31/03/2021**	**Addition during FY 21-22**	**Total 31/03/2022**
1	**LT system (actual service line length)**	**Ckt KM**	**1,276.00**	**6.26**	**1,282.26**	**841.76**	**5.53**	**847.29**

3.84 The Commission has reduced the length of service line from the LT Line System for calculating the normative O&M Expenses. Therefore, the O&M expenses of NDMC for FY 2021-22 approved by the Commission are as follows:

Table 3. 35: : NDMC- Normative O&M Expenses for FY 2021-22

Sr. No.	Particulars	Units	As on 31/03/2021 *	Addition During FY2021-22	As on 31/03/2022	Rate in Lakh	Average	As Per Commission for FY 2021-22
1	66 kV Line	Ckt KM	55.7	0	55.7	3.197	55.7	1.78
2	33 kV Line	Ckt KM	175.3	0	175.3	3.197	175.3	5.60
3	11kV Line	Ckt KM	1049.32	9.92	1059.24	0.971	1054.28	10.24
4	LT Line system	Ckt KM	2155.93	1.25	2157.18	7.62	2156.55	164.33
5	66/11 kV Grid S/s	MVA	490	0	490	0.991	490	4.86
6	33/11 kV Grid S/s	MVA	1006	0	1006	0.991	1006	9.97
7	11/0.415 kV DT	MVA	844.93	18.4	863.33	1.546	854.13	13.20
Total								**209.98**

**As per DERC NDMC True-Up Order dated 19/07/2024*

CAPITAL EXPENDITURE AND CAPITALIZATION

PETITIONER'S SUBMISSION

3.85 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 2021-22.

3.86 During the year 2021-22 the capitalization has been considered for normal construction activity as well as for system strengthening under IPDS as Rs. 55.84 Cr. Scheme wise details are furnished in Form F-9.

Table 3. 36: Petitioner Submission: Capitalization during 2021-22

Sr. No.	Particulars	Amount capitalised (Rs. Cr.)
1	Other schemes	6.56
2	IPDS - Strengthening of Transmission and Distribution Network	47.30
3	Consumer contribution	1.98
4	**Total Capitalization net of Grant**	**55.84**

3.87 In December 2014 Ministry of Power, Government of India had launched Integrated Power Distribution Schemes (IPDS), 60% to be funded by Mop, GOI and for this purpose, Power Finance Corporation was appointed as Nodal Agency.

3.88 NDMC vide Resolution 17 (B-05) dated 28/4/15 accorded administrative approval for submission of Detailed Project Report amounting to Rs. 528.70 Cr with sanctioning of 211.48 Crores expenditure for strengthening of Sub-transmission and Distribution Network under IPDS Scheme for approval to Ministry of Power in its 7th meeting held on 28.04.2016 approved Rs.196.62 Cr as Project Cost for NDMC area.

With the approval of competent authority, the Petitioner awarded following works:

Package	Description	Awarded Amount (in Rs. Cr.)	Status of PFC/NDMC Fund
Package-I	Strengthening of Sub-Transmission and Distribution network	180.39	PFC Grant: 60% - Rs. 108 Cr. NDMC Own Fund: 40% - Rs. 72 Cr.
Package-II	Supplying & laying underground 11 kV Cables of size 400 Sq mm. and L.T. Cables of Various Sizes in NDMC area	47.30	NDMC Own Fund: 100%
Package-III	Implementation of Advanced Metering Infrastructure (AMI)IT & SCADA/DMS	Assigned on nomination basis to M/s EESL on OPEX model	EESL agreed to infuse the fund and responsible for built / operate & manage the Infrastructure and NDMC shall monetize its investment on per month annuity basis over a period of 8 years, by NDMC own fund

Package-I Work on Package-1 is completed in FY 2020-21 Amount Rs.177.72 Cr. which was considered in FY 2020-21

Package-II Work completed in June, 2021 and capitalized in FY 2021-22

Package-III Work in Progress

Capitalization Considered in IPDS equivalent to 100% NDMC Share – Rs. 47.30 Crore.

