



DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(2041)/DERC/2022-23/7561

Petition No. 62/2022

In the matter of: **Petition for Approval of True Up for FY 2021-22.**

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

...Petitioner/Licensee

Coram:

Sh. Ram Naresh Singh, Member

Sh. Surender Babbar, Member

ORDER

(Date of Order: **25.10.2025**)

M/s Tata Power Delhi Distribution Limited (TPDDL) 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

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ABBREVIATIONS

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

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

Abbreviation	Explanation
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non-Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SDMC	South Delhi Municipal Corporation
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities

Abbreviation	Explanation
SVRS	Special Voluntary Retirement Scheme
TERI	The Energy and Resources Institute
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Unit of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

CHAPTER-1 INTRODUCTION

- 1.1 This Order relates to the Petition filed by Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' 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').

TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

- 1.2 TATA Power Delhi Distribution Limited (TPDDL) is a company incorporated under Companies Act, 1956 and is engaged in the business of Distribution and Retail Supply of Electricity within its area of supply (as defined in the License) in the National Capital Territory (NCT) of Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

- 1.3 The Delhi Electricity Regulatory Commission (hereinafter referred to as the 'DERC' or the Commission') was constituted by the GoNCTD on 3/03/1999 and 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 the 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, 2017 under Tariff Regulations, 2017 for the period FY 2017-18 to FY 2019-20, and, 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 TPDDL filed its Petition for the approval of Truing up of the Expenses upto FY 2021-22 before the Commission on 27/10/2022.
- 1.7 The Commission admitted the Petitions 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 the 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 to various actions taken by the "Commission" at numerous places. For the sake of clarity, it may be mentioned that the term "Commission" in

most of the cases refers to the officers of the Commission for carrying out due diligence on the Petition filed by the Petitioner for obtaining and analysing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.

- 1.11 The Commission relied on the analysis conducted by various concerned Divisions of the Commission for the preparation of the Order.
- 1.12 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was conducted. 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 a Public Hearing for issuance of the Tariff Order related to True up of FY 2021-22 and communicated the same through a Public Notice published in leading newspapers on 10/09/2024 and uploaded the same on the Commission's website. Stakeholders were given an additional time-period until 9/10/2024 or date of Public Hearing, whichever is later for submitting comments/suggestions on the 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 Commission examined the issues and concerns raised by various stakeholders. The major issues raised by the stakeholders, the responses of the Petitioner thereon, and the views of the Commission are being 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 A Public Notice related to the process for the 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:

- Chapter 1 provides details of the Tariff setting process and the approach of the Order.
- Chapter 2 provides brief overview of the comments of various stakeholders, the Petitioner's response, and the Commission's views, thereon.
- 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 the following Annexures, which are an integral part of the Tariff Order:

- a) Annexure I - Admission Order.
- b) Annexure II - List of stakeholders who submitted their comments on True-up of expenses for FY 2021-22.
- c) Annexure III – List of Stakeholders/consumers who attended the virtual public hearing.

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2021-22

1.28 The Commission, in its Business Plan Regulations, 2019, has indicated that the 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, 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, the 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. Further, 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 that such 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 statutory 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 DISCOM 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 its 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:

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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 $> 5\text{ kW}$ and $\leq 15\text{ kW}$ 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 2021-22 in 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 favour 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 favour 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 honour 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 statutory 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.customer@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% 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, 2023 wherein 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 65 of 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 not hold 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 71 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' RESPONSE

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* and with respect to the Books of Accounts of the Petitioner maintained as per Companies Act. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, Audited Accounts for past years, response to queries raised during discussions and also considered the stakeholder's submission during Virtual/ physical Public Hearing process and those submitted in written for finalization of the Tariff Order as per the principle laid down under *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* and *DERC (Business Plan) Regulations, 2019*.

PRIOR PERIOD

3.5 Impact on account of the Hon'ble APTEL orders not given in the preceding True-up orders will be considered in the subsequent True-up orders.

3.6 The Commission in its Tariff Order dated 30/09/2021 has allowed the impact of physical verification of assets for FY 2017-18. Further, the Commission in its True-up Order dated 19/07/2024 has also revised the capitalization for the period till FY 2019-20 as follows:

"e) Finalization of Capitalization on the basis of physical verification of assets

3.26 The Commission has also firmed up the Capitalisation of the Petitioner upto FY 2015-16 vide its Order F.11(2134)/DERC/2023-24/7866 dated 02.02.2024 in Petition 34 of 2023. Further, the Commission also finalized the Capitalisation for FY 2016-17 at Rs. 455.098 Cr. For FY 2018-19 and FY 2019-20, the Commission is considering the Capitalisation on the basis of Audited Accounts subject to finalization of such physical verification. The impact of finalization of such Capitalisation is as follows:

....."

3.7 However, it is observed that excess capitalization of Rs. 77.71 Cr. for the period FY 2017-18 was allowed by the Commission in True-up Order dated 19/07/2024. Accordingly, the Commission has reversed the impact of the same along-with the Carrying Cost as follows:

Particulars	Impact on Regulatory Assets (Rs. Cr.)			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Impact of excess capitalization allowed by the Commission in True-up Order dated 19/07/2024	6.61	12.80	12.11	12.67
Opening Balance of additional Revenue (Gap)/Surplus	-	6.95	21.10	35.99
Carrying Cost Rate	10.33%	10.13%	10.21%	9.61%
Carrying Cost Amount	0.34	1.35	2.77	4.07
Closing Revenue (Gap)/Surplus	6.95	21.10	35.99	52.73

3.8 Accordingly, the closing value of Regulatory Assets as on 31/03/2021 has been revised to Rs. (5734.97) Cr.

ENERGY SALES

PETITIONER'S SUBMISSION

- 3.9 The Petitioner has submitted that in its Tariff Order for FY 2021-22, the Commission had projected billed sale of energy of 9,205 MU for the FY 2021-22. Against the same, the Petitioner has actually billed 8,752 MU as sale of energy including actual own consumption of 13.63 MU. Given below is the table showing the category wise comparative between projected energy sale and actual energy billed.

Table 3. 1 Category wise billed Energy Sale (Projected vis-à-vis Actual) for FY 2021-22

Sr. No.	Category	Billed sale of Energy (MU)	
		Approved Projected	Actual
1	Domestic	4,518	4,428
2	Non-Domestic	1,438	1,349
3	Industrial	2,558	2,340
4	Agriculture & Mushroom	18	14
5	Public Utilities	547	501
6	Advertisement & Hoardings	0.34	0.42
7	Temporary Supply	64	58
8	Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point	28	23
9	Others *	34	39
	Grand Total	9,205	8,752

* Others include Enforcement, own consumption, staff, misuse & other adjustments

- 3.1 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019 has specified that for the purpose of truing up, the Own Consumption shall be considered @ 0.25% of the energy billed or the actual consumption of Licensee whichever is lower. Thus, for the purpose of truing up, the Petitioner has considered actual consumption of 13.63 MU towards own-consumption against the normative own consumption of 21.85 MU.

Table 3. 2: Petitioner Submission - Category wise billed energy sale (MU) sought for truing up for FY 2021-22

Sr. No.	Category	Sanctioned Load (MW)	Number of Consumer (No.)	Net Units Sold (MU)
1	Domestic	3,299	15,89,593	4,428
2	Non-Domestic	1,264	2,36,946	1,349
3	Industrial	1,329	30,201	2,340
4	Agriculture	31	4,222	14

Sr. No.	Category	Sanctioned Load (MW)	Number of Consumer (No.)	Net Units Sold (MU)
5	Public Utilities	216	6,388	501
6	Advertisement & Hoardings	0.51	223	0.42
7	Temporary Supply	36	13,378	58
8	Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point	12	870	23
9	Others*	28	3,757	39
10	Grand Total	6,215	18,85,578	8,752

*others include Enforcement, own consumption, staff, misuse & other adjustments

COMMISSION ANALYSIS

- 3.2 The Commission during the Prudence Check and based on the verification of the Category-wise Sales data from the Petitioner's SAP system with the Books of Accounts for FY 2021-22 by the Consultant, validated the billing database. The Commission observed as follows:

OWN CONSUMPTION

PETITIONER'S SUBMISSION

- 3.3 Regulations 23(2) and 23(3) of *DERC (Business Plan) Regulations, 2019* state as under;

"23(2) The Distribution Licensees 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."

"23(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 revenue collected for the same year."

- 3.4 The Petitioner has reported actual Self-Consumption of Energy as 13.63 MU which was lower than the Normative Self-Consumption computed at 21.85 $[0.25\% \times (8753.58 - 13.63)]$.

COMMISSION ANALYSIS

- 3.5 The Petitioner has reported actual self-consumption of energy as 13.63 MU which is lower than the normative self-consumption computed at 21.85 MU. Thus, the Commission has considered the Self Consumption of Energy by the DISCOM as 13.63 MU.

ENFORCEMENT SALES**PETITIONER'S SUBMISSION**

- 3.6 Regulation 5(10) of *DERC (Terms and Conditions for Determination of Tariff Regulations) 2017* states that "any units assessed and billed on account of theft shall only be considered in the year of its realization as specified in Section 126(6) of the Act."
- 3.7 Section 126(6) of Electricity Act 2003 states that "the assessment shall be made at a rate equal to twice the tariff rates applicable for relevant category of services".
- 3.8 The Petitioner has submitted 8.10 MU on account of enforcement sales based on annual revenue realised on account of enforcement as Rs. 11.90 Cr.

COMMISSION ANALYSIS

- 3.9 The Commission observed that the Petitioner in its Form 2.1(a) for FY 2021-22, provided information on revenue billed and collected and has submitted the Enforcement sales as 8.10 MU against which the revenue billed is considered at Rs. 11.90 Cr. The Commission has accordingly, considered the Enforcement Units as 8.10 MU for FY 2021-22 as follows:

Table 3. 3: Enforcement Units assessed during FY 2021-22

Category	Units (MU)	Category wise ABR (Rs./kWh)	ABR x 2 (Rs./kWh)	Revenue Billed (Rs. Cr)
Domestic	6.42	5.76	11.52	7.39
Non-Domestic	1.17	14.61	29.22	3.43
Industrial	0.35	12.73	25.46	0.88
Agriculture	0.06	6.78	13.57	0.08
Mushroom Cultivation	-	5.93	11.85	0.00
Public Utilities	-	10.58	21.16	0.00
Advertisement & Hoardings	-	14.86	29.73	0.00
E-Vehicle	0.10	5.91	11.82	0.12
Total	8.10			11.90

ADJUSTMENT IN BILLING BY MORE THAN 1%

- 3.10 The Commission issued a directive 6.8 in Tariff Order dated 31/08/2017 which states as follows:

“6.8. The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.”

- 3.11 During True-up of FY 2018-19, the Commission in its Tariff Order dated 28/08/2020 had deliberated the issue of the adjustment in billing by more than 1% considering various aspects like Contra Entries/Invoice Reversals, Provisional Billing, Open Access and other adjustments as follows:

“3.38 The Commission conducted prudence check session with the Petitioner and sought reply related to the compliance of the above-mentioned directive. The Petitioner was directed to submit information related to adjustments, split into Contra Entries/invoices reversals, adjustments due to provisional billing (split into 1 month, 2 months, quarterly more than quarter, one year more than one year) and adjustments related to Open Access.

3.39 Further, the Petitioner vide its email dated 10/08/2020 replied to the queries raised by the Commission. Further, the Commission sought from the Petitioner details relating invoices reversal in their system. The Petitioner has submitted as follows:

a) Sometime due to Human Error or Consumer Site Condition, the Invoice served to consumer get generated wrong mainly due to incorrect reading. Tata Power-DDL has system-based checks to prevent wrong cases and such case are stopped before issuing the Invoice however minuscule number of cases get released and wrong invoice is served to the consumer.

b) Such wrong served invoice are identified either on next reading cycle or through Customer Complaint. In any case, reading is re-verified from the consumer site for Authentication.

c) Once it is established that invoice served to consumer is wrong, then that wrong invoice is reversed and a new invoice is generated on correct reading.

d) Any Payment received from the consumer if any is adjusted against the consumer new correct invoice.

e) Such incorrect Invoice, which are reversed, are called invoice reversal. The billed amount and units against such reversal invoice are subtracted from the from Gross Units /Amount of Form 2.1 (a) to give correct reflection.

3.40 Further, the Petitioner has submitted that these invoices pertain to billing and they were served to consumers. Further, there were instances where consumer had paid, but such payments

are adjusted in the revised invoices generated. Accordingly, the Commission considered such invoice reversal amounting to around 59 MU for computation of adjustments.

3.41 In view of above and based on the submission by the Petitioner, the Commission has considered invoices in reversal, provisional billing less than 2 months as adjustment in unit billed and other adjustments submitted by the Petitioner. Accordingly, the Commission observed that the adjustments in the case of Petitioner works out to 0.94% which is less than 1%

- 3.12 Based on the above findings during True up of FY 2018-19, the Commission in its Tariff Order dated 28/08/2020 revised the said directive as follows:

“6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.”

- 3.13 The same was also reiterated in the Tariff Order dated 30/09/2021 & True-up Order dated 19/07/2024.

- 3.14 The Commission, during prudence check sessions, analysed the Billing dump, live SAP, quarterly Form 2.1(a) and has not considered the Contra Entries (*being counter entries*), adjustments related to Open Access consumers and provisional billing for periods less than Two months as adjustments in Units Billed. However, other adjustments submitted by the Petitioner have been considered without sign change (gross) as adjustments. This adjustment indicates the total adjustments without +/- nature.

- 3.15 Accordingly, the adjustments related to adjustments in Units Billed is as follows:

Table 3. 4 Adjustment Sales in Units for FY 2021-22 (MU)

Particulars	Month	Gross Sales Total Sales	2.1a (Total Adjustment)	Contra Entry	Provisional to Actual Billing					Open Access	Other Adjustments	% Adj. Adding + & - both (excluding Contra, Open Access & 2 months Provisional)		
					Within a month	Within 2 months	Within a Quarter	More than Quarter but within a Year	More than a Year					
		A	B	C	D	E	F	G	H	I	J	K	L (Net)	(F+G+H+J+K) /A Total
Q1FY22	Apr-21	642901952	-553669	3364821	-2152	-124691	-123056	-198632	-100299	0	0	-4839	-4839	0.00%
	May-21	625566212	-480809	869110	-12290	-116098	-136332	-114562	-100034	0	0	-1493	-1493	0.00%
	Jun-21	580030339	-826785	784580	-9607	-153770	-410577	-173085	-74391	0	0	-5355	-5355	-0.01%
Q2FY22	Jul-21	1050818888	-1233339	680606	-4611	-99703	-687211	-311268	-119952	0	0	-10594	-10594	-0.01%
	Aug-21	977497080	-1668187	766643	-5782	-468629	-332704	-728872	-119256	0	0	-12944	-12944	-0.01%
	Sep-21	856483150	-1606205	665172	-4533	-144618	-393164	-918770	-136651	0	0	-8469	-8469	-0.02%
Q3FY22	Oct-21	882885171	-1373024	3016728	-5977	-162158	-396697	-699087	-105146	0	0	-3959	-3959	-0.01%
	Nov-21	675321042	-1351359	722866	-27935	-269393	-309045	-662809	-78169	0	0	-4008	-4008	-0.01%
	Dec-21	586114418	-2820608	7765685	-12306	-247837	-1806134	-610267	-141842	0	0	-2222	-2222	-0.03%
Q4FY22	Jan-22	625958464	-1155315	944446	-93428	-178593	-273454	-490867	-117767	0	0	-1206	-1206	-0.01%
	Feb-22	642997952	-1044350	1691186	-42020	-180900	-297809	-413121	-103456	0	0	-7044	-7044	-0.01%
	Mar-22	603998791	-1142407	497907	-26080	-100779	-276586	-517210	-213374	0	0	-8378	-8378	-0.01%
FY 21-22		8750573459	-15256057	21769750	-246721	-2247169	-5442769	-5838550	-1410337	0	0	-70511	-70511	-0.15%

3.16 Accordingly, it is observed that the Adjustment Sales in units for FY 2021-22 is within the permissible limit of 1% of total units billed.

TRUED-UP SALES FOR FY 2021-22

COMMISSION ANALYSIS

3.17 Based on the findings indicated in paras above, the Commission considers the Trued-up sales for FY 2021-22 as follows:

Table 3. 5: Commission Approved - Trued Up sales FY 2021-22 (MU)

Sr. No.	Category	Petitioner Submission	Commission Approved
1	Domestic	4,428.00	4,428.00
2	Non-Domestic	1,349.27	1,349.27
3	Industrial	2,340.17	2,340.17
4	Agriculture & Mushroom	14.43	14.43
5	Public Lighting	500.56	500.56
6	Advertisement & Hoardings	0.42	0.42
7	Temporary Supply	57.63	57.63
8	E-Rickshaw	23.09	23.09

Sr. No.	Category	Petitioner Submission	Commission Approved
9	Others	38.64	30.54
10	Enforcement		8.10
11	Grand Total	8,752.21	8,752.21

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2021-22

PETITIONER'S SUBMISSION

- 3.18 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019 has specified the target for Distribution Loss Level for the current control period (FY 2021-22 to FY 2022-23). Relevant extract of the Business Plan Regulations, 2019 is reproduced below:

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

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

.....”

- 3.19 From the above table, it can be seen that target Distribution Loss Level for FY 2021-22 has been fixed @ 7.80%. Against the said target, the Petitioner has achieved actual Distribution loss level of 7.11% for FY 2021-22. Computation of the actual distribution loss level is given below:

Table 3. 6: Petitioner Submission - Computation of T&D loss and overachievement for FY 2021-22

Sr. No.	Particulars	MU
A	Energy Input	9,422.05
B	Billed Units	8,752.21
C	Actual Distribution Loss Level	7.11%
D	Target Distribution Loss Level	7.80%
E	Overachievement/(Underachievement)	0.69%

- 3.20 The Petitioner has considered previous year loss target at 7.90% for the purpose of computation of sharing of incentive as follows:

Table 3. 7: Petitioner Submission - Actual Distribution loss level for FY 2021-22

Sr. No.	Particulars	Distribution Loss Level
A	Previous year target	7.90%
B	Target Distribution Loss Level	7.80%
C	Actual Distribution Loss Level	7.11%

- 3.21 Accordingly, the Petitioner has considered the incentive on account of reduction in Distribution Loss level as follows:

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

Sr. No.	Particulars	UOM	FY 2021-22
A	Billed Sales	MU	8,752.21
B	Actual Distribution Loss Level	%	7.11%
C	Target Distribution Loss Level	%	7.80%
D	Actual Input @ actual distribution loss level	MU	9,422.05
E	Desired Input @ Target distribution loss level	MU	9,487.13
F	Saving in Input (MU) due to lower distribution loss level	MU	65.08
G	Power Purchase Cost	Rs./kWh	6.39
H	Total Overachievement Incentive	Rs. Cr.	41.56
I	TPDDL Share	Rs. Cr.	26.70

COMMISSION ANALYSIS

ENERGY INPUT

- 3.22 The Petitioner submitted its Energy Input at DISCOMs periphery at 9422.05 MU. The Commission vide its Letter No. F.3(703)/Tariff/DERC/2023-24/7778/554 dated 19/06/2023 directed Delhi SLDC and Distribution Licensees to submit Joint Signed 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. It was observed from this statement that Petitioner's consumption based on Special Energy Meter (SEM) data was 9507.40 MU including Open Access schedule of 91.60 MU.
- 3.23 In addition to above, the Petitioner also submitted the Solar generation at 1.81 MU and net metering at 4.45 MU. Thus, the Energy Input as considered by the Commission is 9422.05 MU.

3.24 Accordingly, the Energy Input of the Petitioner is as follows:

Table 3. 9 : Commission Approved - Energy Input for FY 2021-22 (MU)

Sr. No.	Particulars	As per Petitioner	As per Commission
A	SLDC- Total Input Based on SEM Data	9422.05	9507.40
B	Less: Open Access Consumer		91.60
C	Add: Solar Generation		6.25
	Total Energy Input		9422.05

DISTRIBUTION LOSS

3.25 The Regulation 25(1) of *DERC (Business Plan) Regulations, 2019*, specifies the Distribution Loss Targets for FY 2021-22 as follows:

Table 3. 10 : Distribution Loss target for FY 2021-22 as per DERC (Business Plan) Regulations, 2019

DISTRIBUTION LICENSEE	2021-22
TPDDL	7.80%

3.26 The Regulation 159 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:

$$\text{Incentive or penalty} = Q1 * (L1-L2) * P * 10^6$$

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).”

$$L2 = \text{Actual Distribution Loss in \%} = \left[1 - \frac{Q2}{Q1}\right] * 100$$

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”

3.27 The Regulation 25(2) of *DERC (Business Plan) Regulations, 2019*, states *“The amount for Overachievement/Underachievement 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.”

- 3.28 Accordingly, the financial impact of over achievement or under achievement on account of distribution loss target has been determined in accordance with the Regulation 159 of the DERC (Terms and condition for Determination of tariff) Regulations, 2017, is as follows:

Table 3. 11 : Commission Approved - Distribution Loss and its financial impact for FY 2021-22

Sr. No.	Particulars	UoM	As per Petitioner	As per Commission
A	Energy Input	MU	9,422.05	9,422.05
B	Energy Billed	MU	8752.21	8,752.21
C	Actual Distribution Loss Level	%	7.11%	7.11%
D	Targeted Distribution Loss Level	%	7.80%	7.80%
E	Average Power Purchase Cost	Rs./Unit	6.39	6.17
F	Financial Impact of Overachievement or Underachievement	Rs. Cr.	41.56	40.15

- 3.29 The Regulation 25(4) of DERC (Business Plan) Regulations, 2019, states,

“Any financial impact due to Overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:

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

- 3.30 In accordance with the Regulation 25 (4) of the DERC (Business Plan) Regulations, 2019, the sharing of the financial impact of over achievement or under achievement of distribution loss target has been computed as follows:

Table 3.12 : Commission Approved - Incentive/ Dis-incentive for Distribution Loss

Sr. No.	Particulars	UoM	As per Petitioner	As per Commission	Remarks
A	Distribution Loss Target in previous Year	%	7.90%	7.90%	As per BPR 2019, 25(1)
B	Distribution Loss Target in Current Year	%	7.80%	7.80%	As per BPR 2019, 25(1)
C	Actual Distribution Loss	%	7.11%	7.11%	
D	50% of (previous year target - current year target)	%	0.05%	0.05%	50%*(A-B)
E	Distribution loss target - 50% of (previous year target - current year target)	%	7.75%	7.75%	B-D
F	Actual Energy Input at Distribution periphery	MU	9,422.05	9,422.05	
G	Average Power purchase Cost	Rs/kWh	6.39	6.17	
H	Total Incentive	Rs. Cr	41.56	40.15	(B-C)*F*G/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr	26.70	0.97	(B-E)*F*G/10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr		24.83	(E-C)*F*G/10*(2/3)
K	Total Incentive to Petitioner	Rs. Cr		25.80	I+J
L	Incentive to Consumer	Rs. Cr	14.86	14.35	(B-E)*F*G/10*(2/3)+(E-C)*F*G/10*(1/3)

REVENUE BILLED**PETITIONER SUBMISSION**

- 3.31 the Petitioner has submitted that the Commission in its Tariff Order for FY 2021-22 had projected total revenue of Rs. 6,994 Cr. out of which Rs. 6,476 Cr. had been projected towards Fixed Charges and Energy Charges and balance Rs. 518 Cr. (i.e. 8% Deficit Recovery Surcharge to be applied on Fixed and Energy Charges) had been projected towards recovery of carrying cost and accumulated revenue gap. Given below is the category wise billed revenue projected for FY 2021-22.

