

## **DELHI ELECTRICITY REGULATORY COMMISSION**

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

Ref. F.11(430)/DERC/2008-09/

**In the matter of:** Truing-up exercise for the expenditure made on the Power purchase cost for the FY 2005-06 and RLDC and ULDC charges.

**AND**

**In the matter of:**

Delhi Transco Limited  
Through its: Chairman & Managing Director,  
Shakti Sadan, Kotla Road,  
New Delhi-110002

**...Petitioner**

**Vs.**

1. Chief Executive Officer,  
BSES Rajdhani Power Limited  
BSES Bhawan,  
Nehru Place,  
Delhi-110019.
2. Chief Executive Officer,  
BSES Yamuna Power Limited  
Shakti Kiran Building,  
Karkardooma,  
Delhi-110092.
3. Chief Executive Officer,  
North Delhi Power Limited,  
Sub-Station Building, Hudson Lines,  
Kingsway Camp, Delhi-110009
4. New Delhi Municipal Council  
Through its: Secretary,  
Palika Kendra, Sansad Marg,  
New Delhi-110001.
5. CWE (Utilities)  
Military Engineering Services  
Delhi Cantt.  
New Delhi – 110 010.

**...Respondents**

**Coram:**

**Sh. Berjinder Singh, Chairman, Sh. Shyam Wadhera, Member &  
Sh. Subhash R. Sethi, Member**

Appearance:

1. Sh. A.K. Kaul, Director (Opn.) DTL;
2. Sh. B.D. Prasad, O.M. Comm. DTL;
3. Sh. Roop Kumar, DGM (Comm.);
4. Sh. D.N. Sood, DGM(F)
5. Sh. Naveen Goel, Manager, DTL;
6. Sh. Deepak Kr. Gajraj, Dy. Manager ;
7. Sh. Sumit Gupta, AM(T), CommI, DTL;
8. Sh. Harish Birdi, SI(F), DTL;
9. Sh. A.K. Gupta, Manager (F);
10. Sh. A.K. Dutta, Sr. Manager, NDPL;
11. Sh. Bharat Sharma, Executive, NDPL;
12. Sh. Anurag Bansal, HOG, Corporate Legal, NDPL;
13. Sh. B.R. Kumar, AVP, BRPL;
14. Sh. Rajeev Choudhary, DGM, BRPL;
15. Sh. Raj Arora, Co. Secy. BYPL;
16. Sh. G. Sudhakar, Dir. NDMC;
17. Sh. Mandan Pal, AEE, NDMC.

**ORDER**

(Date of Hearing: 20.10.2009)

(Date of Order: 12.11.2009)

1. DTL has filed an appeal against the MYT Order dated 20 December, 2007 issued by the Commission (DERC), in the Hon'ble ATE.
2. Hon'ble ATE in its order dated 13.08.2009 in I.A. No. 250 of 2009 and in Appeal No. 28 of 2008, directed the Commission and DTL to resolve the issues, where arithmetical computation is to be done.
3. The officials of the Commission and DTL held the first meeting in the Office of Commission on dated 25.5.2009 but the matter could not be resolved due to certain technicalities. The Hon'ble Tribunal in its interim Order dated 15.07.2009 again advised both the parties to meet and resolve the issues of technicalities and ask the Commission to decide the above matter without public hearing. On this the Commission filed a clarificatory application seeking therein clarification/direction on the issue of whether or not the Commission in above case desired to have a public hearing, as the above exercise shall ultimately affect the consumer/stakeholders. On the above application the Tribunal passed an order DT. 13.08.2009 stating therein that "it did laid down a rule to be followed in general that for truing up exercise public needs to be involved. In the present case since the truing up exercise is the consequence of submission of audited

account approved by the Comptroller and Auditor General of India, it will be sufficient to involve the parties in the present appeal only and not public in general. It goes without saying that result of truing up will be within the public domain when the exercise of next tariff fixation takes place. This deposes of the application. It is hoped that the Commission will effect the truing up as soon as possible."

4. To give effect to above Order of the Tribunal, the Commission held a hearing on 20.10.2009, by issuing notices to all parties, who were party to the case in the Appellate Tribunal. After hearing all the concerned parties as well as taking into account all the written submissions/documents placed before it, decided the above issues, detail of which is given as under :-

**5. Issue No. 1. Truing up of the power purchase cost for FY2005-06.**

In this section analysis, of the true up of power purchase cost as requested by the DTL in the appeal in ATE has been discussed.