GROSS FIXED ASSETS

Table 3. 37: Petitioner Submission: Gross Fixed Assets for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Opening GFA	652.26	1108.93
2	Capitalization	31.60	55.84
3	Decapitalization	0.00	0.00
4	Closing GFA	683.36	1164.77
5	**Average GFA**	**668.06**	**1136.85**

COMMISSION'S ANALYSIS

3.89 The Petitioner in its Petition has submitted the capitalization of assets for FY 2021-22 as Rs. 55.84 Cr. NDMC has further submitted that out of Rs. 55.84 Cr., Rs. 47.30 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. As per the DERC Regulatory Auditor in its Audit Report, it was observed that total capitalization of assets has been indicated Rs. 55.84 Cr. However, the Regulatory Auditor could not verify the Capitalization as the Fixed Assets Register and relevant information was not provided by NDMC for FY 2021-22. 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. and the GFA reported as per unaudited accounts of NDMC for FY 2020-21 is already less than the approved GFA in the Tariff Order. As NDMC has not provided any supplementary documents for capitalization. Therefore, the Commission has not considered any capitalization for FY 2021-22 is as follows:

Table 3. 38: Commission Approved GFA & Capitalisation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening GFA	612.76	Approved in True-up Order 19/07/2024
B	Capitalization	0.00	
C	Deletion	0.00	
D	Closing GFA	612.76	A+B-C

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.90 The Petitioner has submitted consumer contribution for FY 2021-22 as tabulated below.

Table 3. 39: Petitioner Submission: Consumer Contribution for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Opening Consumer Contribution	23.29	13.13
2	Addition of Consumer Contribution	6.67	1.98
3	Closing Consumer Contribution	29.96	15.11
4	**Average Consumer Contribution**	**26.63**	**14.12**

COMMISSION ANALYSIS

3.91 The Commission has approved the closing Consumer Contribution for FY 2020-21 at Rs. 15.86 Cr. Further, the Commission approves the Addition of Rs. 1.98 Cr. for FY 2021-22. Consumer Contribution for FY 2021-22 is as follows:

Table 3. 40: Commission Approved Consumer Contribution for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening Consumer Contribution	15.86	As per FY 2020-21 True-up dated 19/07/2024
B	Addition	1.98	
C	Closing Consumer Contribution	17.84	
D	Average Consumer Contribution	16.85	

DEPRECIATION

PETITIONER'S SUBMISSION

3.92 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. 41: Petitioner Submission: Depreciation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Opening GFA	652.26	1108.93
2	Addition during the year	31.60	55.84
3	Deletion during the year	0.00	0.00
4	Closing Balance of GFA	683.86	1164.77
5	Average Balance of GFA	668.06	1136.85
6	Average Consumer Contribution	26.62	14.12
7	Average assets Net of Consumer Contribution	641.44	1122.73

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
8	Average Depreciation Rate	3.60%	3.60%
9	**Depreciation**	**23.09**	**40.42**

CUMULATIVE DEPRECIATION

PETITIONER'S SUBMISSION

3.93 The Petitioner has submitted the accumulated depreciation till FY 2021-22 as under:

Table 3. 42: Petitioner Submission: Cumulative Depreciation till FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Opening Balance of Cumulative Depreciation	466.78	665.95
2	Depreciation during the year FY 2021-22	23.09	40.42
3	Closing Balance of Cumulative Depreciation	489.87	706.37

UTILIZATION OF DEPRECIATION

PETITIONER SUBMISSION

3.94 The Petitioner has submitted that no portion of the depreciation has been used to repay debt in FY 2021-22 as tabulated below.

Table 3. 43: Petitioner Submission: Utilization of Depreciation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Depreciation for FY 2021-22	23.09	40.42
2	Depreciation utilized for Debt repayment in FY 2021-22	0	0

COMMISSION'S ANALYSIS

3.95 The Commission has considered the approved GFA upto FY 2020-21 in True-up Order dated 19/07/2024 as the opening GFA for FY 2021-22 and capital addition of Zero for FY 2021-22 has been considered as approved by the Commission.

3.96 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, 2019* 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.