Table 3.13 : Petitioner Submission - Category wise Projected billed energy sale (MU) and Revenue for FY 2021-22

Sr. No.	Category	Net Units Sold "A"	Fixed Charges Billed – "B"	Energy Charges Billed "C"	Total Revenue "D=(B+C)"	ABR "E=D/A*10"	Deficit Recovery Surcharge of 8% "F=D*8%"
		MU	Rs. Cr.			Rs./kWh	Rs. Cr.
1	Domestic	4,518	198	1,767	1,965	4.35	157
2	Non-Domestic	1,438	375	1,192	1,567	10.90	125
3	Industrial	2,558	420	1,982	2,402	9.39	192
4	Agriculture & Mushroom	18	5	3	8	4.44	0.64
5	Public Utilities	547	77	342	419	7.66	33
6	Advertisement and Hoarding	0.34	13	102	115	9.13	9
7	Vehicle on Single Delivery Point	28					
8	Others	98					
9	Grand Total	9,205	1,088	5,388	6,476	7.04	518

*others includes Enforcement, own consumption, staff, misuse, other adjustments and temporary supply

3.32 Against the said projected billed revenue, the Petitioner has actually billed energy revenue (net of E. tax and Pension Trust Surcharge) of Rs. 7467 Cr. at approved Retail Supply Tariffs.

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

Table 3.14 : Petitioner Submission - Category wise Actual billed energy sale (MU) and Revenue for FY 2021-22

Sr. No.	Category	*** Total Number of consumers and sanctioned load		Net Units Sold	Fixed Charges Billed	Energy Charges/ other charges Billed	PPCA Amount Billed	Total	ABR	Surcharge of 8%
		MW	No.	MU	Rs. Cr.				Rs./kWh	Rs Cr.
1	Domestic	3,299	15,89,593	4,428	203.86	1,784.79	189.19	2,177.83	4.92	159.11
2	Non-Domestic	1,264	2,36,946	1,349	399.92	1,133.48	163.98	1,697.38	12.58	122.54
3	Industrial	1,329	30,201	2,340	430.05	1,865.66	257.68	2,553.38	10.91	184.25
4	Agriculture & Mushroom	31	4,222	14	5.29	2.39	0.84	8.52	5.90	0.61
5	Public Utilities	216	6,388	501	60.73	347.26	44.20	452.18	9.03	35.31
6	Advertisement & Hoardings	1	223	0	0.14	0.34	0.06	0.54	12.77	0.04

Sr. No.	Category	*** Total Number of consumers and sanctioned load		Net Units Sold	Fixed Charges Billed	Energy Charges/ other charges Billed	PPCA Amount Billed	Total	ABR	Surcharge of 8%
		MW	No.							
7	Temporary Supply	36	13,378	58	8.31	45.69	5.97	59.97	10.41	4.31
8	Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point	12	870	23	0.01	10.40	1.18	11.60	5.02	0.83
9	Others	28	3,757	39	3.30	15.11	1.67	20.08	5.20	1.43
10	(-) Open Access Charges (to be treated separately)					-21.76	0.00	-21.76		-1.10
11	Total	6,215	18,85,578	8,752	1,111.60	5,183.35	664.77	6,959.72	7.95	507.33
Reconciliation Statement with the Audited Form 2.1 a										
	Billed amount of Fixed Charges									1,111.60
	Billed amount of Energy Charges									5,183.35
	Billed amount of PPAC Charges									664.77
	Billed Amount of 8% Deficit Recovery Surcharge									507.33
	Billed amount of E. Tax									301.20
	Billed amount of Pension Trust Surcharge									354.45
	Total amount of Revenue Billed									8,122.69
	Average Billing Rate at gross level/ Rs. kWh									9.28

- 3.34 The Petitioner, has further, submitted that the Hon'ble APTEL granted stay on Tariff Order dated 30/09/2021 vide its Order dated 21/01/2022 in Appeal 213 of 2018, Appeal 332 of 2021 and Appeal 334 of 2021. It is pertinent to bring to the kind attention that due to the stay order, the last Tariff Order for Tata Power-DDL dated 28.08.2020 continued to remain in force till further orders from the Hon'ble APTEL. As a consequence of the same, the Petitioner continued to levy charges and surcharges in terms of Tariff Order dated 28/08/2020. However, after clarification from the Hon'ble APTEL vide order dated 29/04/2022, the Petitioner started to levy charges and surcharges as per Tariff order dated 30/09/2021.

PENSION TRUST SURCHARGE**PETITIONER SUBMISSION**

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

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

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

3.37 During the FY 21-22, the Petitioner has billed an amount of Rs. 355.16 Cr. as Pension Trust Surcharge and collected an amount of Rs. 355.66 Cr. The recovery made in FY 2021-22 includes outstanding recovery of billed amount at the end of FY 2020-21 (in case only).

Table 3.15 : Petitioner Submission - Pension Trust amount billed and collected for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Other than Open Access	From Open Access	Total Amount
1	Amount billed on account of Pension Trust Surcharge	354.45	0.71	355.16
2	Amount Collected in FY 2021-22*	354.95	0.71	355.66

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

COMMISSION ANALYSIS

3.38 The Regulatory Auditor has verified the Revenue Billed by the Petitioner. Further, during prudence check sessions, the Commission has also verified the Revenue billed by the Petitioner from the Audited Form 2.1 (a), SAP and Audited Books of Accounts for FY 2021-22 and accordingly, the same is approved as follows:

Table 3. 16 : Commission Approved - Revenue Billed for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	As per Commission
A	Domestic	2549.93
B	Non-Domestic	1971.08

Sr. No.	Category	As per Commission
C	Industrial	2979.35
D	Agriculture	9.69
E	Public Utilities	529.48
I	Advertisement & Hoardings	0.62
J	E-Rickshaw/Charging Stations	13.65
K	Temporary Supply	70.02
L	Others (incl. Enforcement)	23.26
M	Open Access Charges	(24.39)
N	Gross Billing	8,122.69
O	Less: Electricity Duty	301.20
P	Less: Regulatory Assets Surcharge	507.33
Q	Less: Pension Trust Surcharge	354.45
R	Net Amount Billed	6,959.72

REVENUE COLLECTED

- 3.39 During the prudence check sessions, the Commission verified the Revenue Collected by the Petitioner from the Audited Form-2.1(a), SAP and Audited Books of Accounts for FY 2021-22 and the Revenue Collected as approved by the Commission is as under:

Table 3. 17 : Commission Approved - Revenue Collected for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As approved
A	Actual Revenue realized including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	8,152.04	8,152.04
B	Less:		
	<i>Electricity Duty</i>	296.97	296.97
	<i>Regulatory Asset Surcharge</i>	508.85	508.85
	<i>Pension Trust Surcharge</i>	354.95	354.95
C	Actual Revenue realized excluding Electricity duty, Regulatory Surcharge, Pension Trust Surcharge	6,991.27	6,991.27

COLLECTION EFFICIENCY AND OVERACHIEVEMENT INCENTIVE FOR FY 2021-22

PETITIONER SUBMISSION

- 3.40 The Petitioner has referred the Regulation 10 of the DERC Tariff Regulations, 2017, and submitted the Collection efficiency as follows:

Table 3. 18 : Petitioner Submission - Revenue Billed for the purpose of computation of collection efficiency for FY 2021-22 (Rs. Cr.)

Sr. No.	Particular	Amount
A	Total Revenue Billed as per Form 2.1a	8,122.69
B	Less- Electricity Tax	301.20
C	Less- 8% Deficit Revenue Recovery Surcharge	507.33
D	Less- Pension Trust Surcharge of 3.80%	354.45
E	Net Revenue Billed	6,959.72

- 3.41 The Petitioner has submitted revenue realized at an amount of Rs. 8,152.04 Cr. against the total revenue billed of Rs. 8,122.69 Cr. The revenue collection to be considered for truing up of AT&C Loss Level are as follows:

Table 3. 19 : Petitioner Submission - Revenue available for AT&C Computation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particular	Amount
A	Total Revenue Realized	8,152.04
B	Less: Electricity Tax	296.97
C	Less: 8% Deficit Revenue Recovery Surcharge	508.85
D	Less: Pension Trust Surcharge	354.95
E	Revenue Collected for Collection Efficiency	6,991.27

- 3.42 Accordingly, the Petitioner has submitted the collection efficiency and corresponding incentives as follows:

Table 3. 20 : Petitioner Submission - Collection Efficiency and Incentive for FY 2021-22

Sr. No.	Particular	UoM	Amount
A	Amount Billed	Rs. Cr.	6,959.72
B	Amount Collected	Rs. Cr.	6,991.27
C	Collection Efficiency	%	100.45%
D	Target collection efficiency	%	99.50%
E	Amount of Collection over and above 99.50% target	Rs. Cr.	66.35
F	Sharing of Incentive		
	DISCOM (50% upto 100% and 100% beyond 100% collection)	Rs. Cr.	48.95
	Consumers (50% upto 100% collection)	Rs. Cr.	17.40

COMMISSION ANALYSIS

- 3.43 The 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:-

$$\text{Incentive or penalty} = (C1 - C2) * Ab$$

Where,

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

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

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

$$C2 = \text{Target Collection Efficiency in \%}$$

3.44 The 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.”

3.45 The Regulation 26 of DERC (Business Plan) Regulations 2019 states:

“26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 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.”

3.46 Accordingly, the Collection Efficiency for FY 2021-22 is as follows:

Table 3. 21: Commission Approved: Collection Efficiency for FY 2021-22

Sr.No	Particulars	UoM	Target	As per Petitioner	As per Commission
1	Amount billed	Rs. Cr		6,959.72	6959.72
2	Collection Efficiency	%	99.50%	100.45%	100.45%
3	Amount collected	Rs. Cr		6,991.27	6,991.27
4	Over/ Under-achievement	Rs. Cr		66.35	66.35
5	Amount to be retained by petitioner and consumer shared 50:50 for achievement of collection	Rs. Cr		48.95	17.40

Sr.No	Particulars	UoM	Target	As per Petitioner	As per Commission
	efficiency Target from 99.50% to 100%				
6	Entire 100% to be retained for achievement over 100%	Rs. Cr			31.56
7	Total Incentive/(disincentive) towards DISCOM	Rs. Cr			48.95
8	Incentive/(disincentive) towards Consumer	Rs. Cr		17.40	17.40

CASH COLLECTION BEYOND 4000/-

- 3.47 As per the directive of the Commission “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. 4000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated schedule commercial bank branches upto Rs. 50,000/-. Violation of this provisions shall attract penalty to the level of 10% of total cash collection exceeding the limit.”
- 3.48 The Commission has analysed the data submitted for cash collection during FY 2021-22 and it is observed that the cash collections above Rs. 4,000/- the Petitioner are on account of court settlement cases which is permitted as per the directive.

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

- 3.49 The Petitioner has submitted that the during FY 2021-22, it has purchased 11,737.11 MU out of which 1,841.14 MU of surplus energy was sold as short term sale of surplus power.
- 3.50 Deducting the Inter-State transmission loss of 386.83 MU and Intra-State transmission loss of 87.08 MU, the Petitioner has submitted a net power purchase quantum of 9,422.05 MU (excluding open access quantum consumed by open access consumers) delivered at TPDDL distribution periphery.

3.51 The summary of power purchase quantum for FY 2021-22 as per SLDC Report is given below:

Table 3. 22: Petitioner Submission - Power Purchase Quantum (MUs) for FY 2021-22 as per Auditor's certificate

Sr. No.	Particulars	Actual Power Purchase (MU)
A	Power Purchase:	
i	Power Purchase Quantum	10,404.87
ii	Short Term Power Purchase quantum	1,332.24
iii	Short term sale of Power	(1,841.14)
iv	Net Power Purchase (i+ii+iii)	9,895.96
B	Transmission Loss:	
i	Intra-State Transmission Loss	(87.08)
ii	Inter-State Transmission Loss	(386.83)
iii	Total Transmission Loss (i+ii)	(473.91)
C	Net Power Available after Transmission Loss	9,422.05

ACTUAL CONSUMPTION

3.52 The Petitioner has considered the 9422.05 MU of Actual consumption. The breakup of consumption in FY 2021-22 is as follows:

Table 3. 23: Petitioner Submission - Input (MUs) as per SLDC

Particulars	MU
Actual demand of FY 2021-22 as per Delhi SLDC UI bills	9,507.40
(-) Open Access consumer	91.60
(+) TATA Power-DDL Solar generation	1.80
(+) Net metering	4.45
Total consumption	9,422.05

SHORT TERM POWER PURCHASE QUANTUM:

3.53 The Petitioner has submitted that during FY 2021-22, the Petitioner has purchased 1,332.24 MU through bilateral/exchange/UI/Intrastate/Banking as short-term power purchase. Out of 1,332.24 MU the Petitioner has received back 184.03 MU of banking and purchased 8.95 MU through UI, 740.55 MU through Bilateral, 15.59 MU through intra state purchase and balance 383.12 MU through Exchange mode. A comparative summary of sources wise short term power purchase from various sources from FY 2019-20 onwards are is submitted as follows:

Table 3. 24: Petitioner Submission - Details of Short term Power Purchase

S. No.	Particulars	FY 19-20		FY 20-21		FY 21-22*	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	465.84	20%	644.26	41%	740.55	56%
B	Banking	723.06	31%	187.83	12%	184.03	14%
C	Exchange	1,071.08	46%	680.26	43%	383.12	29%
D	Intra state	89.69	4%	42.18	3%	15.59	1%
E	UI	4.22	0%	10.57	1%	8.95	1%
F	Total	2,353.89	100%	1,565.10	100%	1,332.24	100%

*Figures fetched from Audited Power Purchase Certificate

SHORT TERM POWER SALE QUANTUM:

- 3.54 The Petitioner has submitted that they have sold 1841.14 MU of surplus energy out of which 67.00 MU (4%) was sold through UI, 468.00 MU (25%) was banked, 1106.49 MU (60%) was sold through exchange and 199.65 MU (11%) through intra-state arrangements.
- 3.55 A comparative summary of source wise short term power sales through various sources from FY 2019-20 onwards are as follows:

Table 3. 25: Petitioner Submission - Details of Short term Power Sales

S. No.	Particulars	FY 19-20		FY 20-21		FY 21-22*	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	10.91	2%	-	0%	-	0%
B	Banking	198.37	39%	200.35	25%	468.00	25%
C	Exchange	134.82	27%	403.16	50%	1,106.49	60%
D	Intra state	22.57	4%	115.15	14%	199.65	11%
E	UI	137.38	27%	92.49	11%	67.00	4%
F	Total	504.06	100%	811.16	100%	1,841.14	100%

*Figures fetched from Audited Power Purchase Certificate

LONG TERM POWER PURCHASE QUANTUM

- 3.56 The Petitioner has submitted that the Commission has projected energy purchase of 9,664 MU for FY 2021-22. During the year, the Petitioner has purchased 10,404.87 MU from long term sources.

Table 3. 26: Petitioner Submission - Energy Purchased (MU) from Central Generating Stations during FY 2021-22

Sr. No.	Particulars	Energy (MU)	Energy (MU)	Difference
		Projected	Actuals*	
A	NTPC			
	Anta Gas Power Station	3	1.72	-1.28
	Auraiya Gas Power Station	15	13.55	-1.45
	Dadri Gas Power Station	29	22.71	-6.29
	FARAKKA	35	27.93	-7.07
	KAHALGAON – I	91	82.52	-8.48
	NCPP – DADRI	0	0.00	0.00
	RIHAND – I	200	222.33	22.33
	RIHAND – II	241	237.98	-3.02
	SINGRAULI	307	289.76	-17.24
	UNCHAHAAR – I	33	31.18	-1.82
	UNCHAHAAR – II	63	71.08	8.08
	UNCHAHAAR – III	40	46.23	6.23
	KAHALGAON – II	328	301.29	-26.71
	DADRI EXTENSION	26	37.73	11.73
	ARAVALI	953	2,313.24	1,360.24
	Sub-Total NTPC	2,364	3,699.26	1,335.26
B	NHPC			
	BAIRA SIUL	15	19.38	4.38
	CHAMERA – I	52	45.30	-6.70
	CHAMERA – II	43	54.47	11.47
	CHAMERA – III	36	38.49	2.49
	DHAULIGANGA	46	48.17	2.17
	DULHASTI	77	82.25	5.25
	Parbati – III	25	23.33	-1.67
	SEWA –II	16	2.52	-13.48
	TANAKPUR	15	16.48	1.48
	URI	99	96.78	-2.22
	Uri – II	65	64.52	-0.48
	Sub-Total NHPC	489	491.71	2.71
C	NUCLEAR			
	RAPS – 5 & 6	121	125.21	4.21
	NPCIL – NAPS	111	105.78	-5.22
	Sub-Total Nuclear	232	230.99	-1.01
D	Other Stations			
	THDC			

Sr. No.	Particulars	Energy (MU)	Energy (MU)	Difference
		Projected	Actuals*	
	KOTESHWAR HEP	32	31.67	-0.33
	TEHRI HEP	52	62.78	10.78
	SJVNL			
	NJPC (SJVNL)	197	201.36	4.36
	DVC			
	Mejia unit – 6	198	162.80	-35.20
	DVC Chandrapur (Ext. 7 & 8)	606	590.76	-15.24
	Other CSGS			
	Haryana CLP Jhajjar	483	606.62	123.62
	MPL DVC - Maithon Power	2,106	2,047.04	-58.96
	Tala	31	24.97	-6.03
	Sasan UMPP	435	426.97	-8.03
	Sub Total (SJVNL+ DVC+ THDC+ Other CSGS)	4,140.00	4,154.97	14.97
E	State Generating Stations			
	Gas Turbine Power Station (GTPS)	193	72.13	-120.87
	Pragati – I	289	297.47	8.47
	Pragati – III	815	663.10	-151.90
	Timarpur-Okhla Waste Mgt. Co	49	49.25	0.25
	MSW Bawana	34	40.43	6.43
	Tata Solar	2	1.81	-0.19
	SGS Total	1,382.00	1,124.18	-257.82
F	Renewable Energy			
	Net metering		4.45	4.45
	SECI 20 MW Solar (SECI Solar Rajasthan)	40	40.56	0.56
	SECI 200 MW Solar (SECI SBSR Power Cleantech Elevn Pvt. Ltd.)	346	50.53	-295.47
	SEI Jyoti Swaroop	379	49.97	-73.20
	SEI RaviKiran		50.51	
	SEI Renewable		49.39	
	SEI Solarvan		50.89	
	SEI Sooraj		52.13	
	SEI Sunshine		52.90	
	NANTI HYDRO POWER PRIVATE LIMITED	40	48.77	8.77
	SECI- Wind	171	132.77	-38.23
	Taranda Hydro	35	47.23	12.23
	Suryakanta Hydro Energies Pvt. Ltd.	43	46.43	3.43
	Cosmos Hydro Power Private Limited	0	23.02	23.02
	Singrauli Small Hydro	3	4.20	1.20
	Renewable Total	1,057.00	703.77	-353.23

Sr. No.	Particulars	Energy (MU)	Energy (MU)	Difference
		Projected	Actuals*	
G	Grand Total	9,664.00	10,404.87	740.87

* MU scheduled to the petitioner in FY 2021-22 as per invoices. Figures fetched from Audited Power Purchase Certificate

COMMISSION ANALYSIS

- 3.57 The Commission in its Tariff Order dated 30/09/2021 has approved Gross Power Purchase Quantum of 9,663 MU from all sources including Central and State Sector Generating Stations for FY 2021-22.
- 3.58 The Commission, vide its Letter dated 19/06/2023, directed the 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.

Further, the Consultant has submitted that they had verified the Input energy from SLDC weekly UI Bills and also from the SLDC certificate and reconciled with Auditor certificate for power purchase cost.

- 3.59 The Commission observed that there still exists deviation in the Power Purchase Quantum submitted by the Petitioner and that submitted by SLDC to the Commission for a few plants due to peripheral mismatches. The Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. During the Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.
- 3.60 The Commission verified the Intra-State Transmission Loss for FY 2021-22 from the Annual Report also of Delhi-SLDC, and as per report, the Intra-State Transmission Loss was 0.88%, the same was considered by the TPDDL. Further, with respect to Inter-State Transmission Loss, since NLDC publish weekly loss data and there is no method to verify the yearly Inter-

state Transmission Loss, in view of this the differential quantum was considered as Inter-state Transmission Loss.

SHORT TERM POWER PURCHASE QUANTUM

The Consultant in their Regulatory Audit Report has submitted that they had verified short term power procured through bilateral tender in FY 2021-22. Approx. 740 MU were procured during the year, Auditor has observed that this short-term power was under Non-Solar category of Renewable Power which contributed DISCOM in compliance of provisions of RPO Obligations and also for meeting Peak summer demand. Short-term Power Purchase was verified based on the SLDC reconciliation and Annual Report of SLDC and was considered by the Commission. The Consultant further submitted that they have verified the power purchase cost greater than Rs. 5/kWh and it is observed that there is no impact of short-term power purchase cost greater than Rs. 5/kWh.

3.61 Accordingly, the Short-term power purchase of the petitioner is for FY 2021-22 as follows:

Table 3. 27: Commission Approved - Short term Power Purchase

Sr. No.	Particulars	FY 21-22 Energy (MU)
A	Bilateral	740.55
B	Banking	184.03
C	Exchange	383.12
D	Intra state	15.59
E	UI	8.95
F	Total	1,332.24

LONG TERM POWER PURCHASE QUANTUM

3.62 The summary of Power Purchase Quantum is as follows:

Table 3. 28: Commission Approved – Summary of Power Purchase Quantum (MU)

Sr. No.	Source	As per Commission (MU)
1	Thermal	8566.14
2	Nuclear	230.99
3	Hydro	812.49
4	Solar	403.15
5	Non-Solar	392.10
6	Total	10404.87

- 3.63 Based on the audited Power purchase certificate and submission of SLDC, the Power Purchase Quantum of the petitioner is trued up for FY 2021-22 as follows:

Table 3. 29: Commission Approved -Power Purchase Quantum (MU) for FY 2021-22

Sr. No.	Particulars	As per Petitioner (MU)	As per Commission (MU)
A	Power Purchase:		
i	Power Purchase Quantum	10404.87	10,404.87
ii	Short Term Power Purchase quantum	1,332.24	1,332.24
iii	Short term sale of Power	(1841.14)	(1,841.14)
iv	Net Power Purchase	9,895.96	9,895.96
B	Transmission Loss:		
i	Intra-State Transmission Loss	(87.08)	(87.08)
ii	Inter-State Transmission Loss	(386.83)	(386.83)
iii	Total Transmission Loss	(473.91)	(473.91)
C	Net Power Available after Transmission Loss	9,422.05	9,422.05

POWER PURCHASE COST

PETITIONER SUBMISSION

- 3.64 The Petitioner has incurred gross power purchase cost of Rs. 5775 Cr. (inclusive of REC) for the gross power purchase quantum of 11737 MUs in FY 2021-22 from all sources including intra-state, bilateral, UI and exchange. The revenue of Rs. 740 Cr on account of sale of 1841 MU of surplus energy through bilateral, intra-state, UI and exchange has been adjusted against the gross power purchase cost. The Petitioner has also incurred transmission charges of Rs. 1003 Cr.
- 3.65 The Petitioner further submitted that in order to meet RPO obligations, they incurred Rs. 17.97 Cr towards purchase of RE certificates. The Petitioner has arrived at total audited power purchase cost of Rs. 6037.01 Cr for FY 2021-22 and after adjustments the cost is Rs 6,017.19 Cr. Given below is the energy balance approved by Hon'ble DERC and the corresponding cost incurred by the petitioner.