**5.1 Submissions of DTL**

DTL has claimed Rs. 5643.72 Cr as power purchase cost for the FY06, as per the audited accounts of FY06. The details of the same are as given below:

**Table 1: Power Purchase as per audited accounts of FY 06**

S.No.	Name of Agency	Energy (MU)	Amount (Rs Cr)
1	NTPC	9750	2042.64
2	NHPC	1286	210.03
3	BTPS	4871	1181.68
4	NAPP	223	52.12
5	RAPP	54	14.61
6	SJVNL	711	202.29
7	HPSEB	1171	343.56
8	PPCL	2227	465.79
10	IPGCL	2797	636.25
11	HVPNL	37	14.43
12	TPTCL	30	10.57
13	PTC(Gridco)	229	93.69
14	PTC(GUVNL)	92	34.67
15	NVVN	3	1.09
16	Reliance Trading	5	1.81

S.No.	Name of Agency	Energy (MU)	Amount (Rs Cr)
17	RPPC	52	20.38
18	PGCIL- Wheeling	0	162.52
19	BBMB-Wheeling	0	0.21
20	Reactive-HVNL	0	0.14
21	Reactive Pool	0	0.07
22	Rental Charges- BBMB	0	0.97
23	Open Access	0	0.78
24	UI ABT	55	35.14
25	UI BTPS	52	23.05
26	NVVN	0	1.38
27	Govt. of HP	0	1.62
	Total	23645	5551.49
	Adjustment to Power Purchase Cost		111.47
	Banking with HPSEB		-19.24
	<b>Total</b>		<b>5643.72</b>

**5.2** DTL has claimed Rs 5113.02 Cr as revenue from sale of power in the audited accounts for FY06. Details of the same are as given below:

**Table 2: Sale of Energy as per audited accounts**

S. No.	Consumer	Energy (MU)	Cost (Rs Cr)
1	Discom-I	5395.09	921.27
2	Discom-II	8648.25	1875.76
3	Discom-III	5694.58	1203.36
4	NDMC	1233.06	316.91
5	MES	190.68	49.04
<b>(A)</b>	<b>Total for Discom</b>	21161.65	<b>4366.35</b>
6	TPTCL(TATA)	36.00	9.79
7	HVNL(HPGCL)	110.40	36.65
8	RPPC	182.40	60.56
9	Lanco Electric	9.60	4.52
10	UI(PGCIL)	1590.11	628.85
<b>(B)</b>	<b>Total for other states</b>	1928.51	<b>740.37</b>
11	Discom-I	0.00	1.13
12	Discom-II	0.00	0.85
13	Discom-III	0.00	0.72
14	REA(PGCIL)	0.00	2.23
15	HVNL(HPGCL)	0.00	0.13
16	RRVNL	0.00	0.24
17	UPPCL	0.00	0.00
<b>(C)</b>	<b>Total Reactive energy</b>		<b>5.31</b>
<b>(D)</b>	<b>Comfort charges</b>		<b>0.68</b>
<b>(E)</b>	<b>Adjustment to power sales</b>		<b>0.31</b>
	<b>Total (A+B+C+D+E)</b>		<b>5113.02</b>

**5.3 Treatment of Sales and Power purchase in MYT order**

In the MYT order dated December 20, 2007, the Commission has approved Rs 4842.95 Cr as power purchase cost for the sale of power to distribution licensees of Delhi for FY06. In addition to this Commission has subtracted Rs 60 Cr as anticipated refund from CPSU to DTL. The net power purchase cost approved by the Commission for DTL for FY06 is as shown below:

**Table 3: Power Purchase cost as approved in MYT order**

S. No	Description	Amount (Rs Cr)
1	Power Purchase	4842.95
2	CPSU Refunds	-60
	<b>Net Power Purchase cost for DTL</b>	<b>4782.95</b>

**5.4** The Commission had trued-up revenue from sale of power to the distribution licensees in Delhi at Rs 4366 crores for FY06 in the MYT Order as shown in the table given below:

**Table 4: Sale of Energy as approved in MYT order**

S. No	Distribution Licensee	Units (MU)	Amount (Rs Cr)
1	BRPL	8648	1876
2	BYPL	5395	921
3	NDMC & MES	1296	366
4	NDPL	5695	1203
	Total	<b>21034</b>	<b>4366</b>

**5.5 True-up**

The Commission has trued up revenue from the sales of energy for FY05-06 as per actuals.

**5.6 Details of the revenue from sales of energy within state are shown below:**

**Table 5: Revenue from Sale of Energy to Licensees of Delhi**

S. No.	Consumer	Amount (Rs Cr)
1	BYPL	921.3
2	BRPL	1,875.8
3	NDPL	1,203.4
4	NDMC	316.9
5	MES	49.0
6	Comfort charges	0.7
7	Adjustment to power sales	0.3
	<b>Net Revenue from Sale of Energy to Delhi Licensees</b>	<b>4,367.3</b>

- 5.7** Total power purchase by DTL as shown in the audited accounts were used by DTL to supply to distribution licenses of Delhi and for sales outside the state.
- 5.8** While truing up now, the Commission has considered the revenue derived from sale of energy to the distribution licensees of Delhi only and subtracted the revenue derived from the sale of energy outside the state from the total power purchase cost for the purpose of arriving at the net power purchase cost.