3.97 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 average Consumer contribution & grant of Rs. 16.85 Cr. For FY 2021-22, the same has been taken into account for computing depreciation. The depreciation as approved by the Commission is computed as below:

Table 3. 44: Commission Approved Depreciation for FY 2021-22

Sr. No.	Particulars	UOM	Approved in Tariff Order	Petitioner's Submission	Commission Approved
1	Opening GFA	Rs. Cr	652.26	1108.93	612.76
2	Addition during the year	Rs. Cr	31.6	55.84	0
3	Depreciation during the year	Rs. Cr	0	0	0
4	Closing GFA	Rs. Cr	683.86	1164.77	612.76
5	Average GFA	Rs. Cr	668.06	1136.85	612.76
6	Average Consumer Contribution	Rs. Cr	26.63	14.12	16.85
7	Average asset net of Consumer Contribution	Rs. Cr	641.44	1122.73	595.91
8	Average Depreciation rate	%	3.60%	3.60%	3.60%
9	**Depreciation**	**Rs. Cr**	**23.09**	**40.42**	**21.45**

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.98 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. 45: Petitioner's Submission: Determination of Working Capital for FY 2021-22

(Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Aggregate Revenue Requirement (ARR)	1134.86	1399.38
2	Receivables Equivalent to 2 months	189.14	233.23

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
3	Net Power Purchase Expense (Including Transmission, SLDC, RPO & normative rebate)	835.01	936.74
4	1/12th of Power Purchase Expense	69.58	78.06
5	Total Working Capital	119.56	155.17
6	Less: Opening Balance of Working Capital	108.10	140.78
7	Change in Working Capital	**11.46**	**14.39**

COMMISSION'S ANALYSIS

3.99 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,

3.100 The Commission had approved the closing working capital for FY 2020-21 at Rs. 104.86 Cr. in its True-up Order dated 19/07/2024. The approved working capital for FY 2021-22 is as follows:

Table 3. 46: Commission Approved Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order dated 30/09/2021	Petitioner's Submission	True-up FY 2021-22
1	ARR	1134.86	1399.38	1174.19
2	Receivable equivalent to 2 months of ARR	189.14	233.23	195.70
3	Less: Net Power Purchase Cost	835.01	936.74	930.73
4	Less One Month Power Purchase charges	69.58	78.06	77.56
5	Working Capital requirement	119.56	155.17	118.14
6	Less: Opening Balance of Working Capital	108.1	140.78	104.86
7	Change in working capital	11.46	14.39	13.28

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.101 The Petitioner has submitted the computation for Regulated Rate Base for FY 2021-22 based on the *DERC Tariff Regulations, 2017* and requested for the approval of the Commission as tabulated below:

Table 3. 47: Petitioner Submission: Regulated Rate Base for FY 2021-22 (Rs. Cr.)

Sr. No.	Description	Approved in FY 2021-22	Actual
1	**RRB - Base Year**		
A	Opening Balance of GFA	652.26	1108.93
B	Opening Balance of Working Capital	108.10	140.78
C	Opening Balance of Accumulated Depreciation	466.78	665.95
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	23.29	13.13
E	**(A+B)- (C+D) i.e., RRB opening**	**270.29**	**570.63**
F	**RRB - for the year**		
G	Investment capitalised during the year	31.60	55.84
H	Depreciation for the year	23.09	40.42
I	Consumer Contribution, Grants, etc. for the year	6.67	1.98
J	Fixed Asset Retirement / Decapitalisation during the year	0.00	0.00
K	Changes in Capital Investment	1.84	13.44
L	Change in Working Capital	11.46	14.39
M	RRB Closing (E+K+L)	283.59	598.46
N	Regulated Rate Base (RRB) (i) (E+K/2+L)	282.67	591.74

COMMISSION'S ANALYSIS

3.102 The RRB has been considered based on capitalization, depreciation and working capital requirements for FY 2021-22 as detailed in the table as follows:

Table 3. 48: Commission Approved RRB for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22
A	Opening Original Cost of Fixed Assets (OCFAo)	612.76
B	Opening Accumulated depreciation (ADo)	104.86
C	Opening consumer contributions received (CCo)/ grant	488.28
D	Opening Working capital (WCo)	16.85
E	Opening RRB (RRBo)	212.49
F	Investment capitalised during the year (INVi)	-
G	Depreciation during the year (Di)	21.45
H	Depreciation on decapitalised assets during the year	-
I	Government Grant during the year (CCi)	1.98
J	Fixed assets retired/decapitalised during the year (Reti)	-

Sr. No.	Particulars	FY 2021-22
K	Change in capital investment (ΔABi)	(23.43)
L	Change in working capital during the year (ΔWCi)	13.28
M	RRB Closing	202.34
N	RRBi	214.05

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.103 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. 49: Petitioner Submission: Return on Capital Employed for FY 2021-22 (Rs. Cr.)