Table 3. 30: Petitioner Submission - Details of Power Purchase Cost Station wise for FY 2021-22

Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Rs./kwh	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
	Approved in ARR			Sought for Trued Up					
NTPC									
Anta Gas Power Station	3.00	8.90	32.94	1.72	6.89	1.22	0.13	8.25	47.99
Auraiya Gas Power Station	15.00	22.13	14.49	13.55	10.10	9.19	-1.01	18.28	13.49
Badarpur Thermal Power Station	-	-	-	-	-	20.04	0.37	20.41	-
Dadri Gas Power Station	29.00	22.78	7.81	22.71	12.30	16.79	2.88	31.97	14.08
Farakka Super Thermal Power Station	35.00	14.72	4.19	27.93	3.41	9.26	0.54	13.21	4.73
Feroze Gandhi Unchahar TPS 1	33.00	16.63	4.96	31.18	5.09	10.38	0.32	15.80	5.07
Feroze Gandhi Unchahar TPS 2	63.00	30.76	4.86	71.08	11.40	23.80	3.69	38.89	5.47
Feroze Gandhi Unchahar TPS 3	40.00	21.42	5.41	46.23	7.92	15.36	0.48	23.76	5.14
Feroze Gandhi Unchahar TPS 4				-	-0.00	-	0.03	0.03	-
Kahalgaon STPS 1	91.00	33.91	3.73	82.52	9.97	21.20	0.32	31.49	3.82
Kahalgaon STPS 2	328.00	111.06	3.39	301.29	36.66	73.90	0.03	110.58	3.67
Koldam Hydro									

Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Rs./kwh	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
	Approved in ARR			Sought for Trued Up					
Power Station									
National Capital Therm Pwr - Dadri	-	5.89	-	0.001	5.29	1.81	4.18	11.27	1,06,442
National Capital Therm Pwr - Dadri 2	26.00	18.58	7.05	37.73	10.00	14.90	0.28	25.18	6.67
Rihand Super Therm Pwr Stn 1	200.00	46.82	2.34	222.33	17.58	31.47	1.10	50.14	2.26
Rihand Super Therm Pwr Stn 2	241.00	53.27	2.21	237.98	18.75	33.58	0.61	52.94	2.22
Rihand Super Therm Pwr Stn 3				-	-	0.10	-	0.10	-
Singrauli Super Thermal Power Station	307.00	68.90	2.24	289.76	18.35	43.27	1.81	63.43	2.19
NTPC	1,411.00	475.77	3.37	1,386.01	173.70	326.26	15.77	515.73	3.72
APCPL									
Aravali Jhajjar	953.0	1,032.62	10.84	2,313.24	683.72	844.72	54.36	1,582.80	6.84
APCPL	953.0	1,032.62	10.84	2313.24	683.72	844.72	54.36	1582.80	6.84
NHPC									
Bairasiul	15.00	3.68	2.51	19.38	1.80	1.80	0.72	4.32	2.23
Chamera-I	52.00	9.91	1.91	45.30	4.45	5.03	0.71	10.19	2.25
Chamera-II	43.00	9.63	2.25	54.47	6.43	5.36	0.48	12.27	2.25
Chamera-III	36.00	15.04	4.15	38.49	9.49	7.46	0.27	17.22	4.47
Dhauliganga	46.00	10.51	2.27	48.17	6.92	6.47	2.70	16.09	3.34
Dulhasti	77.00	39.10	5.08	82.25	22.41	20.97	8.10	51.48	6.26
Parbati-III	25.00	13.99	5.60	23.33	11.49	3.53	0.16	15.18	6.51
Salal				-	-	-	0.00	0.00	-
Sewa-II	16.00	7.32	4.57	2.52	1.09	0.59	1.00	2.68	10.62
Tanakpur	15.00	4.97	3.38	16.48	3.37	2.66	0.15	6.17	3.74
Uri	99.00	14.36	1.45	96.78	8.92	7.72	7.36	24.00	2.48
Uri-II	65.00	23.22	3.59	64.52	13.12	11.88	5.97	30.97	4.80
NHPC	489.00	151.73	3.10	491.71	89.48	73.47	27.62	190.57	3.88

Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Rs./kwh	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
	Approved in ARR			Sought for Trued Up					
SJVN									
Nathpa Jhakri	197.00	42.05	2.13	201.36	25.95	23.14	-0.55	48.54	2.41
SJVN	197.00	42.05	2.13	201.36	25.95	23.14	-0.55	48.54	2.41
THDC									
THEP (Koteshwar)	32.00	14.42	4.51	31.67	7.71	8.08	0.00	15.79	4.99
THEP (Tehri)	52.00	23.38	4.46	62.78	12.01	11.81	1.98	25.80	4.11
THDC	84.00	37.80	4.50	94.44	19.72	19.89	1.98	41.58	4.40
CLP									
CLP Jhajjar	483.00	243.88	5.05	606.62	82.37	215.79	7.54	305.70	5.04
CLP	483.00	243.88	5.05	606.62	82.37	215.79	7.54	305.70	5.04
MPL									
Maithon Power	2,106.00	761.17	3.61	2,047.04	315.01	525.47	-29.16	811.32	3.96
MPL	2,106.00	761.17	3.61	2,047.04	315.01	525.47	-29.16	811.32	3.96
DVC									
Chandrapur a Thermal Power Station - Unit 7 & 8	606.00	294.89	4.87	590.76	97.67	158.14	0.17	255.98	4.33
Mejia Thermal Power Station - Unit 6	198.00	100.46	5.07	162.80	28.87	49.61	0.03	78.50	4.82
DVC	804.00	395.35	4.92	753.56	126.54	207.75	0.20	334.49	4.44
NPCIL									
NAPS Unit 1 & 2	111.00	32.95	2.97	105.78	-	31.24	0.85	32.09	3.03
RAPS Unit 5 & 6	121.00	45.07	3.73	125.21	-	47.29	0.85	48.14	3.84
NPCIL	232.00	78.02	3.36	230.99	-	78.53	1.70	80.23	3.47
Sasan									
Sasan UMPP	435.00	56.29	1.29	426.97	6.26	49.10	6.91	62.26	1.46
Sasan	435.00	56.29	1.29	426.97	6.26	49.10	6.91	62.26	1.46
Tala HEP									
Tala HEP	31.00	6.70	2.16	24.97	-	5.40	-	5.40	2.16
Tala HEP	31.00	6.70	2.16	24.97	-	5.40	-	5.40	2.16
SECI Solar Rajasthan(SE	40.00	22.07	5.50						

Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Rs./kwh	Energy (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Rs./kwh
	Approved in ARR			Sought for Trued Up					
CI 20 MW Solar)									
Suryakanta Hydro Energies Pvt. Ltd.	43.00	16.46	3.80						
Singrauli HEP	3.00	1.64	5.04						
Nanti HEP	40.00	17.04	4.29						
Taranda Hydro	35.00	14.91	4.29						
SECI SBSR Power cleantech Elevn pvt Ltd.(SECI 200 MW Solar)	346.00	92.73	2.68						
SECI Wind Alfanar	171.00	42.99	2.52						
SEI Solarvan	379	150.16	3.96						
SEI Sooraj									
SEI Sunshine									
SEI Jyoti Swaroop									
SEI RaviKiran									
SEI Renewable									
Total Renewable	1,057.00	358.00	3.39						
Grand Total	8,282.00	3,639.38	4.39	8,576.93	1,522.74	2,369.50	86.38	3,978.62	4.64

COMMISSION ANALYSIS

- 3.66 The Consultant has verified the Power Purchase bills and accordingly, the Commission has considered the Power Purchase Cost from Central Generating Stations (CGS) as Rs. 3978.62 Crore.

ENERGY AVAILABILITY FROM STATE GENCOS

PETITIONER'S SUBMISSION

3.67 The Petitioner has submitted that the energy scheduled along with total cost during FY 2021-22 from the generating stations based in Delhi is summarized in the table below:

Table 3. 31: Petitioner Submission - Details of Power Purchase Cost Station wise for FY 2021-22

Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Avg. Rate (Rs. kWh)	Energy (MU)	Fixed Charges	Variable Charges	Other Charges	Total Cost Including PY arrears	Avg. Rate (Rs./ kWh)
	Approved In ARR			Sought for Trued up					
State Generating Stations									
Gas Turbine Power Station (GTPS)	193.00	58.23	3.02	72.13	13.55	83.28	-1.23	95.60	13.25
IP Station				-	-	0.03	-	0.03	-
Pragati Power Station I	289.00	210.73	7.29	297.47	29.96	268.87	-1.00	297.83	10.01
Pragati Power Station III, (Bawana)	815.00	446.63	5.48	663.10	284.89	215.03	7.17	507.09	7.65
TOWMCL	48.57	31.26	6.44						
MSW Bawana	33.68	23.68	7.03						
Tata solar	2.00	1.65	8.25						
Total SGS	1,381.25	772.18	5.59	1,032.69	328.41	567.21	4.94	900.56	8.72

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

- Bawana-Some quantum scheduled on RLNG and also Increase in price of APM (Low cost no cut category gas) allocated to Bawana.
- GTPS- Non availability of APM gas with GTPS since 15 June'2021, scheduling being done on RLNG only.
- Pragati 1- Increase in gas cost. Scheduling on RLNG on account of must run status granted by Delhi SLDC.

COMMISSION ANALYSIS

3.69 The Consultant has verified the Power Purchase bills accordingly, the Commission has considered the Power Purchase Cost from State Gencos as Rs. 900.56 Crore.

RENEWABLE PURCHASE OBLIGATION**PETITIONER'S SUBMISSION**

- 3.70 The Petitioner has submitted that the Commission vide notification dated 01st Oct' 2012 mandated that all the obligated entities have to meet certain specified percentage of energy through renewable energy.
- 3.71 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019, has prescribed the RPO trajectory to be met by Delhi DISCOMs for FY 20-21 to FY 22-23, which was further revised in the DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2021. Extract of the relevant Regulation is reproduced below:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2021-22 to FY 2022-23, shall be computed as a percentage of total sale of power, to its retail consumers in its area of supply, excluding procurement of hydro power. The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('REC') or combination of both, and shall be as follows:

Table 3. 32 : Petitioner Submission - Targets for Renewable Purchase Obligation

S. No.	Particulars	2020-21	2021-22	2022-23
A	Non Solar Target	10.25%	10.25%	10.50%
B	Solar Target	7.25%	8.75%	10.50%
C	HPO Target		0.18%	0.35%
D	Total	17.50%	19.18%	21.35%

The Distribution Licensee shall comply with its RPO through procurement of Solar energy and Non-Solar energy:

Provided that on achievement of Solar RPO compliance as specified in aforesaid sub-

Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by excess Non-Solar energy/ Non-Solar REC purchased beyond non-Solar RPO for that particular year:

Provided further that on achievement of Non-Solar RPO compliance as specified in aforesaid sub-Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar energy/Solar REC purchased beyond Solar RPO for that particular year:

Provided also that the Distribution Licensee may purchase power from various Renewable Energy sources or RECs or combination of both for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year.

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

.....”

Table 3. 33: Petitioner Submission - Meeting of pending RPO obligations at the end of FY 2021-22

Particulars	RPO requirement for FY 21-22			
	Solar	Non Solar	HPO	Total
Total Billed Sales				8,752.21
Less- units from Hydro				812.49
Balance Billed sales to be met through RPO obligation				7,939.72
RPO obligation (%)	8.75%	10.25%	0.18%	19.18%
A. Total RPO to be met – MUs	694.73	813.82	14.29	1,522.84
B. MUs through Long term Tied up quantum	438.37	392.26	-	830.63
C. MUs through Short term Tied up quantum	59.66	726.36	14.19	800.21
D. Adjusted for RPO compliance for FY 20-21		-71.38		-71.38
E. Shortfall MUs (-) / Surplus (+) (B+C-A-D)	-196.69	233.42	-0.10	36.62
F. REC purchased – MUs	70.00	-		70.00
G. Balance RPO compliance (Mus) at the end of March 22 (G= E+F)	-126.69	233.42	-0.10	106.73
H. Shortfall of Solar adjusted in Q1 FY 22-23 as per regulation 4(3) of RPO Regulations 2021	22.48	-	-	22.48
I. Balance RPO compliance (MUs) (G+H)	-104.21	233.42	-0.10	129.11
J. Adjustment done from Excess Non-Solar Procured (MUs) to meet Solar Compliance. (15% of adjustment allowed as per regulation 4(3) of RPO Regulations 2021)	104.21	-104.31	0.10	-
Final Shortfall (-) /Surplus (+) for FY 21-22 (I-J)	-	129.11	-	129.11

3.72 From above, it is evident that there is a surplus of 129.11 MU in FY 2021-22, therefore the Petitioner has requested the Commission to carry forward these renewable attribute of 129.11 MU surplus power from FY 2021-22 to FY 2022-23 toward RPO compliance, which will

reduce the estimated shortfall of 706 MU to 576.9 MU for FY 2022-23, ultimately reducing the burden on end consumers. It is also pertinent to mention that the Petitioner has filed Petition with the Commission for carry forward of the renewable attributes of surplus Renewable power of the FY 2021-22 subsequently in FY 2022-23.

COMMISSION ANALYSIS

3.73 The Regulation 27 of DERC (Business Plan) Regulations, 2019, states,

“27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2021-22 to FY 2022-23 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('REC') or combination of both, and shall be as follows:

Sr. No.	Distribution Licensee	2021-22	2021-22	2022-23
1	Non Solar Target	10.25%	10.25%	10.50%
2	Solar Target	7.25%	8.75%	10.50
3	Total	17.50%	19.00%	21.00%

...”

3.74 3rd Proviso of Regulation 27(2) of the DERC (Business Plan) Regulations, 2019, states that the Distribution Licensee may purchase power from various Renewable Energy Sources or RECs or combination of both for any shortfall in meeting their RPO targets for any financial year within three months from the date of completion of the relevant financial year.

3.75 The Regulation 27(5) of the DERC (Business Plan) Regulations, 2019, states that non-compliance of the RPO targets shall attract penalty @10% of the weighted average floor price of solar and non-solar renewable energy certificate, as specified by CERC for the relevant year, for quantum of shortfall in RPO.

3.76 The Regulation 27(6) of the DERC (Business Plan) Regulations, 2019, states that amount of penalty imposed on the distribution licensee due to non-compliance of the RPO targets shall be reduced from the ARR during the true up of the relevant financial year in terms of the Regulation 124 of DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017.

- 3.77 It is observed that Petitioner has purchased 812.49 MU power from Hydro Stations which is to be excluded from total MU billed for the purpose of calculation of MU to achieve the RPO targets.
- 3.78 The Commission vide its True-up Order dated 19/07/2024 had approved 73 MU shortfall in RPO compliance in FY 2020-21 and allowed Petitioner to meet it from physical power received during FY 2021-22. Further, the Commission vide its Order dated 28/03/2023 approved the surplus Renewable power in FY 2021-22 which include physical Solar power of 22.48 MU from Q-1 FY 2022-23 adjusted in FY 2021-22 as per the DERC RPO Regulations, 2021. Accordingly, the Petitioner's RPO compliance are approved as follows:

Table 3. 34: Commission Approved - RPO targets for FY 2021-22

Renewable Purchase obligation	Commission Approved			
Total sales to retail consumers (MU)	8,752.21			
Purchase from Hydro Power (MU)	812.49			
Sales net of hydro power (MU)	7,939.72			
	Solar	Non Solar	HPO	Total
RPO Obligation (%)	8.75%	10.25%	0.18%	19.18%
A. Total RPO to be met - MU	694.73	813.82	14.29	1,522.84
B. RPO to be met through Tied up Quantum- MU	438.38	392.10	-	830.48
a) Rooftop Solar Generation	4.45			
b) Sun Edison	305.80			
c) SECI Solar	91.09			
d) TPDDL Own Solar	1.81			
e) TOWMCL		49.25		
f) DMSWSL		40.43		
g) SHEPL (Surya Kanta Small Hydro)		46.43		
h) NHPPL (Nanti Small Hydro)		48.77		
i) THPPL (Taranda Small Hydro)		47.23		
i) Singrauli Small Hydro		4.20		
k) SECI Wind		132.77		
l) Cosmos		23.02		
C. Solar- Non Solar RPO met through tied up quantum (PTC PCKL), KEIPL HPSEB, GTAM & SECI Wind- MU	35.37	726.36	14.19	775.92
D. Adjusted for RPO compliance for FY 2020-21		(73.00)		(73.00)
E. Shortfall of RPO obligation – MU	(220.98)	(231.64)	(0.10)	10.56
F. REC purchased – MU	70.00			70.00

Renewable Purchase obligation	Commission Approved			
G. Balance to be met from the short term physical power received during FY 2021-22 – MU	(150.98)	231.64	(0.10)	80.56
H. Shortfall of Solar adjusted in Q1 FY 22-23 as per Regulation 4(3) of RPO Regulations, 2021	22.48			22.48
I. Balance RPO Compliance– MU	(128.50)	231.64	(0.10)	103.04
J. Adjustment done from excess Non-solar procured to meet Solar compliance (15%)	128.40	(128.61)	0.10	0.00
K. Shortfall/ Surplus	-	103.04	-	103.04

SHORT TERM POWER PURCHASE

PETITIONER SUBMISSION

3.79 The Petitioner has submitted to have procured 1332.24 MU through bilateral/exchange/UI/Intrastate/Banking under short-term power purchase as follows:

Table 3. 35: Petitioner Submission - Short term Power Purchase in FY 2021-22

S. No.	Short Term Purchase	Units (MU)	Rate per Unit	Amount Rs Cr
A	IDT Purchase	15.59	3.63	5.65
B	IEX Purchase	366.32	5.36	196.23
C	PXIL Purchase	16.80	4.52	7.60
D	Banking Purchase	184.03	2.82	51.95
E	DSM Purchase	8.95	6.72	6.02
F	Bilateral Purchase	740.55	3.94	291.77
G	Short Term Purchase Total	1,332.24	4.20	559.23

BANKING TRANSACTION

PETITIONER SUBMISSION

3.80 Further, the Petitioner has submitted that the Commission in Regulation 121 (3) of DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017, has stated that the distribution licensee has to follow the normative cost of banking transactions at the rate of average power purchase cost of the portfolio of the distribution licensee. It is further mentioned that the Commission in its various Tariff Orders has mentioned that banking transaction are revenue neutral transactions, hence, all banking transaction should be done at one rate only.

- 3.81 However, previously the Petitioner in its accounts has followed the methodology for accounting of banking transactions. The Petitioner while banking the units with the other utility record the transaction at normative cost say Rs 2.91/unit. At the time of return of the said banked units along with extra unit if any, recorded the transactions equal to the value recorded at the time on inception of transaction, thus, not considering the impact of additional units, which are reimbursed by the other utility towards cost of funding the time lag between the payment to generator and sale of actual units. For example: If the utility has banked 100 MUs then for the purpose of recording the transaction in books of accounts, it has considered notional value of Rs. 40 Cr. (i.e. 100 Mus * Rs 4/unit). At the time of return of those banked units the other utility has returned 104 MUs. However, in order to nullify the said transaction for accounting purpose the original utility has kept the value Rs 40 Cr. by reducing the notional rate of Rs 4/unit to Rs. 3.85/unit in its books of account.
- 3.82 Due to consideration of two different rates while accounting for the same banking transaction, discrepancies may arise. Each banking contract (comprising import & export) needs to be treated as a transaction where import & export Mus are to be considered at same rate thereby making the transaction revenue neutral. The only exception to this would be the percentage return, proportionately reduce or increase the rate. For example, a 100 Mus export considered at Rs. 4/-per unit would amount for Rs. 40 Cr. in sale & corresponding import at 105% would result in import being considered at Rs. 3.81/- per unit as 105 units would be returned now. As the statutory auditor has certified the power purchase cost based on books of account, hence, has certified return of banked units of 187.83 MUs @ reducing cost of Rs 2.85/unit against the notional cost of Rs 2.91 /unit.
- 3.83 Therefore, for the purpose of truing up of banking transaction, the Petitioner is seeking return of banking transaction at notional rate of Rs. 2.91 per unit. Impact of the same is given in table below:

Table 3. 36: Petitioner Submission - Details of Financing Cost of Power Banking

Sr. No.	Short Term Purchase	MOU	Units	Amount
A	Banking Purchase/refund	MUs	184.03	51.95
B	Rate Considered	Rs./unit	2.82	
C	Notional Rate to be considered	Rs./unit	2.91	

Sr. No.	Short Term Purchase	MOU	Units	Amount
D	Additional Impact to be computed for the purpose of ARR	Rs Cr.	1.58	

- 3.84 The Commission vide its letter dated 16/11/2018, has specified that the normative rate of banking transaction shall be 'weighted average rate of all long-term sources considering only variable cost for the relevant year'. The relevant paragraph of the aforesaid letter is given below for reference please:

"the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith."

- 3.85 Essentially, it means that in all likelihood the first leg of banking transaction may have a different normative cost than the return leg of the same banking transaction if both the legs take place in different financial years. This has been the usual practice till date.

"The relevant year" defeats the "revenue neutral" nature of banking transaction and bring in "Mark to Market" exposure. Distribution companies will not know the extent of "Mark to Market" exposure when they propose to enter into such transaction. It will be known only in the year of true-up as the rate for relevant year would be known then [almost two years later].

- 3.86 An example of actual banking transaction, spread over two financial years, have been settled by the Commission in the Tariff Order dated 30/09/2021 as below:

Banking Transaction Treatment - J&K								
Parameters	Period	True Up Period	Return Ratio	MUs Banked	Per Unit Rate Considered by Commission in True Up	Total Export (Sale) Amount Considered (Rs Crore)	Total Import (Purchase) Amount Allowed (Rs Crore)	Total Disallowance (Rs Crore)
Export	Dec'17- to Feb'18	FY 2017-18	-	268	4	107.28	-	30.67
Import	May'18 to Sep'18	FY 2018-19	98.5%	264.18	2.90	-	76.61	

- 3.87 The aforesaid transaction, as settled, is opposite to what forms part of the Regulation 121 (3) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, Regulation

29 (1) (ii) of DERC (Business Plan) Regulation, 2019 as well as directives issued by the Hon'ble APTEL in its judgment in Appeal No. 14 of 2012.

3.88 Thus, the Petitioner had proposed the following options for consideration of the Commission to make banking transactions revenue neutral:

- Option A [No Financial Impact towards Export / Import of Power]

No financial impact for the export of power [sale] and import of power [purchase] and allowance of Trading Margin / Transmission charges/Return Ratio if any.

- Option B

Financial impact for the export of power [sale] and import of power [purchase] at the same weighted average rate of variable cost of all long term sources. The financial impact towards "return ratio" linked to the weighted average rate of variable cost of all long term sources of the financial year when such return takes place.

"....Provided that the normative cost of banking transactions shall be weighted average rate of variable cost of all long term sources. Further, weighted average rate considered during True Up for first leg of banking transaction shall be used for the True-Up of second leg of the banking transaction along with Trading Margin, Transmission charges and/or applicable Return Ratio, if any."

3.89 The above amendment will help in preserving the revenue neutrality of power banking transactions. And DISCOM will be able to bank its surplus contracted capacity of power generation in winters with other distribution utilities and seek return of such surplus capacity during summers of next financial year.

COMMISSION ANALYSIS

3.90 The Commission has analysed the Banking Transactions made by the Petitioner for FY 2019-20. The Regulation 121 (3) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, specifies that the Normative cost of banking transaction is considered at the rate of average power purchase cost of the portfolio of the distribution licensee read as follows:

"While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering:

1. *Availability of Generating Stations which may be based on Load Generation Balance Report published by Central Electricity Authority (CEA) for relevant Financial Year;*
2. *Principles of merit order schedule and dispatch based on the ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis;*
3. *Normative cost of banking transaction at the rate of Average Power Purchase Cost of the portfolio of the Distribution Licensee;*
4. *The gap between Average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee:*

Provided that the Commission may adjust the gap in Power Purchase Cost by reassigning the allocation of power amongst the Distribution Licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India."

3.91 Further, the Commission vide its letter dated 16/11/2018 provided clarification to DISCOMs that Normative Cost of Banking Transactions shall be weighted average rate of all long-term sources considering only Variable Cost for the relevant year. Relevant extract of the Commission's letter dated 16/11/2018 is as follows:

".....that the normative cost of Banking transactions shall be weighted average rate of all long-term sources considering only variable cost for the relevant year. Further, the sample calculation for incentive on sale of surplus power is annexed herewith."