**Table 6: Power Purchase cost for sales to distribution licenses in Delhi**

S.No	Description	Energy in MU	Amount in Rs. crores
1	Total Power Purchase as per audited accounts	23645	5643.72
2	Sales to other states as per audited accounts	1928.51	-740.37
3	Sales income from reactive energy		-5.31 crores
	<b>Power Purchase for sales to distribution licenses of Delhi</b>		<b>4898</b>

- 5.9** The Commission has approved the true up amount after considering the Sales and Purchase in the MYT order and net sales and net purchase as per the audited accounts. Details of the true up amount approved by the Commission are given below.

**Table 7: True up of power purchase cost**

S.No	Description	Amount	Amount in Rs. crores
1	Net Power Purchase as per MYT order.	47,829,500,000	4,783.0
2.	Net Power Purchase as per audited accounts	48,980,413,224	4,898.0
3.	Difference in Power Purchase between the audited accounts and the MYT Order	1,150,913,224	115.09
4	Net Sales to distribution companies as per MYT order	43,663,484,101	4,366.30
5	Net Sales to distribution companies as per audited accounts	43,673,379,804	4,367.3
6	Difference in Sales between the audited accounts and the MYT Order	(9,895,703)	(0.98)
7	<b>Final Trued up amount (3-6)</b>	<b>1,141,017,521</b>	<b>114.10</b>

## 6. Issue No. 2. RLDC/ULDC Charges

In this section analysis, of the RLDC/ULDC charges paid and requested for true up in the appeal in ATE by DTL has been discussed.

### 6.1 RLDC/ULDC charges as approved in the MYT order

The Commission had examined the total admissible RLDC and ULDC charges for the period July 2002 to March 2007 as per the norms approved by the CERC vide its Order dated September 2, 2005 and approved the same in its MYT order dated 20th December 2007. Details of the same are given below:

**Table 8: RLDC/ULDC charges allowed by the Commission**

Period	Amount allowed as per MYT Order (Rs Cr)
2002-03 ( 9 Months)	8.92
2003-04	14.39
2004-05	13.25
2005-06	12.60
2006-07	13.00
<b>Total</b>	<b>62.16</b>

### 6.2 Submissions of DTL

DTL vide their letter no. GM(Coml)/203/F-9/206 dated 29.9.2009 has claimed Rs 66.112 Cr as amount paid to PGCIL against RLDC/ULDC charges for the financial year FY 03 to FY 07. Details of the same are given as under.

**Table 9: Amount of RLDC/ULDC charges as claimed by DTL ( Rs crores)**

Period	Amount allowed as per MYT Order ( Rs Cr)	Actual Paid (Rs Cr)				Total Actual Paid (Rs. Cr.)	Less allowed/ Difference (Rs. Cr.)
		ULDC/NRLDC	Interest	Addl. Cap.	Impact of floating rate of interest		
2002-03 ( 9 Months)	8.92	9.089	0	0	0	9.089	0.169
2003-04	14.39	14.394	0	1.000	0	15.394	1.004
2004-05	13.25	13.695	0.007	0	0.136	13.838	0.588
2005-06	12.60	13.281	0.005	0	0.494	13.829	1.229
2006-07	13.00	13.104	0.004	0	0.806	13.962	0.962
<b>Total</b>	<b>62.16</b>	<b>63.563</b>	<b>0.016</b>	<b>1.00</b>	<b>1.436</b>	<b>66.112</b>	<b>3.952</b>

### 6.3 True-up of RLDC/ULDC charges

Subsequent to the order of the Commission dated September 2, 2005, in the above matter, the CERC again revised its norms/orders twice on the RLDC/ULDC charges for the states of northern region. Details of the same are given below.

**Table 10: CERC orders on RLDC/ULDC charges**

S. No	Date of order	Description of order
1	5 <sup>th</sup> September, 2005	Approval of charges for FY03 and FY04
2	9 <sup>th</sup> May, 2006	Approval of charges for 1.4.2004 to 31.7.2017 and capitalization during 2002-03 to 2004-05
3	11 <sup>th</sup> April, 2008	Review of the order dated 9.5.2006
4	29 <sup>th</sup> January, 2009	Approval of charges for Unified Load Despatch & Communication Scheme in Northern Region for the period from 1.4.2004.to 31.7.2017

**6.4** The Commission had examined the total admissible RLDC and ULDC charges for the period July 2002 to March 2007 as per the final charges approved by the CERC vide its Order dated September 2, 2005, May 9, 2006 and April 11 2009. Details of the year wise charges approved by CERC are given below.