Sr. No.	Description	Approved in FY 2021-22	Actual
A	RRBi	**282.67**	**591.74**
B	Opening Equity for Capitalization (Limited to 30%)	48.66	128.96
C	Closing Equity Limiting to 30% of net Capitalization	49.21	132.99
D	Average Equity for Capitalization (Limited to 30%)	48.93	130.97
E	Opening Debt at 70% of Net Capitalization	113.53	300.90
F	Closing Debt @70% of net Capitalization	114.82	310.30
G	Average Debt @70% of net Capitalization	114.18	305.60
H	Debt at 100% of Working Capital	119.56	155.17
I	Total Debt (G+H)	233.73	460.77
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) (%)	9.38%	9.77%
O	**Return on Capital Employed (ROCE)**	**26.53**	**57.82**

COMMISSION'S ANALYSIS

3.104 The return on capital employed considered by the Commission based on the RRB(i) and WACC for FY 2021-22 is as given in the table below:

Table 3. 50: Commission Approved Return on Capital Employed (RoCE) for FY 2021-22

Sr. No.	Particulars	UOM	Petitioner Submission	Approved
A	RRBi	Rs.Cr	591.74	214.05
B	Opening Equity for Capitalisation (limited to 30%)	Rs.Cr	128.96	32.29
C	Closing Equity limiting to 30% of net capitalization	Rs.Cr	132.99	25.26
D	Average Equity for Capitalisation (limited to 30%)	Rs.Cr	130.97	28.77
E	Opening Debt at 70% of net capitalisation	Rs.Cr	300.90	75.34
F	Closing Debt at 70% of net capitalisation	Rs.Cr	310.30	58.94
G	Avg Debt at 70% of net capitalisation	Rs.Cr	305.60	67.14
H	Debt at 100% of working capital	Rs.Cr	155.17	118.14
I	Debt- balancing figure	Rs.Cr	460.77	185.28
J	Rate of return on equity (re)	%	16%	16%
K	Rate of debt (rd) on capitalization	%	8%	8%
L	Rate of debt (rd) on working Capital	%	8%	8%
M	Rate of interest on debt (rd)	%	8%	8%
N	WACC	%	9.77%	9.08%
O	RoCE	Rs.Cr	57.82	19.43

INCOME TAX

PETITIONER'S SUBMISSION

3.105 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

3.106 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

3.107 The Petitioner has considered the non-tariff income from the Late Payment Surcharge (LPSC) as per actual of FY 2021-22 and as under:

Table 3. 51: Petitioner's Submission: Non-Tariff Income for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Non-Tariff income	3.68	7.40

COMMISSION'S ANALYSIS

3.108 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."*

3.109 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. 7.40 Cr. as follows:

Table 3. 52: Commission Approved: Non-Tariff Income for FY 2021-22 (Rs. Cr.)

Particulars	Approved
Non-Tariff Income	7.40

AGGREGATE REVENUE REQUIREMENT FOR TRUING UP FOR FY 2021-22

PETITIONER's SUBMISSION

3.110 The Petitioner had submitted the Commission the Aggregate Revenue Requirement for FY 2021-22.

Table 3. 53: Petitioner Submission: Trued up ARR for FY 2021-22 (Rs. Cr.)

Sr. No.	Description	Approved in Tariff Order FY 2021-22	Actual
A	Net Power Purchase Cost	835.01	936.74
B	Net Operation & Maintenance (O&M)	253.91	371.80
C	Depreciation	23.09	40.42
E	RoCE (Including Interest on working capital)	26.53	57.82
F	Income Tax	0.00	0.00
G	Less: Non-Tariff Income	(3.68)	(7.40)
H	**Aggregate Revenue Requirement**	**1134.86**	**1399.38**

3.111 The Petitioner requested to Commission to allow the Aggregate Revenue Requirement of Rs. 1399.38 Crore as presented above, as against the Approved Aggregate Revenue Requirement of Rs. 1134.86 Crore.

COMMISSION'S ANALYSIS

3.112 Based on the above, the Commission approves the Aggregate Revenue Requirement (ARR) for True-up for FY 2021-22 as follows:

Table 3. 54: Commission Approved - Aggregate Revenue Requirement for FY 2021-22 (Rs. Cr.)