3.92 During the prudence check sessions and further scrutiny of the information submitted by the Petitioner, it is observed that the Petitioner has not considered the Variable Cost for the relevant year for evaluating the normative cost of Banking transactions for FY 2021-22 as mandated in above mentioned letter.

3.93 It is pertinent to state that when Delhi Distribution Licensee is in Surplus, then they Bank their Surplus Energy to those entities (especially outside Delhi) which are in power deficit. This Surplus Banked power is out of the Long Term sources of Delhi Distribution Licensee whose

Fixed Cost is borne by them, however, the power not being put to use in Delhi is being Banked to other Deficit State. Accordingly, the Commission vide its letter dated 16/11/2018, has considered the Variable Cost of Weighted Average Rate of all Long-Term Sources as the Normative Cost of Banking Transactions.

- 3.94 Further, it is pertinent to state that the Banking Transactions are revenue neutral in nature i.e., the variable cost considered for Forward Banking & Reverse Banking leads to no impact in Power Purchase Cost since the Forward Banking & Reverse Banking transactions spill over to multiple years after considering the impact of Banking Return Ratio. The concept of revenue neutral in Banking transactions has also been endorsed by Hon'ble APTEL in Appeal No. 14 of 2012, wherein Hon'ble APTEL rejected the claim of the Distribution Licensee related to Financing Cost incurred in relation to Power Banking, as follows:

"113. The learned Counsel for the Delhi Commission submits that the Banking contracts have to be revenue neutral in nature and hence if power has been bought under "banking arrangement", then the same power will be sold back by the utility with 4% extra power. This extra power that is sold at the rate at which it had bought power at the first place serves like the financing cost of the power banked. Hence, no additional funding cost for banked power has been allowed.

...

117. Thus, the licensee losses carrying cost for Rs 40 Cr. However, in order to make banking arrangements tariff neutral some element of interest is also added. Accordingly, the utility which had banked energy would get 4% additional energy at the time of return to offset the carrying cost for the banked energy...

...

118. Thus the Licensee gets Rs 1.6 Cr extra as Notional cost of additional energy received to offset the carrying costs. Accordingly, the issue is decided against the Appellant."

- 3.95 The Commission in its Tariff Order dated 30/09/2021 revised the Normative Cost of Banking Transactions based on letter dated 16/11/2018 at weighted average rate of all long-term sources considering only variable as Fixed Cost towards the same were already borne by the

Petitioner. However, Hon'ble APTEL vide its Order dated 23/03/2023 suspended the Commission's letter dated 16/11/2018 and directed the Commission as follows:

"118. Viewed from any angle, we are satisfied that application of the formula prescribed in the DERC letter dated 16.11.2018 falls foul of the prescription in Regulation 121(3) of the 2017 Regulations. As there are other distribution licensees falling within the jurisdiction of the DERC, and it is only the appellant which has questioned the validity of the letter dated 16.11.2018, there shall be interim suspension of the letter dated 16.11.2018, in so far as the Appellant is concerned, during the pendency of the present appeal before this Tribunal. Needless to state that the Order now passed by us shall be subject to the result of the main appeal. This I.A. is, accordingly, disposed of."

3.96 Accordingly, the Commission has considered the Banking Transactions at Average Power Purchase Cost for the year provisionally subject to final outcome of the Appeal No. 334 of 2021 as follows:

Table 3. 37: Revised working of Normative Cost of Bank transaction

Particulars	UoM	FY 2021-22
Banking Export	MU	(468.00)
Banking Import	MU	184.03
Banking Export Rate- As per Petitioner	Rs. /kWh	2.64
Banking Import Rate- As per Petitioner	Rs. /kWh	2.82
Banking Export	Rs. Cr.	(123.62)
Banking Import	Rs. Cr.	51.95
Net Banking (Import - Export)	MU	(283.97)
Average Power Purchase Cost for the year	Rs. /kWh	6.17
Net Normative Cost / (Sale) to be allowed	Rs. Cr.	(175.21)

SHORT TERM SURPLUS POWER SALE

PETITIONER SUBMISSION

3.97 The petitioner has sold 1841.14 MU at the average rate of Rs 4.02 per unit. The source wise summary of sale of surplus power during the FY 2021-22 is shown below:

Table 3. 38: Petitioner Submission - Details of Short term Power Sales

Sr. No.	Particulars	FY 21-22		
		Units (MU)	Rate per Unit	Amount Rs Cr
A	IDT Sale	199.65	6.23	124.33
B	IEX Sale	1,106.49	4.31	477.40
C	Banking Sale	468.00	2.64	123.62
E	DSM Sale	67.00	2.25	15.07
F	Short Term Sale Total	1,841.14	4.02	740.43

COMMISSION ANALYSIS

3.98 The Commission in its Tariff Order dated 30/09/2021 had projected the Long-term Power Purchase cost at Rs. 4411.59 Cr.

3.99 The Consultant in their Regulatory Audit Report has submitted that they had verified all the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2021-22 vis-à-vis Petitioner's claim submitted in the Petition and Audited Power Purchase Certificate.

3.100 Further, the Commission, during the prudence check sessions, has verified all the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2021-22 as submitted in the Petition and Audited Power Purchase Certificate.

3.101 The Commission in its Tariff Order dated 30/09/2021 had directed the Petitioner as follows:

"6.10m. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year."

- 3.102 The Commission has examined the Short Term Power Purchase transactions and found that the Petitioner has not violated the above mentioned directive.

CONTINGENCY LIMIT OF 5% ON UI SALE

COMMISSION ANALYSIS

- 3.103 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 2020-21 to FY 2022-23 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month. 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.

Table 3. 39: Computation of UI Sale contingency limit

Month	Net Purchase	UI Sale	%age
April	709.6	8.73	1.2
May	691.8	6.19	0.9
June	981.4	6.6	0.7
July	1128.2	12.51	1.1
Aug	1095.2	10.66	1.0
Sep	951.4	4.81	0.5
Oct	856.3	3.08	0.4
Nov	617	3.14	0.5
Dec	710.7	2.11	0.3
Jan	739.3	5.07	0.7
Feb	642.5	4.01	0.6
Mar	772.6	0.04	0.0
Total	9896	66.95	0.7

- 3.104 The Regulation 28 of DERC (Business Plan) Regulations, 2019, stipulates,

“28(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 2020-21 to FY 2022-23 of the

Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month.

“28(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.”

- 3.105 The Commission has verified the same. Accordingly, no impact on account of Contingency Limit is considered for FY 2021-22 by the Commission.

ADDITIONAL UI CHARGES AND SUSTAINED DEVIATION CHARGES

COMMISSION ANALYSIS

- 3.106 The third proviso of the Regulation 152 (c) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as follows:

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

- 3.107 Further, the Commission has observed from the statement submitted by SLDC that the Petitioner has been levied penalty under Additional Deviation Settlement and Sustained Deviation for FY 2021-22 amounting to Rs. 3.58 Cr. and Rs. 1.50 Cr. respectively in accordance with the CERC Regulations.
- 3.108 Since, the Petitioner has not submitted any certificate from SLDC, as mandated in the Regulation stipulated above, therefore, the Commission has disallowed the Additional Deviation Settlement Mechanism (ADSM) (Unscheduled Interchange) Charges and Sustained Deviation Charges (SDC) and considered Rs. 3.58 Cr. and Rs. 1.50 Cr. respectively as provided by SLDC, penalty for ADSM and SDC for FY 2021-22.

INCENTIVE ON SALE OF SURPLUS POWER**PETITIONER'S SUBMISSION**

- 3.109 The Petitioner submitted that the Commission in its Business Plan Regulations, 2019 issued by Hon'ble DERC on the Incentive on Sale of surplus Power. The same has been reproduced below for ready reference:

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

The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be as follows:

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

- 3.110 Accordingly, the Hon'ble Commission is requested for doing true up of the incentive of Rs. 75.48 Cr as per MYT Regulations, 2017.

COMMISSION ANALYSIS

- 3.111 The Regulation 121 of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017, stipulates that while approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering the principles of merit order schedule and despatch based on ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis.
- 3.112 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral

part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various technical constraints and the balance power though available from the left over stations after meeting the required demand, are thus not scheduled. Such balance power as available from the left over stations could have been backed down considering Technical Constraints or kept under reserve shutdown and such surplus costly power could have been avoided.

3.113 The Commission further observes that, it has directed SLDC vide its letter dated 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees.

3.114 The Commission has excluded various power stations form Merit Order Despatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.115 As per the Regulation 123 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

“123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral and Power Exchange transactions other than the forced scheduling, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in it’s area of supply;”

3.116 Further, the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 Regulation 165 states,

“165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the (Business Plan) Regulations of the control period:

Provided that any financial impact of under realisation on account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee.”

3.117 Further, the DERC (Business Plan) Regulations, 2019, Regulation 29 defines the incentive sharing mechanism as follows:

“29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month’s billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month’s billed variable cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensees.

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensees.

....”

3.118 The Commission vide its letter dated 16/11/2018, in respect of clarification sought by the Petitioner for rate of Banking transaction and mechanism for incentive of surplus power as per various provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, has clarified as under:

“the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith.”

- 3.119 The Commission through the above referred letter dated 16/11/2018 clarified by way of sample calculation, the computation of the incentive on a monthly basis in line with the Regulation 165 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
- 3.120 Further, it is observed that the Petitioner has not submitted the month-wise data of sale on account on banking transactions, the same has not been considered while computing the incentive/(dis-incentive) on sale of surplus power. Accordingly, the methodology followed by the Commission is as per the above letter of the Commission and whenever there was a surplus sale of power, such surplus sale of power has been considered from the station having higher variable cost as lower variable cost stations must have been used first for the consumers.
- 3.121 Further, in the cases where the sale rate of surplus power was excess of power purchase cost of high variable cost station, that case only was considered for the calculation of Incentive on surplus power.
- 3.122 For the purpose of calculation of cost of higher variable cost station, ECR of previous month has been considered which is as per Regulation 29 of DERC (Business Plan) Regulations, 2019.
- 3.123 Accordingly, incentive/(dis-incentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission is as follows:

Table 3. 40: Commission Approved – Incentive on sale of surplus power for FY 2021-22 (Rs. Cr.)

FY 2021-22	Total	Sale Quantum (MU)	FC Rs./Unit as approved in Tariff Order	FC in (Rs. Cr.)	Gain on FC (Rs. Cr.)	Total Consumer share (Rs. Cr.)	Total TPDDL share (Rs. Cr.)
Apr-21	34.82	298.21	1.90	56.59	0	23.21	11.61
May-21	1.09	56.61	1.90	10.74	0	0.72	0.36
Jun-21	4.04	63.28	1.90	12.01	0	2.69	1.35
Jul-21	7.82	98.84	1.90	18.76	0	5.21	2.61
Aug-21	46.21	193.36	1.90	36.70	9.52	27.64	18.58
Sep-21	16.48	130.95	1.90	24.85	0	10.98	5.49
Oct-21	34.34	175.10	1.90	33.23	1.11	22.52	11.82
Nov-21	-1.63	194.83	1.90	36.97	0	-1.09	-0.54
Dec-21	3.34	72.95	1.90	13.84	0	2.22	1.11
Jan-22	3.03	101.26	1.90	19.22	0	2.02	1.01
Feb-22	6.36	140.99	1.90	26.76	0	4.24	2.12
Mar-22	25.86	247.75	1.90	47.02	0	17.24	8.62
Total	181.76	1,774.14				117.63	64.13

3.124 As per Regulation 29 (2) of Business Plan Regulations, 2019, the incentive is to be shared between the Distribution Licensee and Consumers, accordingly, the incentive of Rs. 64.13 Cr. has been considered by the Commission (as confirmed by the Regulatory Auditor) in Revenue towards ARR in True up of FY 2021-22 for the Petitioner.

3.125 The Petitioner has submitted to incurred the transmission charges of Rs. 1002.92 Cr. The party wise breakup of the transmission charges are tabulated below:

Table 3. 41: Petitioner Submission - Summary of Transmission charges for FY 2021-22

Sr. No.	Name of Station-Particulars / Party Name	Amount Rs. Cr.
A	PGCIL TRANSMISSION CHARGES	
	PGCIL NON POC BILL	1.08
	PGCIL POC BILL 1	599.74
	PGCIL POC BILL 2	(5.38)
	PGCIL POC BILL 3	9.31
	PGCIL BILL 3	34.24
B	DTL/ SLDC TRANSMISSION CHARGES	
	DTL-Application Charges	0.08
	DTL-NRLDC Charges	2.98
	DTL-Reactive Energy Charges	11.38
	DTL-SLDC Charges	2.88
	DTL-STOA Credit	(117.18)
	DTL-Wheeling Charges	345.13
	DTL-SCED	(6.43)
C	OTHER TRANSMISSION CHARGES	
	Banking Purchase STOA	5.86
	Banking Sale STOA	15.80
	BBMB Charges	0.48
	Bilateral purchase STOA	23.56
	Chandrapura Thermal Power Station – Transmission	1.44
	CLP Jhajjar Transmission	9.33
	IEX Purchase STOA	12.61
	IEX Sale STOA	35.88
	Maithon Power Tx Charges	0.16
	Mejia Thermal Power Station - Unit 6 Transmission	0.16
	NANTI Transmission	2.12
	NRPC	0.10
	NTPC TRANSMISSION Charges	0.24
	SECI 20 MW Solar Transmission	1.86
	SECI- SLDC	-
	SEI Sunshine Transmission	12.95
	Suryakanta Transmission	1.52
	Taranda Hydro Transmission	0.08
	THEP (Koteshwar)- NRLDC Charges	0.01
	THEP (Tehri)-NRLDC Charges	0.01
	Sasan UMPP Tx	0.02
	M/s Cosmos Hydro Power Private Limited, Transmission	0.26
	PXIL Purchase STOA	0.65
D	Grand Total	1,002.92

COMMISSION ANALYSIS

- 3.126 The Commission has verified the Transmission charges from the books of accounts and bills raised by various parties and accordingly allows the total Transmission Charges of Rs. 1002.92 Cr. for FY 2021-22 as follows:

Table 3. 42: Commission Approved - Transmission Charges (Rs. Cr.)

Particulars	Amount
Inter-state Transmission Charges	639.00
Intra-state Transmission Charges	238.83
Other Transmission Charges	125.09
Total Transmission Charges	1,002.92

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

- 3.127 The Petitioner has submitted that the Commission in its Tariff Determination Regulations, 2017, has specified that

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

- 3.128 The Commission in its Tariff Order FY 2020-21 has considered 2% and 1.50% normative rebate and approved power purchase cost net of rebate. Following the same principle of normative rebate of 2% and 1.50%, the Petitioner has computed net normative rebate.
- 3.129 It is worth to mention that 2nd wave of COVID-19 crisis has also impacted operating cycle of the Petitioner in the months of April'21 to June'21. The Petitioners billing and collections had dropped to such a level, where the Petitioner was finding it difficult to make regular payment to power supply/ transmission companies and has resorted to bill discounting option therefore has not been in a position to avail any such rebate which was available if the payment was made on presentation of power purchase supply/ transmission bill. Thus, the Petitioner has computed net normative rebate of Rs 96.89 Cr. after considering such amount pertaining during the COVID-19 period.

Table 3. 43: Petitioner Submission - Summary of Normative Rebate for FY 2021-22

Sr. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amount (B)	Rebatable Amount (not availed Due to Covid19) (C)	Amount Offered as normative rebate [D=(B-C)*A]
A	Towards Power Purchase				
1	APCPL	1.50%	1,586.17	161.65	21.37
2	APPCPL	0.00%	-		-
3	BBMB	0.00%	-		-
4	BRPL	0.00%	-		-
5	BYPL	0.00%	-		-
6	CHPPL	1.50%	10.22		0.15
7	DMSWSL	2.00%	28.42		0.57
8	DTL (UI)	0.00%	-		-
9	DTL (LT)	2.00%	345.13		6.90
10	DVC	1.50%	335.89		5.04
11	GMR	0.00%	-		-
12	IPGCL	2.00%	95.63	6.72	1.78
13	KEIPL	2.00%			-
14	MES	0.00%			-
15	NDMC	0.00%			
16	NDPL (G)	0.00%			-
17	NDPL (Solar)	0.00%			-
18	NHPC	1.50%	189.16		2.84
19	NHPPL	1.50%	20.92		0.31
20	NPCIL	2.50%	78.60	6.93	1.79
21	Northern Railways	0.00%	-		-
22	NRLDC	0.00%	-		-
23	NTPC	1.50%	514.82		7.72
24	NTPC (RRAS)	0.00%	-		-
25	NVVNL	2.00%	5.90		0.12
26	PGCIL	1.50%	0.29		0.00
27	CTUIL	1.50%	671.04		10.07
28	PPCL I	2.00%	297.47	27.81	5.39
29	PPCL III	1.50%	507.45	97.30	6.15
30	PTC(ST)	2.00%	24.27		0.49
31	PTC(Tala)	0.46%	5.40		0.02
32	SASAN	1.50%	56.09		0.84
33	SECI	1.50%	43.70		0.66
34	SEI SUNSHINE	1.50%	20.95		0.31
35	SEI SOLARVANA	1.50%	20.15		0.30

Sr. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amount (B)	Rebatable Amount (not availed Due to Covid19) (C)	Amount Offered as normative rebate [D=(B-C)*A]
36	SEI SOORAJ	1.50%	20.64		0.31
37	SEI JYOTISWAROOP	1.50%	19.43		0.29
38	SEI RAVIKIRAN	1.50%	19.90		0.30
39	SEI RENEWABLE	1.50%	19.56		0.29
40	SHEPL	1.50%	17.64		0.26
41	SJVNL	1.50%	48.54		0.73
42	TARANDA	1.50%	20.26		0.30
43	THDC	1.50%	40.61		0.61
44	TOWMCL	2.00%	28.28		0.57
45	TPTCL	1.50%	1,359.40		20.39
46	IEX	0.00%	-		-
47	PXIL	0.00%	-		-
48	Net Metering	0.00%	-		-
	Total (A)		6451.95	300.41	96.89

COMMISSION ANALYSIS

3.130 The 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”

3.131 The Commission has noted from power purchase agreement that the maximum normative rebate in case of NPCIL is 2.5%. Similarly, maximum normative rebate for other CGS, SGS and Transmission Companies has been taken from Power Purchase Agreements. Accordingly, the Commission has considered the maximum normative rebate on Rebatable amount based on the submissions of the Petitioner as follows:

Table 3. 44: Commission Approval - Summary of Normative Rebate for FY 2021-22

Sr. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amount (B)	Amount offered as Normative rebate (as per Commission)
1	APCPL	1.50%	1,586.17	23.79
2	APPCPL	0.00%	0	0.00
3	BBMB	0.00%	0	0.00
4	BRPL	0.00%	0	0.00
5	BYPL	0.00%	0	0.00
6	CHPPL	2.00%	10.22	0.20
7	DMSWSL	2.00%	28.42	0.57
8	DTL (UI)	2.00%	0	0.00
9	DTL (LT)	2.00%	345.13	6.90
10	DVC	1.50%	335.89	5.04
11	GMR	0.00%	0	0.00
12	IPGCL	2.00%	95.63	1.91
13	KEIPL	2.00%	0	0.00
14	MES	2.00%	0	0.00
15	NDMC	2.00%	0	0.00
16	NDPL (G)	2.00%	0	0.00
17	NDPL (Solar)	1.50%	0	0.00
18	NHPC	1.50%	189.16	2.84
19	NHPPL	1.50%	20.92	0.42
20	NPCIL	2.50%	78.6	1.97
21	Northern Railways	0.00%	0	0.00
22	NRLDC	0.00%	0	0.00
23	NTPC	1.50%	514.82	7.72
24	NTPC (RRAS)	1.50%	0	0.00
25	NVVNL	2.00%	5.9	0.12
26	PGCIL	1.65%	0.29	0.00
27	CTUIL	1.65%	671.04	11.07
28	PPCL I	2.00%	297.47	5.95
29	PPCL III	1.50%	507.45	7.61
30	PTC(ST)	2.00%	24.27	0.49
31	PTC(Tala)	0.57%	5.4	0.03
32	SASAN	2.25%	56.09	1.26
33	SECI	2.00%	43.7	0.87
34	SEI SUNSHINE	2.25%	20.95	0.47
35	SEI SOLARVANA	2.25%	20.15	0.45
36	SEI SOORAJ	2.25%	20.64	0.46
37	SEI JYOTISWAROOP	2.25%	19.43	0.44

Sr. No.	Vendor	Maximum Normative Rebate (in %) (A)	Rebatable Amount (B)	Amount offered as Normative rebate (as per Commission)
38	SEI RAVIKIRAN	2.25%	19.9	0.45
39	SEI RENEWABLE	2.25%	19.56	0.44
40	SHEPL	2.00%	17.64	0.35
41	SJVNL	1.50%	48.54	0.73
42	TARANDA	2.00%	20.26	0.41
43	THDC	1.50%	40.61	0.61
44	TOWMCL	2.25%	28.28	0.64
45	TPTCL	2.25%	1,359.40	30.59
	Total (A)		6451.95	114.80

TOTAL POWER PURCHASE COST**COMMISSION ANALYSIS**

3.132 Based on the above submissions, the Commission approves the Power Purchase Cost for the Petitioner for FY 2021-22 as follows:

Table 3. 45: Commission Approved - Power Purchase Cost for FY 2021-22

Sr. No	Particulars	Petitioner submission		As per Commission	
		Quantum (MU)	Amount (Rs. Cr.)	Quantum (MU)	Amount (Rs. Cr.)
A	Power Purchase:				
i	Gross Power Purchase	11,737.11	5,774.52	11,737.11	5,722.56
a	Power Purchase from CSGS	8,576.77	3,978.63	8,576.93	3,978.62
b	Short term Power Purchase	1,332.24	559.23	1,332.24	507.28
c	Power Purchase from Delhi Genco	1,032.69	900.56	1,032.69	900.56
d	Renewable Power	795.41	318.14	795.25	318.14
e	Cost of REC Certificate-towards RPO	-	17.97		17.97
f	Less: Power sold to other sources except Banking	(1,841.14)	(740.43)	(1,841.14)	(616.80)
g	Normative Cost on Banking i.e. Variable Cost of weighted average rate of all long term sources- as per Clarification issued vide DERC letter dated 16/11/2018 on DERC				(175.21)

Sr. No	Particulars	Petitioner submission		As per Commission	
		Quantum (MU)	Amount (Rs. Cr.)	Quantum (MU)	Amount (Rs. Cr.)
	Tariff Regulations, 2017 and BPR, 2017				
h	Net Power Purchase	9,895.96	5,034.10	9,895.96	4,930.55
B	Transmission Loss:				
i	Inter-State Transmission Loss/Charges	(386.83)	639.00	(386.83)	639.00
ii	Intra-State Transmission Loss/Charges	(87.08)	238.83	(87.08)	238.83
iii	Other Transmission Charges		125.09	-	125.09
iv	Total transmission Loss/Charges	(473.91)	1,002.92	(473.91)	1,002.92
C	Net power available after Transmission Loss/Charges	9,422.05	6,037.01	9,422.05	5,933.47
D	Rebate				
i	On Power Purchase		96.89		114.80
ii	On Transmission Cost				
	Total Rebate		96.89		114.80
E	Adjustments:				
a	Additional UI				3.58
b	Sustained Deviation				1.50
c	RPO Penalty				-
F	Add:				
a	Incentive on sale of surplus power		75.48		-
b	Normative Additional units of power banking @ 2.91/unit		1.58		-
G	Net Power Purchase Cost	9,422.05	6,017.18	9,422.05	5,813.59
H	Avg. Power Purchase cost		6.39		6.17

OPERATION AND MAINTENANCE (O&M EXPENSES)

PETITIONER SUBMISSION

- 3.133 The Petitioner has submitted in *the Business Plan Regulations, 2019*, that *the Commission in its Regulations 23(1) has determined year wise normative O&M expenses for the Petitioner for*

the current control period. Relevant extract of the table of normative O&M expenses is given below:

Table 3. 46: Petitioner Submission - O&M Expenses Norms for TPDDL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh / ckt.km	3.079	3.197	3.32
33 kV Line	Rs. Lakh / ckt.km	3.079	3.197	3.32
11 kV Line	Rs. Lakh / ckt.km	0.935	0.971	1.008
LT Line System	Rs. Lakh / ckt.km	7.338	7.62	7.912
66/11 kV Grid S/s	Rs. Lakh / MVA	0.954	0.991	1.029
33/11 kV Gris S/s	Rs. Lakh / MVA	0.954	0.991	1.029
11/04.15 kV DT	Rs. Lakh / MVA	1.489	1.546	1.605

3.134 The Petitioner has accordingly computed the normative O&M expenses for FY 2021-22 as follows:

Table 3. 47: Petitioner Submission - Normative O&M Expenses for FY 2021-22

Particulars	Unit	FY 21-22 Rate	Capacity	Capacity as on 31.03.2021	Capacity as on 31.03.2022	Average Capacity	Amt. In Rs. Cr.
66 kV Line	Rs. Lakh / ckt.km	3.197	Ckt.km	577.64	616.41	597.03	19.09
33 kV Line		3.197	Ckt.km	596.36	604.53	600.45	19.20
11 kV Line		0.971	Ckt.km	7097.11	7274.81	7185.96	69.78
LT Line System		7.62	Ckt.km	7490.20	7619.60	7554.90	575.68
66/11 kV Grid S/s	Rs. Lakh / MVA	0.991	MVA	3094.00	3213.5	3153.75	31.25
33/11 kV Gris S/s		0.991	MVA	1833.00	1873.00	1853.00	18.36
11/04.15 kV DT		1.546	MVA	6261.91	6368.99	6315.45	97.64
Total							831.00

COMMISSION ANALYSIS

3.135 The Commission in its Regulation 23 of *DERC (Business Plan) Regulations, 2019* has notified norms for Operation and Maintenance Expenses for FY 2021-22 in terms of Regulation 4(3) of *DERC (Terms and Conditions for determination of Tariff) Regulations, 2017* as follows:

“23. Operation and Maintenance Expenses

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 2: O&M Expenses for TPDDL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh / ckt.km	3.079	3.197	3.32
33 kV Line	Rs. Lakh / ckt.km	3.079	3.197	3.32
11 kV Line	Rs. Lakh / ckt.km	0.935	0.971	1.008
LT Line System	Rs. Lakh / ckt.km	7.338	7.62	7.912
66/11 kV Grid S/s	Rs. Lakh / MVA	0.954	0.991	1.029
33/11 kV Grid S/s	Rs. Lakh / MVA	0.954	0.991	1.029
11/04.15 kV DT	Rs. Lakh / MVA	1.489	1.546	1.605

.....”