**Table 11: Cost as approved by CERC (Rs Cr)**

Sl.no	Year	Central Sector Share	State Sector Share
1	2002-03	48.79	34.18
2	2003-04	48.79	34.18
3	2004-07	47.91	35.28

**6.5** Based on the RLDC/ULDC charges approved by the CERC, the Commission has approved the RLDC/ULDC charges for DTL for July 2002 to March 2007, the detail of the same is given as under.



**Table 12: RLDC/ULDC charges as approved ( all cost in crores)**

2002-03 (9 months)	Total ULDC Charges (As per CERC order)	Delhi Share	Delhi ULDC Charges
Central Sector	48.79	18.42	5.99
State Sector	34.18		3.09
Total			9.08
<b>2003-04</b>			
Central Sector	48.79	19.978	9.75
State Sector	34.18		4.65
Total			14.39
<b>2004-05</b>			
Central Sector	47.90	17.628	8.44
State Sector	35.27		5.25
Total			13.70
<b>2005-06</b>			
Central Sector	47.90	16.765	8.03
State Sector	35.27		5.25
Total			13.28
<b>2006-07</b>			
Central Sector	47.90	16.395	7.85
State Sector	35.27		5.25
Total			13.10
<b>Grand Total</b>	<b>63.55</b>		

- 6.6** Total amount approved by the Commission (excluding claim on account of additional capitalization and interest charges) is Rs 63.55 Cr. Table given below gives the amount approved in MYT order and amount approved now.

**Table 13: True up of RLDC/ULDC charges**

S. No.	Particular	Amount Rs (Cr)
1	Amount approved in MYT order	62.16
2	Amount now approved	63.55
3	True up amount	1.39

**6.7** Apart from annual charges, DTL has also claimed Rs .016 Cr on account of interest charges, to be paid to PGCIL. This interest was charged by PGCIL on the difference between the amount in provisional bill issued and the final issued as per CERC order. The Commission approves the same.

**6.8 Additional Capitalization**

CERC in its tariff order dated 11<sup>th</sup> April 2008 has approved following charges for additional capital expenditure incurred during 2001-04, to be recovered from beneficiaries in the northern region.

**Table 14: Additional capital expenditure incurred during 2001-04, to be recovered from beneficiaries in the northern region**

S.no	Particular	Amount Rs (Cr)
1	Central sector share	0.9941
2	State Sector share	2.67

**6.9** Based on the charges approved by CERC for the beneficiaries of northern region, DTL's share comes out to be as follows.

S.no	Particular	Amount Rs (Cr)
1	Central sector share	0.198
2	State Sector share	0.818
	Total	1.016

**6.10** DTL has on the other hand claimed as per the bill of PGCIL dated 5.01.2009. As per the PGCIL bill following charges are to be recovered from the DTL.

**Table 14: RLDC/ULDC charges for additional capitalization as claimed by DTL**

S.no	Particular	Amount Rs (Cr)
1	Central sector share	0.182
2	State Sector share	0.818
	Total	1.00

- 6.11** Hence, there is a mismatch in the central sector amount as claimed by DTL and as approved by CERC. But as the mismatch is very small of only about 1 lakh rupees, commission approves the claim of DTL and further instructs DTL to clarify the mismatch with PGCIL and submit the revised claim.

**7. Impact of floating rate of interest**

DTL has claimed Rs 1.436 crores on account of changes in the interest rates of the loans as per the para 15 of CERC order dated 29.01.2009.

As this claim is as per the CERC order, the Commission approves the same.

**8. Total amount approved against ULDC/NRLDC charges**

The table given below gives the total amount now approved by the Commission against RLDC/ULDC charges.

ULDC/NRLDC charges	Interest	Addl.Cap.	Impact of floating rate of interest	Total Amount Rs (Cr)
63.55	0.016	1.00	1.436	<b>66.112</b>

- 9.** The DTL is also directed to take up the issue of payment of balance amount to be paid by it, on account of revised CERC orders/norms against the RLDC/ULDC charges with the PGCIL.
- 10.** The above approved amount would be recoverable from the Distribution Licensees in the ratio of energy supplied to them during FY 2005-06.
- 11.** The effect of this order shall be made within one month from the date of issue of this Order.
- 12.** Ordered accordingly.

Sd/-  
(Subhash R. Sethi)  
MEMBER

Sd/-  
(Shyam Wadhera)  
MEMBER

Sd/-  
(Berjinder Singh)  
CHAIRMAN