Sr. No	Particulars	FY 2021-22
A	Net Power Purchase Cost	930.73
B	Operation & Maintenance (O&M)	209.98
C	Depreciation	21.45
D	Return on Capital Employed (RoCE)	19.43
E	Income Tax	0.00
F	Less: Non-Tariff Income	7.40
G	**Aggregate Revenue Requirement (ARR)**	**1,174.19**

REVENUE (GAP)/SURPLUS

PETITIONER'S SUBMISSION

3.113 The Petitioner has submitted that the overall gap based on the actual expenses and revenue during FY 2021-22 is Rs. 251.63 Cr. and same is tabulated as under:

Table 3. 55: Petitioner Submission: Revenue Gap / Surplus for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2021-22	Actual
1	Aggregate Revenue Requirement, FY 2019-20	1134.86	1399.38
2	Revenue Available Towards ARR	1172.74	1147.75
3	**Revenue (Gap) / Surplus**		**(251.63)**

Table 3. 56: Petitioner Submission: Allocation of ARR for Retail Supply for FY 2021-22

Sr. No.	Particulars	Ratio	Approved in Tariff Order FY 2021-22	Actual
1	Cost of Power Purchase	100%	835.01	936.74
2	Operation & Maintenance Costs	38%	96.49	141.29
3	Depreciation (including AAD)	23%	5.31	9.30
4	Return on Capital Employed	28%	7.43	16.19
5	Income Tax	28%	0.00	0.00
6	Non-Tariff Income	60%	(2.21)	(4.44)
7	**ARR for Retail Business**		**942.03**	**1099.07**

Table 3. 57: Petitioner Submission: Allocation of ARR for Wheeling for FY 2021-22

Sr. No.	Particulars	Ratio	Approved in Tariff Order FY 2021-22	Actual
1	Operation & Maintenance Costs	62%	157.42	230.52
2	Depreciation (including AAD)	77%	17.78	31.12
3	Return on Capital Employed	72%	19.10	41.63
4	Income Tax	72%	0.00	0.00
5	Non-Tariff Income	40%	(1.47)	(2.96)
6	**ARR for Wheeling Business**		**192.83**	**300.31**

COMMISSION'S ANALYSIS

3.114 Based on the ARR and the revenue available towards the ARR, the Revenue Surplus/(Gap) is as follows:

Table 3. 58: Commission Approved Revenue (Gap/surplus) for FY 2021-22 (Rs. Cr.)

Sr. No	Particulars	Amount
A	Aggregate Revenue Requirement	1174.19
B	Revenue Available Towards ARR	1148.66
C	**Revenue (Gap)/Surplus**	**(25.54)**

3.115 The closing Revenue Surplus for FY 2020-21 as per the True-up Order dated 19/07/2024 is Rs. 315.55 Cr. The Revenue surplus/(gap) for FY 2021-22 as now approved by the Commission is summarized as follows:

Table 3. 59: Commission Approved Net Revenue Surplus/ (Gap) at the end of FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	UOM	FY 2021-22
A	Opening Revenue Surplus/(Gap)	Rs. Cr	315.55
B	Revenue Surplus/(Gap) for the year	Rs. Cr	(25.54)
C	Rate of Carrying Cost on equity	%	14%
D	Rate of Carrying Cost on debt	%	8.00%
E	Amount of Carrying Cost	Rs. Cr	29.67
F	**Closing Revenue Surplus/(Gap)**	**Rs. Cr**	**319.69**

Annexure I

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(2042)/DERC/2022-23

Petition No. 63/2022

In the matter of: **Petition for True up of expenses for FY 2021-22.**

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

...Petitioner/Licensee

Coram:
Hon'ble Dr. A. K. Ambasht, Member

Appearance:
Mr. Tushar Sanu, Adv.
Ms. Ankita Bhadoria, Adv.

INTERIM ORDER
(Date of Hearing: 19.01.2023)
(Date of Order: 19.01.2023)

1. Mr. Tushar Sanu and Ms. Ankita Bhadoria, appeared on behalf of NDMC. They have submitted that the instant Petition has been filed by M/s. NDMC for approval of True-up of expenses for FY 2021-22. The Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001.