3.136 The Petitioner has submitted the actual network capacity as on 31/03/2021 as above and claimed Rs. 831.00 Cr towards the O&M expenses. The prudence and due diligence exercise of the Capitalisation of Assets (works & Schemes) including the capex verification of the said Assets are continuing process of the Commission. While the Commission is approving the O&M expenses based on the details of the Capitalisation submitted by the Petitioner, any discrepancy/shortfalls/defaults in such capitalisation observed/noticed/verified by the Commission at any point of time irrespective of the period/ Financial Year shall be suitably adjusted (recovered) from the ARR of the Petitioner for the period during which such discrepancy/shortfalls/defaults are found by the Commission.

3.137 Accordingly, the Commission provisionally considered 100% of capitalisation as per Audited book of Accounts for FY 2021-22. The Petitioner has demanded the O&M Expenses of Rs. 831.00 Cr. and the Commission has approved the same amount of Rs. 831.05 Cr. on Normative basis subject to finalization of capitalization.

Table 3. 48: Commission Approved: Normative O&M Expenses for FY 2021-22 (Rs. Cr.)

Particulars	Capacity as on 31.03.2021 (a) @	Capacity as on 31.03.2022 (b)	Average Capacity (c=(a+b)/2)	Multiplying factor as per DERC BPR 2019 (d)	Amt. In Rs. Cr. (e=c*d)
66 kV Line	1174.000	1220.940	1197.47	3.197	38.283
33 kV Line					
11 kV Line	7097.010	7274.710	7185.86	0.971	69.775
LT Line System	7490.920	7620.320	7555.62	7.620	575.738

Particulars	Capacity as on 31.03.2021 (a) @	Capacity as on 31.03.2022 (b)	Average Capacity $(c=(a+b)/2)$	Multiplying factor as per DERC BPR 2019 (d)	Amt. In Rs. Cr. $(e=c*d)$
66/11 kV Grid S/s	4927.000	5086.500	5006.75	0.991	49.617
33/11 kV Gris S/s					
11/04.15 kV DT	6261.940	6369.020	6315.48	1.546	97.637
Total					831.05

ADDITIONAL O&M EXPENSES**LAND LICENSEE FEES TOWARDS GRID****PETITIONER SUBMISSION**

- 3.138 The Petitioner has submitted that the license fee is applicable as per the rates decided by GoNCTD for using Land to construct new grids/ substations for the purpose of serving the need/growth of consumers. Every year the Petitioner has to pay licensee fee to GoNCTD for all its grids/sub-stations. During FY 2021- 22 the Petitioner has incurred an amount of Rs. 13.22 Cr. towards land licensee fee on yearly basis. This land license fee is payable based on area of grids/sub-stations multiply with the specified rates, thus, it is in the nature of statutory levies and uncontrollable in the hands of the Petitioner.
- 3.139 Tata Power-DDL has to pay land licensee fee for the past land taken from GoNCTD and also for the new land allocated within the year and hence cost is uncontrollable.
- 3.140 The Commission vide its letter no. F.17(174)/Engg./DERC/17-18/5856/1269 dated 13/09/2022 allowed DDA to pay one time SLD charges of Rs 14 lacs per MVA towards land cost where land is allocated by DDA through GoNCTD.
- 3.141 While SLD charges received is passed in the ARR, the applicable annual licensee cost has to be borne by the Petitioner and is not controllable in the hands of the Petitioner.
- 3.142 Further, Proviso of Regulation 87 of the Tariff Regulations, 2017, clearly states that
- “Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M Expenses.”*

Table 3. 49: Petitioner Submission - Computation of Land License fee to be allowed on actual basis (Rs Cr.)

Sr. No.	Land Licensee fee	Amount Rs Cr	Remark
A	Amount Actually paid	13.22	Refer note no 5(iv) of the Audited financial statement
B	Allowed on Normative basis	10.38	
C	Balance amount to be realized	2.83	A-B

3.143 The Petitioner has requested the Commission to allow differential amount of Rs. 2.83 Cr. towards Land licensee fee, as the same is uncontrollable and statutory in nature.

COMMISSION ANALYSIS

3.144 The actual O&M expenses considered by the Commission include the expenses on account of the license fee paid on assets to GoNCTD. The normative O&M expenses allowed by the Commission contain both elements of escalation on a year-to-year basis and additional O&M expenses on account of an increase in network capacity. Accordingly, after considering the license fee paid on assets considered in base year O&M expenses with a due escalation factor of 3.83%, no additional licensee fee need to be additionally considered for payment, other than normative O&M Expenses. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the differential claim of Rs. 2.83 Cr.

INCREMENTAL IMPACT OF GST

PETITIONER SUBMISSION

3.145 The Petitioner has referred Regulation 87 of Tariff Regulations' 2017 read with BPR 2019 which is applicable for 4th MYT Control Period provides that:

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

3.146 In reference to the above Regulation, the Petitioner submitted that the Goods & Services Tax, which came into effect from 01/07/2017 by subsuming the Service Tax and Other Acts, thus falls under the definition of Change in Law and any financial impact if any has to be allowed to DISCOM on actual basis.

3.147 Definition of Change in law as per Regulation 2(18) of the DERC Tariff Regulations, 2017 as under:

(18) "Change In Law" means occurrence of any of the following events:

- (a) Enactment, bringing into effect or promulgation of any new Indian law; or*
- (b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or*
- (c) change in interpretation or application of any Indian law by a Competent Court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or*
- (d) change by any competent authority in any condition or covenant of any consent or clearances or approval or license available or obtained for the project; or*
- (e) coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government/s or international convention or protocol having implication for the generating station or the transmission system regulated under these Regulations;*

3.148 The Petitioner has submitted that the GST is to be considered as a new enactment because it is altogether a different Law having its different rules, regulations and guidance. Due to this change in law, Rate of Indirect Tax for most of the services availed by Utilities has been increased to 18% from the earlier rate of 15%. Due to this increase in rate there has been an additional impact on the Landed cost of various services availed by DISCOMS to run its business efficiently & effectively, therefore, any financial impact of the same has to be considered by this Commission.

3.149 It is further clarified that GST is a Statutory Tax/levy, therefore, applicability of which cannot be avoided by any utility and hence the impact of which cannot be controlled by the Petitioner, thus, it is covered under the proviso of Regulation 87 which provides as under:

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

- 3.150 CERC has already recognized the enactment of GST Act as Change in Law and allowed Genco's/ Transco's to claim additional financial impact of change in tax rate on normative O&M expenses from the Petitioner.
- 3.151 Further in BPR 2019 the years considered for setting the norms for 4th Control Period for O&M expenses were FY 2016-17, FY 2017-18 and FY 2018-19. Due to this change in law, rate of Indirect Tax for most of the services availed (as Distribution of Power is treated as a Service Sector) has increased to 18% from the earlier rate of 15%.
- 3.152 The Petitioner has submitted that the Commission has averaged the expenses for three years of the above mentioned years while GST was applicable from July 2017 instead of normalizing the impact of statutory levies for the period in which it was applicable. Therefore, the increase in expenses due to this was not captured for one year three months and got diluted due to averaging by three years instead of one year nine months. Thus the normative expenses doesn't cover full impact of GST for 4th Control Period.
- 3.153 Based on above submissions and considering its statutory nature, the Petitioner requested the Commission to consider the differential impact of the GST for Rs 30.30 Cr. for FY 2021-22 as computed below.

Table 3. 50: Petitioner Submission - Computation of Land License fee to be allowed on actual basis

GST	Amount Rs. Cr.
For Financial Year 21-22	
GST Amount in Rs. Cr. – A (As per disclosure no. 33.4 of Audited Financial Statements)	40.26
Derived normative O&M Expenses allowed by DERC towards GST for FY 20-21	9.38
Further, adjusted for the following impact	
(i) Impact of escalation for FY 21-22	3.83%
(ii) Impact of network growth for FY 21-22	2.30%
Normative amount allowed – B	9.96
Differential Impact (A-B)	30.30

COMMISSION ANALYSIS

- 3.154 Under the *DERC (Business Plan) Regulations, 2019*, and through its Statement of Reasons Business Plan Regulation, 2019, the Commission has clarified that revision of minimum wages and impact of GST has already been included in the norms of O&M expenses. The additional

claim of expenses is part of the normative O&M expenses and do not qualify for the second proviso to the Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Hence, the claim of incremental impact of Rs. 30.30 Cr. cannot be allowed.

IMPACT OF INCREASE IN MINIMUM WAGES

PETITIONER SUBMISSION

- 3.155 The Petitioner has submitted that during the FY 2021-22, the Petitioner has incurred an additional amount of Rs 9.78 Cr. over and above normative expenses towards the impact of increase in the Minimum Wages as announced by the Delhi Government vide Delhi Gazette Notification No. 85 dated 03/03/2017. As the said Gazette Notification was issued only on 03/03/2017, thus, it's impact was not fully factored into account by the Commission while notifying the BPR 2019 applicable for 4th Control Period as the normative O&M expenses were premised on the data for FY 2016-17, FY 2017-18 and FY 2018-19. The Commission has averaged the expenses for FY 2016-17, FY 2017-18 and FY 2018-19 which was further escalated by inflation factor to arrive at the FY 2020-21 norms instead of normalizing the impact for period in which it was applicable.
- 3.156 Thus, the impact for complete one year i.e. FY 2016-17 was not captured while setting the norms for 4th Control Period and got diluted while averaging the expenses by three years. Thus the normative expenses doesn't cover full impact of Minimum Wages for 4th Control Period.
- 3.157 The Petitioner has submitted that it is a statutory levy. The Govt. of NCT has increased the minimum wages by significantly in addition to the normative increase allowed in usual course and thus, resulting into increase in O&M expenses for DISCOMS. Hence, the differential impact has to be allowed additionally over and above included in normative O&M Expenses being it is statutory in nature and cannot be controlled by the Petitioner.
- 3.158 It is noteworthy to mention that proviso of Regulation 87 of Tariff Regulations, 2017 states that

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

- 3.159 Based on above submissions, the Petitioner has requested to allow the impact of unprecedented increase in minimum wages of Rs. 9.78 Cr. on actual basis. The computation of same is as follows: -

Table 3. 51: Petitioner Submission- Minimum Wages Impact

Minimum Wages	Amount (Rs. Cr.)
For Financial Year 2021-22	
Minimum Wages Amount in Rs. Cr. – A (As per disclosure no. 33.4 of Audited Financial Statements)	25.73
Derived Normative O&M Expense allowed by DERC towards minimum wages for FY 2020-21	15.01
Further , adjusted for the following impact	
(i) Impact of escalation for FY 2021-22	3.83%
(ii) Impact of network growth for FY 2021-22	2.30%
Normative amount allowed – B	15.94
Differential Impact (A-B)	9.78

COMMISSION ANALYSIS

- 3.160 The Regulation 87 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states,

“The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:

Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;

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

- 3.161 Under the *DERC (Business Plan) Regulations, 2019* and through its Statement of Reasons Business Plan Regulation, 2019, the Commission has clarified that revision of minimum wages and impact of GST has already been included in the norms of O&M expenses. The additional claim of expenses is part of the normative O&M expenses and do not qualify for the second

proviso to the Regulation 87 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*. Hence, the claim of incremental impact of Rs. 9.78 Cr. cannot be allowed.

INTERIM RELIEF TOWARDS - 7TH PAY COMMISSION - FRSR EMPLOYEES

PETITIONER SUBMISSION

- 3.162 The Petitioner has submitted that the Commission in its Business Plan Regulations has clearly specified that change in O&M expenses due to statutory requirement like 7th Pay Commission impact will be trued up on actual basis. In order to comply with the recommendations of Wage Revision Committee for disbursement of Interim Relief w.e.f. 01/01/2016 and for payment of other allowance w.e.f. 01-07-2017, which has been approved by the Govt. of NCT of Delhi, Department of Power vide their Order No. F.11 (62)/2015/Power/Pt-I/2116 dated 26-07-2017, the Petitioner in FY 2021-22 had paid paid leave salary contribution/Pension contribution pertaining to previous years of Rs. 89.75 Cr. to Pension Trust for FRSR employees.
- 3.163 In addition to above, the petitioner has mentioned that final payment on account of 7th Pay Commission on LSC/PC has been made in FY 2021-22, though provision for it was created in financials from FY 2017-18 to FY 2020-21. The Petitioner requested to the Hon'ble Commission to allow the payment of Rs 89.75 Cr. over and above normative O&M expenses.
- 3.164 Further, Petitioner has submitted that after applying full and final 7th Pay Commission, there is a substantial difference in FRSR salary which was not factored at the time of BPR norms setting since payment was made in FY 2020-21 and FY 2021-22. Petitioner requested to the Hon'ble Commission to allow the differential impact of 6th and 7th Pay Commission as computed in subsequent table since it was not part of normative O&M expenses.
- 3.165 Further, payment of Rs. 17.66 Cr. has been paid on account of Non-functional scale and separated employees, which sought additional claim over and above normative O&M expenses.
- 3.166 Based on above submission, the Petitioner prayed the Commission for provisional impact of 7th Pay Commission as under:

Table 3. 52: Incremental Impact of 7TH Pay Commission

Particulars	Amount (Rs. Cr.)
7th Pay Commission Leave salary contribution/Pension contribution paid during FY 21-22 pertaining to previous period (gross)	89.75
Differential impact of 7th Pay Commission Vs 6th Pay Commission for current financial year (gross)	82.08
Payment made against Non Function Scale (NFS) & Separated employees	17.66
Normative amount allowed	(48.68)
Incremental Impact on account of 7 th Pay Commission	140.81

COMMISSION ANALYSIS

- 3.167 In view of the Regulation 23(5) of *DERC (Business Plan) Regulations, 2019*, the Commission has considered the revision in its employees' cost on account of the 7th Pay revision subject to actual payment of the dues. During the prudence check, the Commission observed from the audited financial statement that the actual payment dues towards revision in its employees' cost on account of the 7th Pay Commission differed from the subsequent submission by the Petitioner vide letter dated 19.09.2024 on account of 7th CPC as against its earlier submission in the Petition.
- 3.168 The Commission further observed that the amount of 7th CPC arrears claimed by the Petitioner in the FY 2020-21 included the amount of provisions towards 7th CPC arrears which were already included in the base employee cost as specified in the *DERC (Business Plan) Regulations, 2019* as a result of which the 7th CPC arrears were allowed extra to the extent of said amount of provisions during true up of FY 2020-21.
- 3.169 Therefore, the Commission shall need to examine the details of the actual impact of 7th CPC arrears to be allowed over and above the normative O&M expenses which shall be given effect in the next true up Order.

ALLOWANCE OF FINANCING CHARGES (AS PER APTEL ORDER 246/2014 DATED 30/09/2019)**PETITIONER SUBMISSION**

- 3.170 The Petitioner has referred the Regulation 87 of *Tariff Regulations, 2017* specify that "*The Utilities shall be allowed Operation and Maintenance expenses on normative basis including*

expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:”

- 3.171 With respect to above, the Petitioner wants to clarify that financing charges towards raising of loans for funding of working capital and Regulatory Assets are never formed part of base year normative expenses, thus, the Petitioner now claims the financing charges of Rs 1.79 Cr. on actual basis.

Table 3. 53: Petitioner Submission: Total amount of financing charges

Particulars	Amount (Rs. Cr.)
Total Financing charges	0.54

- 3.172 It is respectfully submitted to the Commission to allow an amount of Rs 0.54 Cr. on account of financing charges.

COMMISSION ANALYSIS

- 3.173 The Regulation 23(6) of *DERC (Business Plan) Regulations, 2019* stipulates as under:

“The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed.”

- 3.174 The charges for raising working capital loans and loan for financing RA shall be allowed if the same do not form part of Interest cost. The fresh borrowings are already netted-off with processing charges and the impact of same shall come in the Interest Cost. Moreover, there is nothing on record (or mentioned separately in Annual Audit Report of 2021-22) to prove that the petitioner has paid Rs. 0.54 Cr. towards raising working capital loans and loan for financing RA, hence the above claim regarding loan on working capital and regulatory assets cannot be accepted.

PROFESSIONAL & LEGAL EXPENSES

PETITIONER SUBMISSION

- 3.175 While fixing the normative O&M expenses, the Hon’ble Commission has not considered Legal & Professional Expenses of the DISCOMs. Further in SOR, the Hon’ble Commission has

specified that it shall allow the Legal & Professional Expenses on actual basis after making a prudence check on Legal expenses.

3.176 Non allowance of legal expenses amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The distribution business is a regulated business under the aegis of this Commission. The majority of issues in Distribution Business will arise out of orders/directions issued by the Commission. In all such case, the Petitioner 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.

3.177 The Petitioner has submitted that during the FY 2021-22, the Petitioner has incurred an amount of Rs. 22.55 Cr. (net of BD Expenses) under the head Legal and Professional Expenses. Given below is the sub- head wise bifurcation of aforesaid Legal and Professional Expenses where Professional expenses includes expenses incurred during the normal course of business as part of legal expenses like Auditors expenses, consultancy and professional charges.

Table 3. 54: Petitioner Submission - Professional & Legal Expenses for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount Rs. Cr.
Professional Expenses		
A	Auditor Expenses (for statutory audit)	0.55
B	Professional/Consultancy Charges	2.78
Total Professional Expenses		3.32
Legal Expenses		
C	Advocate Fee – Regulatory	5.98
D	Advocate Fee – Other than (C)	12.94
E	Litigation Expenses - Compensation charges	0.30
Total Legal Expenses		19.22
Total Professional & Legal Expenses		22.55

3.178 Based on above submission, it is requested to the Commission to allow Rs 22.55 Cr. towards Legal and Professional Fees.

COMMISSION ANALYSIS

- 3.179 During the prudence check, the Commission has observed that the petitioner has claimed the total professional expenses of Rs. 3.32 Cr. The Commission is of the view that the Professional Expenses incurred by the petitioner on account of Auditor Expenses, Consultation Services and Other Professional Charges to the appropriate forum may be allowed. Accordingly, Professional Expenses of Rs. 3.32 Cr. is allowed.
- 3.180 The Regulation 23(7) of *DERC (Business Plan) Regulations, 2019* stipulates as under:
*“The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:
Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed.”*
- 3.181 During the prudence check, the Commission observed that the petitioner has claimed the total legal expenses of Rs. 19.22 Cr. The Commission is of the view that the legal expenses incurred by the petitioner on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal Claims is not allowed as per the *DERC (Business Plan) Regulations, 2019*. Additionally, it was observed that the distribution licensee has also paid the compensation charges which are also disallowed by the Commission. Accordingly, remaining Legal Expenses Rs. 12.33 Cr. has been allowed by the Commission.

COMMON EFFLUENT TREATMENT CHARGES (CETP CHARGES)**PETITIONER SUBMISSION**

- 3.182 DSIDC has raised demand of Rs. 7.86 Cr. towards non-payment of Maintenance charges and CETP (Commoneffluent treatment charges) against 5 premises occupied by the Petitioner under DSIDC jurisdiction. Out of 5 plots, 2 are vacant plots held since DVB period having no operations at all, 2 are grid substations which are unmanned and dedicatedly cater to the entire industrial area while 1 grid cum zonal office is situated from which only domestic sewage is being discharged and no industrial effluent is generated. The Petitioner has challenged the said impugned demand raised by DSIDC & filed writ petition before the Hon'ble High Court WP (C)2157 of 2019. The court was pleased to grant stay against the total

demand raised by DSIDC. For FY 2021-22 payment of Rs 0.37 Cr. has been made by the Petitioner in regard.

- 3.183 Therefore, the Petitioner has requested to the Commission to take cognizance of the facts as above, and in case later on it is found/ decided that these demands are payable, the Hon'ble commission is requested to allow in ARR as additional expense along with any interest or penalty if payable and for FY 21-22 it is requested to the Commission to allow Rs 0.37Cr. towards CETP Charges. It is clarified that CETP charges are in the nature of statutory charges which are not forming part of base year normative expenses, hence need to be allowed on actual basis over and above normative O&M Expenses.

COMMISSION ANALYSIS

- 3.184 During the prudence check, the Commission observed that the petitioner has claimed the CEPT charges of Rs. 0.37 Cr. It is clarified that CETP charges are in the nature of statutory charges which are not forming part of base year normative expenses, hence are being allowed on actual basis over and above normative O&M Expenses.

SUMMARY OF ADDITIONAL O&M EXPENSES

PETITIONER SUBMISSION

- 3.185 Based on the above submissions, the Petitioner is seeking Rs 207.18 Cr. additionally on account of O&M expenses for FY 2021-22 towards statutory levies/uncontrollable factors, change in law, minimum wages, 7th Pay Commission etc.

Table 3. 55: Petitioner Submission: Summary of Additional O&M Expenses on account of statutory levies & Taxes (Rs. Cr.)

Sr. No.	Nature	Amount Rs. Cr.	Remark
Change in Law			
A	Land Licensee fees towards Grid	2.83	
B	Incremental impact of GST	30.30	
C	Incremental impact of Minimum Wages	9.78	
Actual as per Regulation			
D	7th Pay Commission Impact- FRSR employees	140.81	
As per APTEL order 246/2014 dated 30.09.2019			
E	Allowance of Financing Charges	0.54	
Other Expense not forming part of Base year expenses at the time of Normative O&M expenses determination			

Sr. No.	Nature	Amount Rs. Cr.	Remark
F	Professional Expenses	3.32	
G	Legal Expenses	19.22	
H	CETP Charges	0.37	As per explanation above
	Sub total	207.18	

COMMISSION ANALYSIS

3.186 In line with above discussions, the Commission has approved the following Additional O&M for FY 2021-22:

Table 3. 56: Commission Approved Additional O&M Expenses for FY 2021-22

Sr.No.	Particulars	Petitioner submission	Commission's Approved
1.	Licensee fees #	2.83	0.00
2.	Allowances of Financing Charge#	0.54	0.00
3.	Incremental impact of GST#	30.30	0.00
4.	Incremental impact of Minimum Wages#	9.78	0.00
5.	Arrears paid on account of 7th Pay Commission	140.81	0.00
6.	Legal Expenses	19.22	12.33
7.	Professional Charges	3.32	3.32
8.	CETP Charges	0.37	0.37
9.	Sub total	207.18	16.02

#Not allowed as O&M Expenses is being permitted on normative basis.

LOSS ON SALE OF RETIREMENT OF ASSETS

PETITIONER SUBMISSION

3.187 Regulation 45 to 47 of the Tariff Regulations, 2017 deals with the methodology of allowance of Loss or gain due to De-capitalization/Retirement of Fixed Assets. As per the aforesaid Regulations, the Petitioner has sought net loss of Rs 18.18 Cr. (as per Audited Financial Statement) for FY 2021-22 in this True up of FY 2021-22 and for previous years in the respective tariff petitions. The Commission is requested to allow the impact of the same in the ensuing Tariff Order till the finalization of capitalization by the Commission.

COMMISSION ANALYSIS

- 3.188 The Regulations 45, 46 & 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, stipulates for loss or gain due to capitalizations of assets as under:

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

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

47. Loss or Gain due to decapitalization of asset after the completion of useful life of asset shall be to the account of the Utility.”

- 3.189 Further, the Regulation 80 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, stipulates for salvage value of assets as under:

“The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to the maximum of 90% of the capital cost of the asset:

Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.”

- 3.190 The distribution licensees have claimed the loss on retirement of assets based on the directions of the Commission by deducting the sale proceeds from the unrecovered depreciation of the assets under the Regulation 45. It was observed that the distribution licensees have not given any consideration to Regulation 80 which provides for allowing depreciation upto a maximum of 90% of the capital cost of the asset and 10% of the assets as the salvage value of assets.
- 3.191 From the conjoint reading of the Regulations 45, 46, 47 and 80 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, it may be noted that if the asset has completed its useful life, the loss or gain is on the account of utilities irrespective of whether the sale proceeds of assets are lower or higher than the salvage value of the assets. If the assets have completed its useful life, the distribution licensee has recovered the depreciation of 90% as per provisions of DERC (Terms and Conditions of Tariff) Regulations, 2017 considering the

10% as the salvage value of the assets. Therefore, this 10% salvage value of the asset is for the account of the licensee.

- 3.192 It is understood that if the asset is disposed of before its useful life, it will generally fetch a higher value than its salvage value of 10%. Since in the ideal situation of completion of useful life of the asset, the Commission is required to allow depreciation upto a maximum of 90%, therefore, as per Regulations 45, and 80 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the loss which is required to be compensated by the Commission as part of ARR is up to the value of 90% on the depreciation of assets. Accordingly, the Commission has considered the loss on retirement of assets as lower of (unrecovered depreciation – sale proceeds) or (unrecovered depreciation – 10% of salvage value of assets)
- 3.193 The computation of loss on retirement of assets under the Regulation 45 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 works out to be as under:

Table 3. 57: Commission Approved: Loss on sale of retirement of assets

Loss on Retirement of assets	FY 2021-22 (Rs. Cr.)
TPDDL	2.82

CAPITAL EXPENDITURE AND CAPITALIZATION

PETITIONER SUBMISSION

- 3.194 The Petitioner has submitted that for the purpose of Tariff fixation for FY 2021-22, the Commission in its Tariff Order 30/09/2021 has approved capitalization of Rs. 340.26 Cr. (including Rs 50 Cr. for Deposit work) against which it has done actual capitalization of Rs. 415.76 Cr.

Table 3. 58: Petitioner Submission - Approved Capitalization versus Actual Capitalization for FY 2021-22

Particulars	Approved	Sought for Trued up
Capitalization	340.26	415.76
Smart Meter		
Capitalization with Deposit work	340.26	415.76

- 3.195 The Petitioner has submitted that the Commission in its previous Tariff Order Sep 2021, had provisionally trued up an amount of Rs. 6,456.30 Cr. towards the closing value of gross fixed assets at the end of FY 2019-20. The Petitioner has considered same amount as opening Gross

Fixed Asset for which is subject to change pending physical verification for past years and additional capitalisation for FY 2020-21 as per True up petition for FY 2020-21 considered for Opening Gross Fixed Asset for FY 2021-22 since True up order for FY 2020-21 is awaited.

- 3.196 Petitioner, further, submitted that it is worth to mention that due to pending physical verification other components of ARR which are linked to capitalization are also being allowed provisional, which again is causing effect on cash flow and leading to non-cost reflective tariff allowed by the Commission. Therefore, the Commission is requested to consider the capitalization for past years based on Audited Financials so that Tariff Order reflects correct components of ARR and consumer is saved from additional carrying cost.
- 3.197 For the purpose of truing up of capitalization for FY 2021-22, the Commission has started exercise for physical verification of assets. Hence, for the purpose of truing up submissions, the Petitioner considers capitalization based on audited financial statements.
- 3.198 Based on above submissions, the Petitioner has submitted the value of Gross Fixed Assets for FY 2021-22 as follows:

Table 3. 59: Petitioner Submission - Detail of Actual Capitalization (Rs. Cr.)

Sr. No.	Particulars	Amount Rs. Cr.	Amount
A	Opening balance of Gross Fixed Assets (as on 1st April'2020)	5,996.08	Table 3.82 of Tariff Order 2021-22
B	Add- Capitalization during the FY 2020-2021	501.39	Table 3.45 of True up Petition 2020-21
C	Less- Retirement/ De-capitalization for the FY 2020-2021	41.17	Table 3.45 of True up Petition 2020-21
D	Provisional closing balance of Gross Fixed Assets (as on 31st Mar'2021)	6,456.30	(A+B-C)
E	Add- Capitalization during the FY 2021-2022	415.76	Table 3.44
F	Add - 7th Pay LSC/PC Payment	8.62	
G	Less- Retirement/ De-capitalization for the FY 2021-2022	79.68	Note 4.4 of the Audited Financial Statement
H	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2022)	6,801.01	(D+E+F-G)
I	Average Balance of Gross fixed Assets	6,628.65	(D+H)/2

COMMISSION ANALYSIS

- 3.199 The Petitioner has submitted the capitalisation in their Audited Books of Accounts for FY 2021-22 for Rs 415.76 Cr. The capex verification of the assets capitalised is still being undertaken by the Commission for FY 2021-22.
- 3.200 Pending capex verification, the Commission has provisionally considered 100% of the capitalisation submitted by the petitioner based on the Audit report provided as under:

Table 3. 60: Commission Approved - Detail of Actual Capitalization (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Capitalisation as per Audited Accounts	415.76
2	Add: Final capitalized amount of account of 7th Pay Commission	8.60
3	Total Capitalization for FY 2021-22	424.36
4	100 % of additions during the year	424.36

**In case, subsequently the actual capitalisation is found at variance during capex verification, suitable adjustments shall be done in line with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.*

- 3.201 De-capitalization of assets of the Petitioner as claimed and subsequently confirmed by the Consultant in their Regulatory Audit Report amounting to Rs. 79.68 Cr. has been considered by the Commission for FY 2021-22.
- 3.202 Further, as stipulated in previous section of the Tariff Order, the Commission has considered Closing GFA of FY 2020-21 as Opening GFA for FY 2021-22, accordingly, approved the GFA for FY 2021-22 as follows:

Table 3. 61: Provisionally Approved Capitalization upto FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission Approved
1	Opening balance of Gross Fixed Assets	6456.30	7127.04
2	Add- Capitalization during the year	424.38	424.36
3	Less- Retirement/ De-capitalization for the year	79.68	79.68
4	Closing balance of Gross Fixed Assets	6801.00	7471.72
5	Average Gross Fixed Assets	6,628.65	7299.38

CONSUMER CONTRIBUTION/GRANT**PETITIONER SUBMISSION**

- 3.203 The Regulation 66 of the Tariff Regulations, 2017, stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized shall be deducted.
- 3.204 In Tariff Order FY 2021-22, the Commission had provisionally trued up an amount of Rs. 928.92 Cr. towards consumer contribution & capital grant at the end of FY 2019-20. The Petitioner has considered same amount as opening Consumer Contribution / Grant which is subject to change pending physical verification and additional consumer contribution for FY 2020-21 as per True up petition for FY 2020-21 considered for Opening Balance for FY 2021-22 since True up order for FY 2020-21 is awaited. During the FY 2021-22, the Petitioner has capitalized an amount of Rs 52.47 Cr. towards capitalization of Deposit work schemes.

Table 3. 62: Consumer Contribution/grants

Sr. No.	Particulars	Amount Rs. Cr.	Remark
A	Opening Balance (as on 1 st April'2020)	900.94	Table 3.84 of Tariff Order 2021-22
B	Add- Capitalized during the FY 2020-2021	27.98	Table 3.46 of True up Petition 2020-21
C	Less- Refund during the FY 2020-21	16.89	Note 24.1(iv) of Audited Financial Statement of FY 20-21
D	Provisional closing balance (as on 31 st Mar'2021)	912.03	(A+B-C)
E	Add- Capitalized during the FY 2021-2022	52.47	Note 21.1(ii) of Audited Financial Statement
F	Closing Balance (as on 31 st March'2022)	964.51	(D+E)
G	Average Cumulative Capitalized Consumer Contribution	938.27	(D+F)/2

[^] value of consumer contribution and grants are as per tariff order FY 2021-22 and subject to change correspondingly to the value of fixed assets, if the exercise of the physical verification for previous years are completed before issuance of Tariff Order against this tariff Petition.

- 3.205 The Petitioner would like to mention that the Delhi Electricity Regulatory Commission (DERC) had made an amendment in schedule of charges & the procedure under Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017, dated 31 August, 2017, with respect to the Service Line cum Development (SLD) charges to be collected from un-electrified area for taking new electricity connection at LT supply for the connections upto 200KW/215 KVA. As per the amendment, SLD charges to be collected from

un-electrified area for new connection has been reduced w.e.f. 1 September, 2017. As per the directions of the Commission, the Petitioner has adjusted/ refunded an amount of Rs. 16.89 Cr. as the difference amount of SLD charges already collected at the rates for un-electrified area and estimated SLD charges to be collected as per the rates for electrified area applicable as on date of application. Further, this adjustment/refund was done in FY 20-21 and inadvertently an amount of Rs. 16.89 Cr. was not considered by the Petitioner while considering the Consumer contribution additions for FY 2020-21.

- 3.206 It is requested to the Commission to consider the same for FY 2020-21 and further revised opening balance for Consumer Contribution for FY 2021-22 as Rs 912.03 Cr. and allow is consequential impacts.

COMMISSION ANALYSIS

- 3.207 The Commission has considered the closing balance of Consumer Contribution and Grants, approved for FY 2020-21 in the True-up Order dated 19/07/2024 as opening balance of Consumer Contribution and Grants for FY 2021-22. The Commission verified the additions towards Consumer Contribution and Grants during the year from the audited financials of the Petitioner.
- 3.208 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

Table 3. 63: Commission Approved - Consumer Contribution/Grants (Rs. Cr.)

Sr. No.	Particulars	As per Commission	Remarks/ Ref.
A	Opening Balance	928.92	As per True-up Order 19/07/2024
B	Consumer Contribution during the year	52.47	Note 21.1(ii) of Audited Financial Statement
C	Closing Balance	981.39	(A+B)
D	Average of Cumulative Capitalized Consumer Contribution/Grants	955.16	(A+C)/2

DEPRECIATION**PETITIONER SUBMISSION**

- 3.209 The Petitioner has submitted that the Regulation 40(4) of the Tariff Regulations, 2017 specified that “Provisions related to Depreciation, Return on Equity and Interest on Loan shall not be applicable on such capital assets to the extent of financial support utilized through consumer contribution, deposit work and grant.”
- 3.210 The Petitioner has computed depreciation on average of net fixed assets (i.e. Average of Gross Fixed Assets for the year – Average of Consumer Contribution/capital subsidy/grant for the year).
- 3.211 Petitioner further submitted that the Commission in its Tariff Regulations has changed the methodology by adopting the concept of useful life. The Commission also specified that assets having useful life for more than 12 years in that case in upto 12 years approx. 70% of the depreciable value should be realized for the purpose of payment of loan.
- 3.212 The computation of assets class wise depreciation without finalization of pending capitalization due to physical verification, has been submitted by the Petitioner by using average deprecation rate based on audited financial statement and then applied the said rate on average net fixed assets to compute the depreciation for the year.
- 3.213 Based on above methodology, average depreciation rate is worked out as follow:

Table 3. 64: Petitioner Submission - Computation of Average rate of Depreciation on Gross Fixed Assets

Sr. No.	Particulars	Amount Rs. Lakh
A	Average of Fixed Assets	7,30,837.76
B	Depreciation	36,225.43
C	Rate of Depreciation	4.96%

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

Table 3. 65: Petitioner Submission - Depreciation (Rs. Cr.)

Sr. No.	Particulars	Approved	Petitioner Submission
A	Average of Fixed Assets (net of Consumer Contribution)	5,527.21	5,690.38
B	Rate of Depreciation	5.04%	4.96%
C	Depreciation (A*B)	278.57	282.06

3.215 The Petitioner has submitted that in Tariff Order FY 2021-22, the Commission had provisionally trued up an amount of Rs. 2,280.27 Cr. towards accumulated depreciation at the end of FY 2019-20. The Petitioner has considered same amount as opening Accumulated Depreciation which is subject to change pending physical verification and additional depreciation for FY 2020-21 as per True up petition for FY 2020-21 considered for Opening balance for FY 2021-22 since True up order for FY 2020-21 is awaited.

Table 3. 66: : Petitioner Submission - Accumulated Balance of Depreciation on Net Fixed Assets (Rs. Cr.)

Sr. No.	Particulars	Approved	Petitioner Submission
A	Opening Depreciation (as on 1 st April'2020)	2066.09	2042.31
B	Addition during the FY 2020-2021	254.68	264.83
C	Less- Depreciation towards Retirement during FY 2020-2021	0.00	26.87
D	Provisional closing balance (as on 31 st Mar'2021)	2,320.77	2,280.27
E	Addition during the year	278.57	282.06
F	Less- Depreciation towards Retirement	0.00	49.34
G	Closing value of Accumulated Depreciation	2,599.34	2,512.99

COMMISSION ANALYSIS

3.216 The Regulations 78 to 83 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, stipulates the provisions of Depreciation as follows:

“78. Annual Depreciation shall be computed based on Straight Line Method for each class of asset as specified in Appendix-1 of these Regulations.

79. The base value for the purpose of depreciation shall be the capital cost of the asset approved by the Commission. Depreciation shall be chargeable from the first year of commercial operation and in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

81. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

82. In case of existing assets, the balance depreciable value as on 1st April of any financial year shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March of the preceding financial year from the gross depreciable value of the assets.

83. The Depreciation for Life extension projects/scheme shall be allowed in the manner as indicated in Regulation 51 of these Regulations.”

- 3.217 Depreciation rate as claimed by the petitioner and the same confirmed by the DERC Regulatory Auditor in their Audit Report for FY 2021-22 is 4.96%. The annual depreciation is computed based on the straight line method for each asset class as per Regulation 78 of DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017.

Table 3. 67: Commission Approved - Depreciation for FY 2021-22 (Rs. Cr.)

Particulars	Petitioner submission	Approved
Average of Fixed Assets (net of Consumer Contribution)	5,690.38	6,344.23
Depreciation rate (%)	4.96%	4.96%
Depreciation	282.06	314.46

- 3.218 As stipulated in previous section of the Order, the Commission has considered the opening balance of accumulated depreciation as Rs. 2597.74 Cr. as closing of FY 2020-21, accordingly, the Accumulated Depreciation for FY 2021-22 is as follows:

Table 3. 68: Commission Approved - Accumulated Depreciation (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Remarks/ Ref.
A	Opening balance of cumulative depreciation	2,280.27	2597.74	As per above
B	Additions during the year	282.06	314.46	
C	Less- Depreciation towards Retirement	49.34	49.34	As per Note 4.4. of Annual Financial Statement
D	Closing balance of cumulative depreciation	2,512.99	2862.87	A+B-C

WORKING CAPITAL

PETITIONER SUBMISSION

- 3.219 In view of the Regulation 84 (4) of Tariff Regulations, 2017, the Petitioner has submitted working capital for FY 2021-22 as follows:

Table 3. 69: Petitioner Submission - Working Capital for FY 2021-22

Sr. No.	Particulars	Amount (Rs. Cr.)
A	Annual Revenue	8,133.26

Sr. No.	Particulars	Amount (Rs. Cr.)
B	Receivables equivalent to 2 months average billing	1,355.54
C	Power Purchase expenses	6,017.19
D	Add: 1/12th of power purchase expenses	501.43
E	Total working capital	854.11

3.220 In Tariff Order FY 2021-22, the Commission had provisionally trued up an amount of Rs. 778.97 Cr. towards working capital at the end of FY 2019-20. Thus, the Petitioner in this petition has considered same value of Opening working capital and additional working capital for FY 2020-21 as per True up petition for FY 2020-21 considered for Opening Working capital for FY 2021-22 since True up order for FY 2020-21 is awaited.

3.221 The Petitioner has considered value of Working Capital as provisionally trued up and compute the addition in working capital as follows:

Table 3. 70: Petitioner Submission - Computation of Change in Working Capital

Sr. No.	Particulars	Amount (Rs. Cr.)
A	Total working capital for the year	854.11
B	Less- Opening Working Capital	778.97
C	Working Capital for the year	75.14

COMMISSION ANALYSIS

3.222 The Regulation 84(4) of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, stipulates the working capital determination for Distribution Licensee as follows:

“84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

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

(ii) Working capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month; and”

3.223 The Commission has computed the Working Capital considering the net Power Purchase Cost including Transmission Charges and ARR as approved in the truing up for FY 2021-22 as follows:

Table 3. 71: Commission Approved - Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved	Remark/ Ref.
A	Annual Revenue	8,133.26	7272.49	
B	Receivables equivalent to 2 months average billing	1,355.54	1212.08	(A/12*2)
C	Power Purchase expenses including transmission charges	6,017.19	5,813.59	
D	Less: 1/12th of power purchase expenses	501.43	484.47	(C/12*1)
E	Total working capital	854.11	727.62	(B-D)
F	Opening working capital	778.97	690.22	-
G	Change in working capital	75.14	37.40	G = F-E

REGULATED RATE BASE**PETITIONER SUBMISSION**

- 3.224 Regulation 66 of the Tariff Regulations 2017 provided that “The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.”
- 3.225 Based on the actual capitalization and corresponding deprecation, consumer contribution and working capital requirement for FY 2021-22, the computation of Regulated Rate Base is given below:

Table 3. 72: Petitioner Submission - Computation of Regulated Rate Base for the period FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Rs. Cr.
A	Opening GFA	6,456.30
B	Opening Accumulated Depreciation	2,280.27
C	Opening Consumer Contribution	912.03
D	Opening Working Capital	778.97
E	Opening RRB	4,042.97
F	Investment during the year	104.90
G	Net Capitalisation	344.70
H	Depreciation (Net of Retirement)	232.72

Sr. No.	Particulars	Rs. Cr.
I	Consumer Contribution	52.47
J	Change in Working Capital	75.14
K	Regulated Rate Base - Closing	4,177.62
L	RRB(i)	4,147.87

COMMISSION ANALYSIS

3.226 The Regulations 65 to 70 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates as under:

“65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

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

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:

$$RRBi = RRB_{i-1} + \Delta ABi / 2 + \Delta WCi;$$

Where,

“i” is the ith year of the Control Period;

RRBi: Average Regulated Rate Base for the ith year of the Control Period;

ΔWCi: Change in working capital requirement in the ith year of the Control Period from (i-1)th year;

ΔABi: Change in the Capital Investment in the ith year of the Control Period;

This component shall be arrived as follows:

$$\Delta ABi = Invi - Di - CCI - Reti;$$

Where,

Invi: Investments projected to be capitalised during the ith year of the Control Period and approved;

Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;

CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔAB_i and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;

Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;

RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the Opening Regulated Rate Base for the Base Year i.e. RRBO;

$$RRBO = OCFAO - ADO - CCO + WCO;$$

Where;

OCFAO: Original Cost of Fixed Assets at the end of the Base Year;

ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;

CCO: Total contributions pertaining to the OCFAO, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.

Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

$$RoCE = WACC_i * RRB_i$$

Where,

WACC_i is the Weighted Average Cost of Capital for each year of the Control Period;

RRB_i – Average Regulated Rate Base for the ith year of the Control Period.

70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$WACC = \left[\frac{D}{D + E} \right] * r_d + \left[\frac{E}{D + E} \right] * r_e$$

Where,

D is the amount of Debt derived as per these Regulations;

E is the amount of Equity derived as per these Regulations;

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the

respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

R_d is the Cost of Debt;

R_e is the Return on Equity."

3.227 Accordingly, the Commission approves the RRBi for FY 2021-22 as follows:

Table 3. 73: Commission Approved - RRBi for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As Approved by the Commission
A	Opening Original Cost of Fixed Assets (OCFA _o)	6,456.30	7127.04
B	Opening Accumulated depreciation (ADo)	2,280.27	2597.74
C	Opening consumer contributions received (CCo)	912.03	928.92
D	Opening Working capital (WCo)	778.97	690.22
E	Opening RRB (RRBo)	4,042.97	4290.60
F	Investment capitalised during the year (INVi)	344.70	344.68
G	Depreciation during the year (Di)	282.06	314.46
H	Depreciation on decapitalised assets during the year	49.34	49.34
I	Consumer contribution during the year (CCi)	52.47	52.47
J	Fixed assets retired/decapitalised during the year (Reti)	-	-
K	Change in capital investment (Δ ABi)	59.52	27.08
L	Change in working capital during the year (Δ WCi)	75.14	37.40
M	RRB Closing	4,177.62	4355.08
N	RRBi	4,147.87	4341.54

DEBT & EQUITY, INTEREST ON LOAN, WACC

MEANS OF FINANCE

PETITIONER SUBMISSION

3.228 The Petitioner has considered 70:30 Debt Equity ratio for the purpose of computation of Means of Finance for FY 2021-22.