2. On due consideration, the True Up Petition is 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)
Member

Annexure II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF FY 2021-22

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	Sh. B.S. Sachdev	Elderly People's Forum B-2/13A Keshav Puram Delhi 110 035	RWA	DISCOMs	13/06/2023 23/06/2023 28/06/2023 23/06/2023 13/12/2023
2.	Sh. Arun Kumar Datta	222, Pocket-E, Mayur VIhar Phase II Delhi 110 091	RWA	DISCOMs	21/06/2023 26/07/2023 3/09/2023 25/07/2023
3.	Sh. Anil Sood Hony President – SPCHETNA	A 414-415, Somdutt Chamber-15 Bhkajicama Place, New Delhi	RWA	DISCOMs	23/06/2023 12/07/2023
4.	Satya Prakash Times	A-71, Shashtri Nagar, Delhi – 110052	Industrial	TPDDL	23/12/2023
5.	Sh. Pankaj Gupta Gen. Manager	Delhi Metro Rail Corporation ltd. Metro Bhawan, 13, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	Industrial	BYPL BRPL TPDDL	06/07/2023
6.	Sh. Pawan Kr. Garg Sh. Ashish Garg	Narula Industrial Complex Welfare Association F-1999, DSIIDC Industrial Complex, Narela, Delhi – 110040	Industrial	TPDDL	30/11/2023
7.	Sh. K.K. Verma General Manager (C&RA)	Delhi Transco Ltd. General Manager (Commercial & Regulatory Affairs) 33kV Grid S/Station Building, I.P. Estate, New Delhi 110 002	Govt.	DISCOMs IPGCL	7/07/2023 19/12/2024

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
8.	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi (URD) C6/7 Rana Pratap Bagh, Delhi 110 007	RWA	DISCOMs	6/07/2023 11/09/2023 1/08/2023
9.	Sh. Harvinder Singh Basra	Basra Engg. Works C-86, Sec-2, Bawana Industial Area, New Delhi – 110039	RWA	DISCOM	17/11/2023
10.	Sh. Rajiv Kakria Convener	rkakria3@gmail.com	RWA	DISCOMs	6/07/2023
11.	Sh. A.K. Singh General Manager	Bharti Airtel Limited Head L&R Delhi LSA Anuj.Singh@airtel.com	Industrial	DISCOMs GENCOs TRANSCO	10/07/2023
12.	Sh. Avdhesh Kumar Upadhyay	Flat A-1, Plot A333, Street 35, Chattarpur Enclave Phase II, New Delhi – 110074	Industrial	DISCOM	-
13.	CA Sanjay Gupta General Secretary	C-4/15, Model Town-3, Delhi 110 009	RWA	DISCOMs	10/08/2023
14.	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	Association	DISCOMs	10/07/2023 28/07/2023
15.	Sh. Rajeev Kumar	IGL Bhawan, Plot No. 4, Community Centre, Sector-9, R.K. Puram, New Delhi – 110022	Govt.	IPGCL	1/08/2023
16.	Sh. Y.K. Anand President	Babar Road Colony Lease Holders Association 58, Babar Road, Bengal Market Ykanand62@gmail.com	Domestic	NDMC	11/07/2023
17.	Sh. Ashok Bhasin	Delhi Pradesh Congress Committee Cell Camp Office Bhagidari, 1618, Chandrawal Road, Clock Tower, Delhi 110007	Domestic	DISCOMs	7/02/2024

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
18.	Sh. Sachin Gupta	Public News BU-54, SFS Flats, Pitampura, New Delhi – 110034	Domestic	DISCOMs	22/01/2024
19.	Sh. Sahendra Singh	IPGCL, Himadri, Rajghat Power House Complex, New Delhi – 110002	IPGCL	DISCOMs	18/07/2023 12/09/2023 8/11/2024 10/12/2024 16/12/2024
20.	Sh. Anurag Bansal	TPDDL, NDPL House, Hudson Lines, Kingsway Camp Delhi – 110009	TPDDL	PPCL DTL IPGCL	26/03/2023 26/07/2023 28/07/2023
21.	Sh. Atul Bhardwaj	NDTA	Association	NDMC	10/07/2023
22.	Sh. Anant Trivedi	trivadianant@gmail.com	RWA	BYPL	7/08/2023
23.	Sh. Lalit Mohan Sharma	10/117, University Road, Vishshwas Nagar, New Dlehi 110 032	RWA	BYPL	4/08/2023
24.	Sh. Harmeet Singh President	2462, Basti Punjabian, Subzi Mandi, Roshanara Road, Delhi 110 007	RWA	TPDDL	15/09/2023
25.	Sh. B.B. Tiwari Secretary	sarwasharpan@gmail.com	RWA	TPDDL	22/09/2023
26.	Sh. K.C. Jain	198, Dr. Kukherjee Nagar, Delhi 110 009 kcjqcd@gmail.com	RWA	TPDDL	21/09/2023
27.	Sh. H.M. Sharma	146(FF), Vinobapur, Lajpat Nagar-2 New Delhi 110 024	RWA	DISCOMs	20/09/2023

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
28.	Sh. Hariram Bhardwaj	DVB Pensiones Association, Rajghat Power House, New Delhi – 110002	RWA	DISCOMs	18/12/2024
29.	Sh. Rakesh Bansal	East Delhi Manufacturers Association B-17, Jhilmil Industrial Area, Behind Jhilmil Metro Station, Delhi – 110095	RWA	DISCOMs	26/12/2023
30.	Sh. Sushil Goel	North-West Industrial Federation 118, SMA, Co-opwerative Indl. Estate, G.T. Karnal Road, Delhi – 110033	RWA	DISCOMs	14/03/2024
31.	Sh. Virendra Sachdeva	Bhartiya Janta Party 14, Pt. Pant Marg, New Delhi – 110001	RWA	DISCOMs	14/07/2024
32.	Sh. Rajesh Nilkanth Shinde	Airports Authority Of India Rajiv Gandhi Bhawan, Safdarjumg Airport, New Delhi – 110003	Govt.	DISCOMs	17/05/2024
33.	Sh. Sanjeev Kumar	Airports Authority Of India Rajiv Gandhi Bhawan, Safdarjumg Airport, New Delhi - 110003	Govt.	DISCOM	20/02/2024
34.	Sh. Sameer Singh	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019	DISCOM	DTL	9/10/2024
35.	Sh. Shiva Suman	In individual Capacity, Citizen of India	Industrial	DISCOM/SLDC/IPGCL/PPCL/DTL	12/07/2023
36.	Ms. Monika Dhyani	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019	DISCOM	DTL	9/10/2024

Annexure-III

STAKEHOLDERS WHO HAVE REGISTERED AT THE VIRTUAL PUBLIC HEARING FOR THE PETITION FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2021-22

Sr. No.	Name	Organisation
1	Amarjeet Singh	Domestic Consumer
2	Kamal Kishore Verma	DTL
3	Lalit Chopra	NDMC
4	Chandra Mohan Jain	NDMC
5	Surendranath Amalakanti	NDMC
6	A.W. Ansari	NDMC
7	Adarsh Kumar Handa	Domestic Consumer
8	Somya Tripathi	DMRC
9	Shubham Kumar	DMRC
10	Mukesh Kumar Goel	DMRC
11	Anurag Bansal	TPDDL
12	Saurabh Gandhi	URD, RWA
13	Amit Sharma	URD, RWA
14	Amit Kansal	IPGCL/PPCL
15	Manmohan Verma	URD, RWA
16	Sandeep Kapoor	Apex Chamber of Commerce & Industry
17	Harvinder Singh Basra	Bawana Industrial Area
18	Bhagwat Prasad Agarwal	MCD, Advocate, High Court Bar Association
19	Arun Kumar Rathore	MCD
20	Arun Kumar Datta	URD, RWA
21	Vishnu Kumar	DISCOM
22	Chirag	DISCOM
23	Akash Gupta	DISCOM
24	Shweta Chaudhary	DISCOM
25	Rajul Agarwal	DISCOM
26	Monika Dhyani	DISCOM
27	Kanishk Khettarpal	DISCOM
28	Amal Sinha	DISCOM
29	Vikas Dixit	DISCOM
30	Rajeev Chowdhury	DISCOM
31	Sameer Singh	DISCOM
32	Gaurav Thapan	DISCOM
33	Naveen Vats	DISCOM
34	Brajesh Kumar	DISCOM

Sr. No.	Name	Organisation
35	Prachi Jain	DISCOM
36	Parul Prasad	DISCOM
37	Jaya Rathi	DISCOM
38	Garima Belwal	DISCOM
39	Gurmeet Singh	DISCOM
40	Sanjay Srivastav	DISCOM
41	Man Mohan Mehra	Association
42	Sanjay Gaur	Patparganj Industrial Area
43	CA Sanjay Gupta	Model Town, RWA
44	Hemanta Sharma	RWA
45	Bharti Airtel	Industrial
46	Manish Jain	TPDDL
47	Sanket Sharma	TPDDL