Table 3. 74: Petitioner Submission - Means of Finance (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Capitalization during the year	424.38
B	Less- Retirement	79.68
C	Net Capitalisation	344.70

Sr. No.	Particulars	Amount
D	Less- Consumer Contribution, Grants, etc. for the year	52.47
E	Balance Capitalization required to be funding	292.23
F	Funding through – Debt @ 70% of E	204.56
G	Funding through – Equity @ 30% of E	87.67

3.229 The Petitioner has submitted that, based on 70:30 Debt Equity Ratio, approved Equity Deployed in the Business is as follows:

Table 3. 75: Petitioner Submission: Approved Equity as per Previous Tariff Orders (Rs. Cr)

Particular	Opening Equity	Addition	Addition during the year –Working Capital	Closing Equity	Average Equity
FY 07-08	610.15	-51.69	59.69	618.15	
FY 08-09	618.15	70.57	5.83	694.55	
FY 09-10	694.55	36.86	-1.79	729.62	
FY 10-11	729.62	95.92	-1.5	824.04	
FY 11-12	824.04	56.94	7.25	888.23	
FY 12-13	888.23	33.4	-70.37	851.26	
FY 13-14	851.26	24.79		876.05	
FY 14-15	876.05	63.57		939.62	
FY 15-16	939.62	65.01		1004.63	
FY 16-17	1004.63	88.34		1092.97	
FY 17-18	1092.97	107.37		1200.34	1,146.66
FY 18-19	1200.34	132.09		1332.43	1,266.39
FY 19-20	1332.43	141.81		1474.24	1,403.34
FY 20-21	1474.24	129.67		1603.91	1,539.08
FY 21-22	1603.91	87.67		1691.58	1,647.75

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

Table 3. 76: Petitioner Submission - Cost of Debt

Sr. No.	Particulars	Cost of Debt%
1	Cost of Debt for Capex Loan	7.27%
2	Cost of Debt for Working Capital	5.52%

3.231 The Petitioner has submitted that for the purpose of computation of WACC, the Petitioner has considered Grossed up Return on Equity and Actual weighted average rate of Interest for Capex loans. Computation of WACC for FY 2021-22 is given below.

Table 3. 77: Petitioner Submission - Computation of WACC (Rs. Cr)

Sr. No.	Particulars	Amount (Rs Cr)
A	RRB (i)	4,147.87
B	Average Equity deployed in the business	1,647.75
C	Average Debt -Capex Loan	1,646.01

Sr. No.	Particulars	Amount (Rs Cr)
D	Average Debt - working capital	854.11
E	Rate of return on equity (re)	16.00%
F	Normal Income Tax Rate	17.68%
G	Grossed up Return on Equity	19.44%
H	Rate of interest on debt (rd) - Blended	6.67%
I	WACC	11.74%
J	RoCE	487.05
K	Additional tax liability due to Deferred tax	14.89

ALLOWANCE OF ADDITIONAL INCOME TAX ON DEFERRED TAX

- 3.232 The Expert Advisory Committee (EAC) of ICAI has issued its Opinion on the “Treatment of deferred Asset for Deferred Tax Liability” for the purpose of disclosure of the same in Audited Financial Statement. As per the opinion of the Committee, the Deferred asset shown as recoverable from future tariff is in the nature of regulatory asset as per Ind AS 114.
- 3.233 Further, as the Deferred tax liability is arisen on account of difference in depreciation as allowed by DERC/ Companies Act versus depreciation allowed under Income Tax. The benefit on account of higher depreciation in income tax resulted into tax benefit for consumers, therefore, the additional liability of income tax due to computation of deferred tax on depreciation will have to be compensated to the Petitioner (i.e. equivalent to the additional Income Tax paid by the Petitioner on such Deferred Tax recoverable amount, as per example explained below).
- 3.234 Impact of the same on Current Tax pay out can be explained through the following table:

Table 3. 78: Petitioner Submission: Allowance of additional income tax on deferred tax

State	Existing (Before EAC opinion)	Revised (After EAC opinion)	Impact
Revenue	1000	1000	
Less Expenses	800	800	
Profit/(Loss) before movement in regulatory deferral account balance	200	200	
Add: Movement in Regulatory deferral (Note 2 to be read with Note 1)	50	60	Increase in RA by Rs 10 as per EAC opinion
Profit Before Tax (Note 3)	250	260	
Tax on Above			

State	Existing (Before EAC opinion)	Revised (After EAC opinion)	Impact
Current Tax @ 10% of PAT (Note 3)	25	26	Impact increase in tax payout by Rs 1 (due to EAC opinion)
Deferred Tax (Note 1)	10	10	
Less- Deferred Tax recoverable (Note 1)	-10	-	*Added in Regulatory deferral
Profit after Tax (note no 4)	225	224	Reduction in profit by Rs 1

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

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

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

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

- 3.235 Based on the above submission, the Petitioner has computed additional tax liability of Rs 14.87 Cr (working given below) and requested to the Commission to allow the same as a part of ARR for FY 2021-22.

Table 3. 79: Additional Tax Liability

Particulars	Amount Rs. Cr.	Remark
Amount of Deferred Tax - A	84.20	Refer P&L statement for FY 2021-22
Tax payable @ - B	17.68%	Effective Tax Rate
Additional Tax liability = A*B	14.89	

COMMISSION ANALYSIS

- 3.236 The Regulation 22 of the *DERC (Business Plan) Regulations, 2019*, stipulates the margin for rate of interest on loan as follows:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1 st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1 st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively: Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%.

(2) The Distribution Licensees shall follow transparent mechanism to avail Loans and, to the extent possible, shall endeavour to invite open tender for availing Loans."

3.237 Accordingly, the WACC, ROCE as approved by the Commission for the Petitioner is as follows:

Table 3. 80: Commission Approved - WACC and ROCE for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As Approved by the Commission
A	RRBi	4,147.87	4341.54
B	Opening Equity for Capitalisation (limited to 30%)		1080.11
C	Closing Equity limiting to 30% of net capitalisation		1088.24
D	Average Equity for Capitalisation (limited to 30%)	1,647.75	1302.46
E	Opening Debt at 70% of net capitalisation		2520.27
F	Closing Debt at 70% of net capitalisation		2539.22
G	Avg Debt at 70% of net capitalisation	1,646.01	2529.75
H	Debt at 100% of working capital	854.11	509.33
I	Debt- balancing figure		3253.30
J	Rate of return on equity (re)	16.00%	16.00%
K	Rate of debt (rd) on capitalisation		7.27%
L	Rate of debt (rd) on working Capital		5.52%
M	Rate of interest on debt(rd) Blended	6.67%	6.98%
N	WACC	11.74%	9.56%
O	RoCE	487.05	414.90

3.238 The Commission based on the submitted data, note 44 of Audited Annual Books of Accounts for FY 2021-22 and DERC Tariff Regulations, 2017 has computed the income tax for FY 2021-22 is follows:

Table 3. 81: Commission Approved - Income tax for FY 2021-22 (Rs. Cr.)

Sr. No.	Income Tax	Approved
A	Average Equity for Capitalisation (limited to 30%) (Rs. Cr.)	1302.46
B	Rate of return (re) (%)	16.00%
C	Return on equity (Rs. Cr.)	208.39
D	Income Tax Rate (%)	17.47%
E	Return on equity including income tax (Rs. Cr.)	252.51
F	Tax (Rs. Cr.)	44.12
G	Actual Tax Paid (Rs. Cr.)	107.69
H	Tax allowed (Rs. Cr.)	44.12

NON-TARIFF INCOME (NTI)**PETITIONER SUBMISSION**

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

3.240 The Petitioner has submitted that the Commission in its Tariff Order for FY 2021-22 had projected Non-Tariff Income of Rs. 121.1 Cr. (including Income from Other Business, Open Access Charges and Normative Interest on Consumer Security Deposit). The same is given below:

Table 3. 82: Petitioner Submission - Approved Non-Tariff Income for FY 2021-22 (Rs Cr)

Particulars	Amount
Total Non-Tariff Income	123.05
Less- Income from other Business	
Less- Open Access Charge	
Less- Normative Interest on Consumer Security Deposit	
Net Non-Tariff Income	123.05

3.241 Against the projected net non-tariff income of Rs. 123.05 Cr, the actual Non-Tariff Income for the purposes of Truing Up for FY 2021-22 comes to Rs. 158.19 Cr. Break-up of the same is given below:

Table 3. 83: Petitioner Submission - Non-Tariff Income for FY 2021-22

Sr. No.	Particular	(Rs Cr)
A	Other Operating Revenue	109.63
B	Other Income	161.58
	Total –(I)	271.21
Less: Income included in above, not passed as Non-Tariff Income as per DERC Tariff Regulations, 2017		
C	Transfer from capital grants	0.70
D	Transfer from consumer Contribution for Capital work	50.51
E	Incentive towards StreetLight	1.16
F	Interest Income /Short term capital gain	7.00
G	Financing Cost of LPSC	6.78
H	Income from other Business	65.86
	Total –(II)	
Add: Income not included in above, but required to be passed as Non-Tariff Income		

Sr. No.	Particular	(Rs Cr)
K	Differential amount of ServiceLine Charges – III	(3.76)
	Sub- Total	135.44

COMMISSION ANALYSIS

3.242 The Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, states,

“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 contractors and others, etc.”*

3.243 The Commission has trued up the Non-Tariff Income in accordance with the Regulation as above.

GRANT/CONSUMER CONTRIBUTION

PETITIONER SUBMISSION

3.244 The Petitioner has submitted that the Commission is utilizing the Gross Capital Grant/Consumer Contribution for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for financing of capex/capitalization. The above treatment is in

accordance with the principles accepted and implemented by the Hon'ble Commission in its previous Tariff Orders also.

COMMISSION ANALYSIS

3.245 The Commission is of the view that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

INCENTIVE TOWARDS STREET LIGHT

PETITIONER SUBMISSION

3.246 The Petitioner has submitted that in order to evolve a performance driven system that the Hon'ble Commission vide its order dated 22/09/2009 has put up the incentive/disincentive mechanism for maintaining street lights.

3.247 Relevant extract of para no. 20 on page no 9 of the aforesaid order is given below:

"On going through the relevant submission made by the DISCOMs and MCD/PWD etc., it is decided that the performance level/ efficiency for the purpose of incentive shall be reviewed during next control period till such time the same arrangement for incentive/ disincentive shall continue as under:

Performance level achieved	Incentive	Example
Between 90-95%	1% of the maintenance cost for each percentage in over achievement from target of 90%	Actual Performance 93% Incentive 93-90 = 3%
Between 95-97%	1.5% of the maintenance cost for each percentage in over achievement from target of 95%	Actual Performance 97% Incentive= 5 + 3 = 8%
Above 97%	2.0% of the maintenance cost for each percentage in over achievement from target of 97%	Actual Performance 99% Incentive = 8 + 4 = 12%

Performance less than 90% shall attract disincentive for the DISCOMs according to the following table:

<i>Performance level achieved</i>	<i>Disincentive</i>	<i>Example</i>
<i>Between 80-90%</i>	<i>1% of the maintenance cost for each percentage in shortfall to achieve target of 90%</i>	<i>Actual Performance 93% Disincentive 90-83 = 7%</i>
<i>Between 70-80%</i>	<i>1.5% of the maintenance cost for each percentage in shortfall to achieve target of 80%</i>	<i>Actual Performance 77% Disincentive = 10 + 4.5 = 14.5%</i>
<i>Below 70%</i>	<i>2% of the maintenance cost for each percentage in shortfall to achieve target of 70%</i>	<i>Actual Performance 60% Disincentive = 25 + 20 = 45%</i>

The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month.”

3.248 As mentioned in the State Commission’s Order, the incentive earned by the Petitioner would not be a pass through in the ARR, hence, the Petitioner has retained Rs. 1.16 Cr as an incentive earned towards the maintenance of Street Light. It is further clarified that the total amount of maintenance charges of Rs. 12.50 Cr. under the head Other Operating Revenue as appearing in Note No 32.4.2(c) of Audited Balance Sheet is inclusive of aforesaid street light incentive of Rs. 1.16 Cr. (refer note no 32.4.2.1 of the audited financial statement), therefore, Tata Power- DDL has deducted amount of Rs. 1.16 Cr from the Non-Tariff Income.

COMMISSION ANALYSIS

3.249 The Commission has considered the submissions of the petitioner and allowed the amount of Rs. 1.16 Cr. to be reduced from Non-Tariff Income towards incentive for street light.

INTEREST ON SURPLUS FUNDS OUT OF SHAREHOLDER’S MONEY

PETITIONER SUBMISSION

3.250 The Petitioner has submitted that the Commission in its previous Tariff orders had followed the methodology to exclude any income arising from surplus funds of shareholder’s money from non-tariff income on the following principle:

- a) The Hon’ble APTEL in its Judgment against appeal no 153/2009 has decided that interest on surplus funds out of shareholder’s money is not a part of NTI.

- 3.251 During the FY 2021-22, the Petitioner has earned an amount of Rs. 7.00 Cr as Interest Income/ Gain on investment in mutual funds by investing shareholder's funds at different point of time.
- 3.252 The Petitioner requested the Commission that in line with the APTEL Judgment and the methodology followed by the Commission, an amount of Rs. 7.00 Cr is excluded from Non-Tariff Income.

COMMISSION ANALYSIS

- 3.253 The Regulation 94 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, stipulates that income from statutory investments will form part of Non-Tariff Income.
- 3.254 The Petitioner submits to hold certain short term investments with the banks as margin for Debt service coverage in order to service its debt facility
- 3.255 Accordingly, the Commission allows income from such investments amounting to Rs. 7 Cr. to be reduced from Non-Tariff Income.

FINANCING COST FOR LPSC

PETITIONER SUBMISSION

- 3.256 The Petitioner has stated that LPSC is levied on consumers who do not make payment within the credit period allowed for payment. This compensates the Utility for the additional interest cost that gets incurred on the additional working capital requirements due to non-payment for timely payments of such dues by the consumers by the respective due dates.
- 3.257 The Hon'ble APTEL in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates. The Hon'ble APTEL categorically held that "the financing cost relating to the late payment surcharge" must be derived from the "prevalent market lending rates." This is imperative because the Petitioner is required to finance working capital requirement arising out of delayed payment throughout the year.
- 3.258 The Hon'ble APTEL vide its judgment dated July 12, 2011 in Appeal No. 142 of 2009 had held that the Petitioner is entitled to the compensation for additional financing cost of outstanding

dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. The relevant portion of the judgment is reproduced below:

“19.5...

Accordingly, the Appellant is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate.” (Emphasis added)

3.259 The Commission in its Tariff Regulations, 2017 has upheld the Judgment of the Hon’ble APTEL and clearly stated in Regulations 94(v) that Net Interest on delayed or deferred payment of bills shall be considered as Non-Tariff Income.

3.260 Thus, in order to compute the financing cost of LPSC, the Petitioner considered the actual working capital interest rate of 5.52%.

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

Table 3. 84: Petitioner Submission - Computation of financing cost of LPSC (Rs. Cr.)

Sr. No.	Particular	UoM	Amount
A	LPSC earned (Note 32.4.2 of Audited Financial Statement)	(Rs Cr)	21.91
B	Out of above LPSC 3.79 Cr pertains to 9.75% as per DERC Covid order dt 7.4.20	(Rs Cr)	0.24
C	Late payment surcharge rate as per Regulations	% p.a.	18%
D	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied $\{(A-B)/C + B/9.75\}$	(Rs Cr)	122.86
E	Normative Interest Rate (SUBJECT TO CHANGE)	%	5.52%
F	Financing Cost (C*D)	(Rs Cr)	6.78

3.262 The Petitioner has also mentioned that MCD has raised demand of Rs 15.06 Cr as late payment surcharge payment on the electricity tax collected by it for the period July 2022 to March 2022.

3.263 The Petitioner further submitted that they have filed a writ petition before the Hon’ble High Court challenging the demand raised by MCD to the tune of Rs. 15,06,00,000/- (Rupees Fifteen Crores Six Lakhs only) as alleged Late Payment Surcharge collected by the Petitioner on delayed payment of E-Tax by TPDDL’s consumers. The Hon’ble Commission treats LPSC as a Non-Tariff Income as per the provisions of Regulations of the Tariff Regulations and passed the benefit of LPSC collected by the Petitioner to the general consumers through a reduction

in the ARR.

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

COMMISSION ANALYSIS

- 3.265 The Regulation 94 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, states,

"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:

...

(v) Net Interest on delayed or deferred payment on bills;

..."

- 3.266 The Commission during prudence check has verified the working capital rate of interest and trued up at 5.52 %. Accordingly, the Commission has considered the net interest on delayed or deferred payment on bills as Non-Tariff Income of the Petitioner as follows:

Table 3. 85: Commission Approved - Financing Cost of LPSC (Rs. Cr.)

Sr. No.	Particular	UoM	Petitioner submission	Approved
A	LPSC earned	(Rs. Cr)	21.91	21.91
B	Out of above LPSC 3.79 Cr. Pertains to 9.75% as per DERC Covid order dt.7/04/2020	(Rs. Cr)	0.24	0.24
C	Late payment surcharge rate as per Regulations	%	18%	18%
D	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied{ (A-B)/C+B/9.75%}	(Rs. Cr)	122.86	122.85
D	Normative Interest Rate (as Working Capital)	%	5.52%	5.52%
E	Financing Cost (C*D)	(Rs. Cr)	6.78	6.78

SERVICE LINE CHARGES**PETITIONER SUBMISSION**

- 3.267 The Petitioner has submitted that Petitioner would like to bring in the kind attention of the Commission that as per Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR.
- 3.268 However, under Ind-As since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Hence any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges is shown under the head other operating income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2021-22. Given below is the amount additionally considered as a part of Non-Tariff income:

Table 3. 86: Petitioner Submission - Additional amount of Service Line Charges for FY 2021-22
(Rs Cr)

Particulars	Rs. Cr.	Remark/Ref.
Receipt on account of Service Line charges	28.81	Note 21(2) of the Audited Financial Statement
Amortized and transferred to Profit & Loss	32.57	Note 21(2) of the Audited Financial Statement
Amount additionally offered as NTI	(3.76)	

COMMISSION ANALYSIS

- 3.269 The Commission has been considering the SLD charges on receipt basis as part of the Non-Tariff income of the Petitioner.
- 3.270 The Commission has verified the audited financial statements (Note 21.2) and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of

three years. Accordingly, the additional amount towards Non-Tariff Income has been determined by the Commission as under:

Table 3. 87: Commission Approved - Difference on account of SLD (Rs. Cr.)

Particulars	Petitioner submission	Approved
Receipt on account of Service Line charges	28.81	28.81
Amortized and transferred to Profit & Loss	32.57	32.57
Amount additionally offered as NTI	(3.76)	(3.76)

INCOME FROM OTHER BUSINESS INCOME

PETITIONER SUBMISSION

- 3.271 The Petitioner has submitted that with the objective of creating additional avenues for growth, sharing of knowledge & best practices across utilities, and most importantly, in line with its strategy of providing power at competitive rates to consumers, Petitioner is exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.
- 3.272 During the FY 2021-22, the Petitioner has earned Rs. 65.86 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below;
- Optimal utilization of Distribution Assets (Rs. 9.58 Cr); and
 - Consultancy Income/other (Rs. 55.47 Cr)
 - Income through Training (Rs. 0.70 Cr)
 - Income from DSM (Rs. 0.11 Cr.)
- 3.273 The Petitioner further submitted that the Commission in its Tariff Regulations, 2017, vide Regulations 96 has stated that the net income after tax from other Business shall be shared as per DERC Treatment of Income From Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 as amended from time to time.
- 3.274 To generate any revenue corresponding expenses, have to be incurred. The Petitioner has incurred expenses of Rs. 43.02 Cr. during the FY 2021-22, out of which Rs 39.32 Cr. expenses are directly linked with the service offered and balance Rs. 3.71 Cr. pertaining to other common expenses.

- 3.275 Further, while setting the Normative O&M expenses in *DERC Business Plan Regulation, 2019*, which is applicable for FY 2020-21 to FY 2022-23 the Commission has not included direct other business expenses while fixing the base year expenses. Therefore, Normative O&M Expenses of Petitioner doesn't include the direct expenses related to other business income.
- 3.276 Based on the above submission, computation of the net income for the purpose of sharing between consumers and DISCOM is given in table below:

Table 3. 88: Petitioner Submission - Computation of Net direct expenses to be deducted from Other Business Income

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total	Remark
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.	
Total Revenue earned	56.16	9.58	0.11	65.86	Note 41.2 of the Audited Financial Statement
<i>Consultancy</i>	55.47				
<i>Training</i>	0.52				
<i>Others</i>	0.17	9.58	0.11		
Less- Expenses incurred	39.30	0	0.02	39.32*	Note 41.2 of the Audited Financial Statement
Direct Expenses	39.30		0.02		
Indirect Allocation of Expenses					
Income net of Expenses before Tax	16.87	9.58	0.09	26.55	
Income Tax @ 16.43%	2.98	1.69	0.02	4.69	
Net Revenue available for Sharing	13.89	7.89	0.08	21.85	

* Indirect allocation of expenses of Rs. 3.17 Cr. excluded.

Table 3. 89: Petitioner Submission - Sharing of net Revenue from Other Business Income

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Net Revenue available for sharing	13.89	7.89	0.08	21.85
TPDDL Share %	60%	40%	40%	
Consumer Share %	40%	60%	60%	

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Consumer Share	5.55	4.73	0.05	10.33

COMMISSION ANALYSIS

3.277 The Regulation 5(5)(a) of *DERC (Treatment of Income from other businesses of Transmission Licensee and Distribution Licensee) first Amendment Regulation, 2017*, states that where the Licensee utilises the assets and facilities of the Licenses business for Other business, the Licensee shall retain 40% of the net revenue from such business and pass on remaining 60% of the net revenue to the regulated business. Further, the Regulation 5(5)(b) states that where the Licensee does not utilize the assets and facilities of the licensed business for other business, the Licensee shall retain 60% of the net revenue from such business and pass on the remaining 40% of the net revenue to the regulated business;

3.278 The Regulation 96 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, stipulates,

“96. The net income after tax from Other Business shall be calculated as per “DERC Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee Regulation, 2005” as amended from time to time and shall be adjusted in the ARR.”

3.279 In view of the above Regulation, the Commission considers the Income tax at effective rate of 17.68% on the net income of the Other Business income of the Petitioner as follows:

Table 3. 90: Commission Approved - Income from Other Business (Rs. Cr.)

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Total Revenue earned	56.16	9.58	0.11	65.85
- Consultancy	55.47			
- Training	0.52			
- Others	0.17	9.58	0.11	

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Less- Expenses incurred net of normative expenses	39.30	0.00	0	39.3
Direct Expense	39.30		0.02	
Income net of Expenses before Tax	16.86	9.58	0.11	26.55
Income Tax	2.98	1.69	0.02	4.69
Net Revenue available for sharing	13.88	7.89	0.09	21.86

Table 3. 91: Computation of Net direct expenses to be deducted from Other Business Income

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Net Revenue available for sharing	13.88	7.89	0.09	21.86
TPDDL Share %	60%	40%	40%	
Consumer Share %	40%	60%	60%	
DISCOM share	8.33	3.16	0.04	11.52
Consumer Share in Rs Cr.	5.55	4.73	0.05	10.34
Tax liability on consumer share as paid by DISCOM	1.19	1.01	0.01	2.22
Commission Approved Income from Other Business				13.74

INTEREST ON CONSUMER SECURITY DEPOSIT**PETITIONER SUBMISSION**

3.280 The Petitioner referred the Regulation 127 of Tariff Regulations, 2017, specify that:

“Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the “Delhi Electricity Supply Code and Performance Standards Regulations, 2007”, and shall be a pass through in the ARR.”

3.281 The Regulation 16(vi) of Delhi Electricity Supply Code and Performance Standards Regulations, 2007, specify that

“vi The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year.”

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

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

3.282 In addition to the directly paying the interest on consumer security deposit, the Commission has adopted the methodology of reducing differential interest (i.e. Cost of funding working capital – minus Interest actually credited/paid to consumers) from the ARR. Hence in order to compute the differential net interest on consumer security deposit, interest rate equivalent to cost of debt for working capital @ 5.52% has been considered for FY 2021-22.

Table 3. 92: Petitioner Submission - Computation of Interest on Consumer Security Deposit

Sr. No.	Particulars	Amount (Rs. Cr.)	Remark
A	Opening Balance of Consumer Security Deposit	743.67	Note no. 18 & 25 of the Audited Financial Statement
B	Closing Balance of Consumer Security Deposit	836.94	
C	Average Balance of Consumer Security Deposit	790.30	(A+B)/2
D	Working Capital Interest Rate	5.52%	
E	Normative amount of Interest	43.60	(C*D)
F	Actual Amount of Interest	54.65	Note no. 32 (c) of Audited Balance Sheet
G	Difference to be additionally Claimed as on Exp	-11.05	(E-F)

3.283 Based on the above computation, the Petitioner claimed Rs. -11.05 Cr. as interest on CSD.

COMMISSION ANALYSIS

- 3.284 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2021-22. Further, it is observed from the Note 18 and Note 25 of Audited financial statements for FY 2021-22, the Consumer Security Deposit have been bifurcated by the Petitioner under two heads i.e. other financial liabilities – non-current and other financial liabilities – current. The Commission has considered the amount of Consumer Security Deposit depicting under both the heads of the liabilities as the interest is to be paid on total liability towards the Consumer Security Deposit laying under current and non-current financial liability.
- 3.285 The Commission has considered the working capital interest rate for FY 2021-22 as 5.52% for the purpose of determining normative interest on Consumer Security Deposit.
- 3.286 The actual amount of interest paid to the consumers comes to Rs. 54.65 Cr as per Note 32 (c) of the Audited Financial Statements for FY 2021-22. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2021-22 is being considered as part of the Non-Tariff Income of the Petitioner as follows:

Table 3. 93: Commission Approved - Consumer Security Deposit for FY 2021-22 (Rs. Cr.)

Sr.No.	Particulars	Petitioner submission	Approved	Ref
A	Opening Balance Of Consumer Security Deposit	743.67	743.67	Note 18 & 25
B	Closing Balance of Consumer Security Deposit	836.94	836.94	Note 18 & 25
C	Average Balance Of Consumer Security Deposit	790.3	790.30	(A+B)/2
D	Working Capital Interest Rate	5.52%	5.52%	Working Capital
E	Normative amount of Interest	43.6	43.62	(C*D)
F	Actual Amount of Interest	54.65	54.65	Note no 32 (c) of Audited Balance Sheet
G	Difference to be additionally offered	-11.05	-11.03	(E-F)

INCOME FROM OPEN ACCESS**PETITIONER SUBMISSION**

- 3.287 The Petitioner has submitted that for the FY 2021-22, the Petitioner has earned Income of Rs 24.29 Cr. from Open Access consumers including E. Tax. As E. tax is payable to MCD, hence, open access income net of E. Tax is considered as part of Non-Tariff Income. Computation of the same is given below:

Table 3. 94: Petitioner Submission - Income from Open Access (Rs Cr.)

Sr. No.	Particulars	Amount	Remarks
A	Total Income from Open Access	24.29	Note 32.4.1 of the Audited Financial Statement
B	Less- E. Tax for the year	0.83	
C	Income from open access available for ARR	23.46	(A-B)

COMMISSION ANALYSIS

- 3.288 The Commission has considered Rs. 23.46 Cr. on account of income from Open Access Charge in Non-Tariff Income for FY 2021-22.

ADVANCE FROM CONSUMERS

- 3.289 As deliberated in Order dated 28/08/2020, the Commission is of the view that the advance available with the Petitioner is a liability and may have to be returned to the Consumer in case not billed in future. The Commission further sought the monthly advance balances available with the Petitioner. It was observed that the advances opening and closing balances for the financial year were higher than the average monthly balance with the petitioner on such account. Accordingly, the Commission considered the financing cost based on the working capital interest rate on the monthly average balances held with the petitioner at Rs. 2.86 Cr. to be reduced from the Non-tariff income of the Petitioner.

SUMMARY OF NON-TARIFF INCOME

- 3.290 The Commission has approved the Non-Tariff Income for FY 2021-22 as follows:

Table 3. 95: Commission Approved - Non-Tariff Income for FY 2021-22 (Rs. Cr.)

Sr. No	Particulars	Petitioner Submission	Approved
	Other Operating Revenue	109.63	109.63
	Other Income	161.58	161.58
	Total	271.21	271.21
	Less: Transfer from capital grants	0.7	0.7
	Less: Transfer from consumer Contribution for Capital work	50.51	50.51
	Less: Incentive towards Street Light	1.16	1.16
	Less: Interest Income /Short term capital gain	7	7
	Less: Financing Cost of LPSC	6.78	6.78
	Less: Income from other Business	65.86	52.12
	Total	139.21	152.94
	Add: Differential amount of Service Line Charges	-3.76	-3.76
	Total Non-Tariff Income	135.44	149.18
	Income from other Business	10.33	
	Interest on Security Deposit	-11.05	-11.03
	Add: Income from Open Access	23.46	23.46
	Add: Financing Cost of Advance from consumers		2.86
	Total	158.18	164.47

TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22

PETITIONER SUBMISSION

3.291 Based on the submission made above the total Aggregate Revenue Requirement for the FY 2021-22 comes to Rs. 8,133.26 Cr. Components wise ARR sought for trued up vis-à-vis Approved ARR is given in table below:

Table 3. 96: Petitioner Submission - Summary of Aggregate Revenue Requirement (Rs. Cr)

Particulars	Sought Amount
	Rs. Cr.
Power Purchase	6,017.19
Normative O&M Expenses	831.00
Other O&M Expenses	207.18
Depreciation	282.06
Loss on Retirement of Assets	18.18
ROCE (Income Tax)	501.94

Particulars	Sought Amount
	Rs. Cr.
Carrying Cost	433.91
Less- Non Tariff Income	(135.44)
Less- Interest on Consumer Security Deposit	11.05
Less- Income from Non Energy Business	(10.33)
Less- Income from Open Access	(23.46)
Total of Aggregate Revenue Requirement	8,133.26

COMMISSION ANALYSIS

3.292 The Aggregate Revenue Requirement (ARR) approved by the Commission for FY 2021-22 as follows:

Table 3. 97: Commission Approved-Aggregate Revenue Requirement for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	Commission Approved
A	Power Purchase Cost (including Transmission Charges)	6,017.19	5,813.59
B	O&M expenses	831.00	831.05
C	Other expenses/ statutory levies	207.18	16.02
D	Depreciation	282.06	314.46
E	Loss on retirement of assets	18.18	2.82
F	Return on capital employed	501.94	414.90
G	Income Tax		44.12
H	Less- Non Tariff Income	135.44	164.47
I	Less- Interest from Consumer Security Deposit	(11.05)	
J	Less- Income from Non Energy Business	10.33	
K	Less- Income from Open Access	23.46	
L	Aggregate Revenue Requirement	7,699.35	7272.49
M	Carrying cost	433.91	-
N	Gross ARR	8,133.26	7272.49

TRUING UP OF INCENTIVE FOR REFINANCING OF LOAN

PETITIONER SUBMISSION

3.293 Regulation 31 of *DERC (Business Plan) Regulations, 2019* deals with Incentive Sharing Mechanism for Re-financing of Loan and provided that

“(1) The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* from FY 2021-22 to FY 2022-23 of the Distribution Licensee shall be computed as the

product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR.

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

3.294 The Petitioner has submitted that during the FY 2021-22, the Petitioner is able to bring down the cost of financing, hence, as per the Business Plan Regulations, 2019, the Petitioner is eligible for sharing of Incentive.

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

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

3.296 The Petitioner has further submitted the following points: -

- a) Due to huge build-up of Regulatory Asset and acute shortfall of cash flow in the absence of cost reflective tariff in past years, TPDDL has been resorting to refinancing the debt repayment with new loans. In spite of the liquidity situation, it has always been endeavour of TPDDL to bring down the cost and continuous efforts have been made towards the same.
- b) Purpose of regulation 71 of (Terms and Conditions of Determination of Tariff) Regulations 2017 ("Tariff Regulations 2017") read with Regulation 31 of *DERC Business Plan Regulations 2019* ("BPR 2019") is to incentivize the Discom reducing cost of capital thereby putting less burden on its consumer and sharing the said incentives with consumers.
- c) If the loans are not refinanced or reset on periodic interval as per loan agreement, then pre-payment penalty is applicable as per terms and conditions of loan agreement. Therefore, refinance/reset has to be done around that time only.
- d) At the time of reset also, negotiations are initiated from the Appellant side to reduce the interest rates as no bank will offer reduce rates at time of reset on its own.
- e) Refinancing with same bank helps to avoid any cost incurred and total benefit is passed

to the consumers which would not have been possible if refinanced with some other bank.

- f) If the Appellant's interest rates are compared with other DISCOMS operating in Delhi, it clearly shows the efforts and negotiations initiated by the Appellant to reduce interest rates in the range of 8%-9% thereby resulting in significant higher saving to consumers in terms of lower ROCE, Carrying Cost etc. than the eligible refinancing incentive.

3.297 The aforementioned benefit is being generated by virtue of efficient and comparative better operations by the Petitioner which is being recognized by the rating agencies and lenders, resulting in getting better interest rates on its loan portfolio as compared to the market which include other Delhi DISCOMs.

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

3.299 The Petitioner has submitted the computation of total Incentive and sharing of the petitioner is given below:

INCENTIVE COMPUTATION WITH RESPECT TO REDUCTION IN CAPEX/WORKING CAPITAL LOANS

PETITIONER SUBMISSION

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

Table 3. 98: Petitioner Submission - Computation of Incentive to be kept by the Petitioner is given below

Sr. No.	Particulars	Amount of Debt	Actual Rate of Interest	Rate of Interest considered for Incentive	Total incentive – Rs. Cr.	Petitioner Share – Rs. Cr.
A	Capitalization	1,646.01	7.27%	9.00%	28.47	14.24
B	Working Capital	854.11	5.52%	9.00%	29.75	14.87
C	Total Incentive					29.11

- 3.301 The Petitioner has then reduced its share of incentive of Rs 29.11 Cr. from the Revenue available towards ARR.

INCENTIVE COMPUTATION WITH RESPECT TO REDUCTION IN REVENUE GAP LOANS

PETITIONER SUBMISSION

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

Table 3. 99: Petitioner Submission - Computation of Incentive to be kept by the Petitioner is given below:

Sr. No.	Particulars	Amount of Debt (Rs. Cr.)	Rate of Interest	Rate of Interest considered for incentive	Total incentive (Rs. Cr.)	Petitioner share (Rs. Cr.)
A	Revenue Gap	3264.97	7.29%	9.00%	55.84	27.92

- 3.303 The Petitioner has then reduced its share of incentive of Rs 27.92 Cr. from the Revenue available towards ARR.

COMMISSION ANALYSIS

- 3.304 The Regulation 71 of the *DERC (Terms and Conditions of determination of Tariff) Regulations, 2017*, states that the Utility shall make every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission.
- 3.305 Further, in terms of the Regulation 31 of the *DERC Business Plan Regulations, 2019*,:

1. *The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2021-22 to FY 2022-23 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR.*

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

3.306 The Commission in its Tariff Order dated 30/09/2021 has analysed the incentive on account of refinancing of loan from FY 2017-18 to FY 2019-20 as follows:

“INCENTIVE ON REFINANCING OF LOAN FOR FY 2017-18 AND FY 2018-19

3.104 During the Prudence Check Session for 2019-20 held with the petitioner on 22nd March 2021, the petitioner was asked to explain on their claim of benefit on account of Refinance and the basis of the same. When the Petitioner explained the same, prima facie, it came to the knowledge of the Commission that, what the Petitioner has agreed with the various Bankers on various loans is not Refinancing and it is a mere Resetting. Hence the Petitioner was directed to justify their claim related to incentive on account of refinancing of loan by way of submitting Details of period wise change in interest rates, clearly showing the MCLR and spread (loan wise) both pre Refinance and after Refinance; Copies of the loan agreements with the respective Banks for such refinancing; In case of refinancing is done from the same Bank, the copies of the previous agreements as well. These details were required to be submitted from 2016-17 considering the fact that the Regulation for Refinancing was first introduced in Tariff Regulations, 2017 and becoming effective from FY 2017-18. Subsequently the Petitioner submitted the complete details of the various loans for the year 2019-20 as well as for 2016-17, 2017-18 & 2018-19 and claimed that they have done Refinancing in majority of the loans. The complete loan details, year wise Capex as well as Other than Capex loans for the year 2016-17 to 2019-20 has been analyzed by the Commission. It is observed that many of the loans active during the FY 2019-20 are existing from 2016-17. From the details as submitted by the Petitioner, it is observed that the Loan portfolio consists of majority of loans with floating rate of interest with reset clause and these loans were held even before the notification of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, wherein for the first time, the Commission introduced in Regulation 71, allowing the incentive on account of refinancing of loan. Further, these loans are linked with MCLR rates besides there is also an element of spread. It is pertinent to state that in the recent times, the interest rates in the debt market (MCLR) have come down gradually due to various economic forces prevailing in the market, which in turn has brought down the interest rates of the Petitioner also without any effort from the Petitioner side. However, the Petitioner has claimed incentive on account of Refinance considering such reduction in interest induced by reduction in MCLR. The details of MCLR for the past prevailing years are provided separately. In terms of Regulations 71 of the DERC (Terms and Conditions of determination of Tariff) Regulations, 2017. The Utility shall make

every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission. In terms of Regulations 31 of the DERC Business Plan Regulations, 2017 1. The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR. 2. The incentive on account of re-financing of loan computed as per sub clause (1) above shall be shared equally between the Consumers and the Distribution Licensee. The petitioner is holding a basket of various loans which are floating interest rate loans invariably arranged from various banks under which the floating interest rate resets at regular intervals periodically. These interest rates based on the MCLR supplemented with the spreads which are extended by the bankers based on the credit ratings of the petitioner. As such the interest rates of the individual loans resets at periodical intervals as per the agreement and the spread is adjusted (increased or decreased) to determine the total rate of interest. As such the change in interest rates are on account of the periodical resetting of the loan as per the individual loan agreement and this is a normal resetting of loan which is routine and periodical throughout the loan period. In Contrast. Refinancing is a one-time affair, where the existing loan is replaced with a totally new and cheaper loan and through a new agreement.

3.105 It is inferred from the claim and further submissions made by the petitioner, the loan portfolio consists of loans which are existing for the past several years even from before 01.04.2017 and the respective agreements have been entered into with the bankers originally as Floating rate loans with periodical resetting. It is not any new loan drawn in replacement of existing loans subsequent to the Tariff Regulations 2017. Further these loans are linked with MCLR rates and in addition there is an element of spread according to the credit rating of the borrower. This spread increases or decreases based on the market forces such as liquidity. It could be seen from the following table, the SBI MCLR rates have gradually fallen but for a small period in between.....

3.106 As such the interest rates have come down generally in the case of the Petitioner also based on the MCLR Rates and the petitioner has not made any special efforts to bring down the interest rates. In the Tariff Regulations it has been categorically specified that "The Utility shall make every effort to refinance the loan so as to reduce the cost of financing". The Tariff Regulations nowhere mentions about Resetting of the loan.

3.107 As the Petitioner had claimed the incentive for Refinancing during true up of FY 2017-18 and FY 2018-19 as well and was allowed by the Commission, the Commission issued a Notice on 02nd Sep, 2021 to the Petitioner wherein the Petitioner was directed as state below. Whereas, Regulation 71 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that the Utilities shall make every effort to refinance the loan so as to reduce the cost of financing and the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified the Commission. Whereas, Regulation 31(2) of DERC (Business Plan) Regulations, 2017 stipulates that the incentive on account of re-financing of loan shall be shared equally between the consumers and the distribution licensee. Whereas, it has been observed that the TPDDL has not refinanced the loan to reduce the cost of finance during FY 2017-18 and FY 2018-19. The interest rate has been lower on account of reset at its own. Whereas the Commission has allowed the incentive to TPDDL on refinancing of loan in the true-up of Aggregate Revenue Requirement (ARR) for FY 2017-18 and true-up of ARR for FY 2018-19. You are hereby directed to submit the reply, whether TPDDL has refinanced the loan during FY 2017-18 and FY 2018-19 or it was reset at its own and if it was reset, why not the incentive allowed in FY 2017-18 and in FY 2018-19 on refinancing of loan be withdrawn.

3.108 Consequent to the said Notice, the petitioner submitted their reply vide their letter dtd. 09th Sep 2021 stating that "TPDDL has been resorting to refinancing of the debt repayment with new loans". But neither they have substantiated the same with their actual loan portfolio along with nature of loans explaining where all they have refinanced nor they have denied that they have not adopted Resetting. In real situation as explained in the Table as stated previously, the loan portfolio of the petitioner is consisting maximum of loans with floating rate with resetting conditions and the interest rates have come down generally based on the MCLR Rates. The reduction in interest rate is not on account of any specific efforts taken by the petitioner.

3.109 Based on the above observations and explanations and based on the situation as specified in Regulation 71, there is no reduction of cost of financing out of special effort to refinance the loan made by the petitioner. As the petitioner has made only a resetting and that too it had happened periodically as per the loan agreement entered into much before, the Commission is disallowing the incentive on account of refinancing of loan for True-up for FY 2017-18 and FY 2018-19 as stated below....."

3.307 Accordingly, in line with above observation in Tariff Order dated 30/09/2021 & True-up Order dated 19/07/2024, the Commission during the Prudence check observed that there is no reduction of cost of financing out of special effort to refinance the loan made by the Petitioner. As the Petitioner has made only a resetting and that too it had happened periodically as per the loan agreement entered into much before, the incentive claimed by the Petitioner is not maintainable and thus, disallowed by the Commission.

COMPUTATION OF NET REVENUE AVAILABLE TOWARDS ARR

PETITIONER SUBMISSION

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

Table 3. 100: Petitioner Submission - Computation of Net Revenue available (Rs. Cr.)

Sr. No.	Particular	Actual as per Petitioner
A	Revenue Available	6,915.61
B	Less- Incentive towards Capex Loan/workingcapital	29.11
C	Less- Incentive towards Revenue Gap Loan	27.92
D	Revenue Available towards ARR net of Incentives	6,858.58

COMMISSION ANALYSIS

3.309 The Commission has computed the Revenue available towards ARR as follows:

Table 3. 101: Commission Approved - Revenue Available towards ARR FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission
1	Actual Revenue realised excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	6,991.27	6,991.27
	Less:-		
2	Incentive on account of Overachievement of Transmission & Distribution Loss	26.70	25.80
3	Incentive on account of overachievement of Collection Efficiency	48.95	48.95
4	Incentive towards refinancing of loan	29.11	0
5	Incentive towards Revenue Gap Loan	27.92	0
6	Incentive towards Sale of surplus power	0	64.13
7	Revenue available towards ARR	6,858.58	6,852.40

REVENUE SURPLUS / (GAP) FOR FY 2021-22**PETITIONER SUBMISSION**

3.310 The Petitioner has computed actual Revenue Gap for FY 2021-22 as given in the table below:

Table 3. 102: Petitioner Submission - Computation of Revenue surplus/ (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particular	Actual as per Petitioner	Remarks
A	Revenue Available towards ARR net of Incentives	6,858.58	Table 3.60
B	Aggregate Revenue Requirement (net of carrying cost)	7,699.35	Table 3.56
C	Revenue Surplus/(Gap)	(840.77)	(A-B)

COMMISSION ANALYSIS

3.311 The Revenue (Gap)/ Surplus after true up of ARR for FY 2021-22 as approved by the Commission is as follows:

Table 3. 103: Commission Approved - Revenue (Gap)/ Surplus during FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission
A	ARR For FY 2021-22 (net of Carrying Cost)	6,858.58	7,272.49
B	Revenue Available Towards ARR	7,699.35	6,852.40
C	Revenue (Gap)/Surplus	(840.77)	(420.09)

CONSOLIDATED REVENUE (GAP)/SURPLUS**REVENUE (GAP)/SURPLUS TILL FY 2021-22****PETITIONER SUBMISSION**

3.312 The Petitioner submitted that the Hon'ble Commission has provisionally approved closing revenue gap of Rs. 1,763 Cr. upto FY 2019-20 as per previous Tariff Order dated 30/09/2021. The Petitioner has considered same amount as opening Revenue Gap along with the revenue gap for FY 2021-22 as per True up petition is summarised in the table as follows:

Table 3. 104: Petitioner Submission - Computation of Inclosing Revenue Gap for FY 2021-22 (Rs. Cr.)

Particulars	Amount (Rs. Cr.)	Remarks
Opening Provisional trued up Revenue Gap upto FY 20	(1762.82)	Table 5.3 of Tariff Order FY 2021-22
Add: Revenue Gap sought for FY 2020-21 (including carrying cost & DRRS)	(587.35)	Table 3.67 of True up Petition FY 2020-21
Closing Provisional trued up Revenue Gap upto FY 21	(2350.17)	(A+B)
Impact of Various Judgement	(1882.09)	
Revised Opening Revenue Gap	(4232.26)	(C+D)
Add: Revenue Gap sought for the year	(840.77)	Table 3.61
Add: Rithala impact	(23.21)	Table 3.63
Total addition during the year	(863.98)	(F+G)
Average revenue gap	(4664.25)	(E+H/2)
Carrying Cost Rate	9.30%	
Add: Carrying Cost	(433.91)	(I*J)
Less- Realization from 8% Deficit recovery surcharge	508.85	Table 3.10
Closing Revenue Gap	(5021.29)	(E+F+G+K+L)

3.313 The Petitioner has computed carrying cost @ 9.30% considering actual cost of debt, in the average balance of revenue gap for the year. During the FY 2021-22 the Petitioner has collected Rs. 508.85 Cr. towards 8% Deficit recovery surcharge and adjusted the said amount against the total of closing revenue gap of Rs. 5,021.29 Cr. in line with the Hon'ble Commission directions for adjusting the 8% DRS against the liquidation of Revenue Gap.

COMMISSION ANALYSIS

3.314 The Revenue (Gap)/ Surplus upto FY 2021-22 is summarized in the table as follows:

Table 3. 105 : Revenue (Gap)/Surplus upto FY 2021-22

Sr. No.	Particulars	Amount (Rs. Cr.)	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(5,787.70)	As per True-up order dated 19/07/2024
B	Less: Adjustment on account of excess Capex allowed in FY 2017-18	52.73	As per above
C	Revised Opening Balance of Revenue (Gap)/Surplus as on 1/04/2021	(5734.97)	C = A-B

Sr. No.	Particulars	Amount (Rs. Cr.)	Remarks
D	Revenue Requirement for the year	7,272.49	
E	Revenue realized	6,852.40	
F	(Gap) / Surplus for the year	(420.09)	
G	8% Surcharge for the year	508.85	
H	Net (Gap)/Surplus	88.76	$H=F+G$
I	Rate of Carrying Cost	9.04%	
J	Amount of Carrying Cost	(514.36)	$H=(C+H/2)*I$
K	Closing Balance of (Gap)/Surplus	(6,160.57)	$K=C+H+J$

Annexure I**DELHI ELECTRICITY REGULATORY COMMISSION**

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

F.11 (2041)/DERC/2022-23/7561

Petition No. 62/2022In the matter of: **Petition for Approval of True Up for FY 2021-22.**

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

...Petitioner/Licensee

Coram:

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

Appearance:

Sri Venkatesh, Advocate for TPDDL

INTERIM ORDER

[Date of Hearing: 19.01.2023]

[Date of Order: 19.01.2023]

1. Sri Venkatesh, appeared on behalf of TPDDL. He has submitted that the instant Petition has been filed by M/s. TPDDL for approval of True-up of expenses for FY 2021-22. It was noted that 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 IILIST 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
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

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
9.	Sh. Harvinder Singh Basra	Basra Engg. Works C-86, Sec-2, Bawana Industrial 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

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
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
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 Punjabiyan, 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

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
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
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, Safdarjung Airport, New Delhi – 110003	Govt.	DISCOMs	17/05/2024
33.	Sh. Sanjeev Kumar	Airports Authority Of India Rajiv Gandhi Bhawan, Safdarjung 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

Sr. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
35.	Sh. Shiva Suman	In individual Capacity, Citizen of India	Industrial	DISCOM/SLD C/IPGCL/PPC L/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

Sr. No.	Name	Organisation
30	Rajeev Chowdhury	DISCOM
31	Sameer Singh	DISCOM
32	Gaurav Thapan	DISCOM
33	Naveen Vats	DISCOM
34	Brajesh Kumar	DISCOM
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