



TATA POWER-DDL

TPDDL/REGULATORY/2023-24/PMG/ 388
Jan 19, 2024

Office of the HoD (Regulatory & Legal)

The Secretary

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

Subject: Submission of proposal for levy of Power Purchase Cost Adjustment Charges (PPAC) pertaining to Q3 of FY 2023-24.

Reference: 1. Hon'ble Commission's order dated 21.07.2023
2. Hon'ble Commission's order dated 03.01.2024
3. Tata Power-DDL's letter no. TPDDL/Regulatory/2023-24/PMG/374 dated 11.01.2024.

Dear Sir,

This is with reference to the directions contained in the DERC (Business Plan) Regulations, 2023 notified by the Hon'ble Commission, towards levy of Power Purchase Adjustment Charges; excerpt of the relevant Regulations are reproduced below:

- "30.(4) The treatment of PPAC computation as per the specified formula shall be as follows:*
- a) in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.*
 - b) in case PPAC exceeds 5% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.*
 - c) in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% - 8.75%).*

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30. (5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied in the consumers' electricity bills prospectively."

Based on the power purchase bills for the period Quarter 3 (Oct 2023 to Dec 2023) of FY 2023-24, we have calculated the PPAC applicable in line with the PPAC methodology specified by the Hon'ble Commission. **Accordingly, the PPAC based on all bills works out to 16.29%.**

The calculations have been detailed in **Annexure-1** enclosed with the letter and the same is being uploaded on our website.

We draw the kind attention of the Hon'ble Commission to the Tariff Order dated 30.09.2021 wherein Hon'ble Commission had considered PPAC @ 8.50%, equivalent to INR 626.57 Cr for meeting the Revenue Gap arising in the Annual Revenue Requirement (ARR) for FY 21-22 for Tata Power-DDL. Please find below the relevant table for your review please:



TATA POWER DELHI DISTRIBUTION LIMITED

(A Tata Power and Delhi Government Joint Venture)

Corporate Office : NDPL House Hudson Lines Kingsway Camp Delhi - 110 009

Table 4. 72: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement (ARR)	6939.44
2	Add: Carrying Cost for FY 2021-22	92.25
3	Add: PPAC Cost Subsumed	13.69
4	Revised ARR (1+2+3)	7045.38
5	Revenue at Revised Tariff	6443.76
6	Add: Revenue from PPAC	626.57
7	Total Revenue (5+6)	7070.33
8	Revenue (Gap)/Surplus (7-4)	24.95

As evident, entire PPAC @ 8.50% has been utilized to meet the fixed cost recovery forming part of ARR for FY 21-22. Hon'ble Commission's PPAC Order dated 31.08.2022 allowing PPAC @ 19.25% includes this PPAC @ 8.50%.

Therefore, the actual PPAC required to Tata Power-DDL for recovering of Power Purchase Cost is 24.79% (i.e. 16.29% + 8.50% PPAC).

The Hon'ble Commission had vide its Order dated 21.07.2023 directed DISCOMs not to levy any other PPAC unless specifically approved by the Hon'ble Commission. Subsequently, vide its order dated 03.01.2024, the Hon'ble Commission has revoked its Order dated 21.07.2023 and has allowed the levy of Suo-Moto PPAC up to 8.75% also in terms of Regulation 30(4) of Business Plan Regulations, 2023. The relevant extracts of the order dated 03.01.2024 have been reproduced below for reference:

*"Having considered the submissions of the Petitioner, the Commission directs the Petitioner to further extend the levying of the ongoing PPAC of 29.13% till 31.05.2024, as against the Commission's earlier Order dated 07.06.2023 wherein the validity was till 06.03.2024. Further, the Commission, vide its Order dated 21.07.2023, had directed the DISCOMs not to levy any other PPAC unless specifically approved by the Commission. **The Commission withdraws the said order dated 21.07.2023 and the Petitioner is allowed to levy PPAC of 8.75% also in terms of Regulation 30(4) of Business Plan Regulations, 2023.** In order to avoid tariff shock to the consumers at large, the Commission restricts the ongoing PPAC as above and the balance claims relating to PPAC of the Petitioner will be subsumed appropriately in the ensuing Tariff Order and the difference, if any, will be considered/allowed with Carrying Cost, on verification of Power Purchase and Transmission Bills, in True up"*

Accordingly, in line with the above, we shall be levying PPAC of 8.75% from the next billing cycle due from 23rd Jan 2024 for the next 3 months. For the balance PPAC of 16.04% i.e. (24.79%-8.75%), we shall be filing the petition before the Hon'ble Commission.

We hope the Hon'ble Commission finds the above in order.

Yours Sincerely,
For Tata Power Delhi Distribution Ltd.


Anurag Bansal
HoD (Regulatory & Legal)

Encl: As mentioned above.





Annexure-1

Power Purchase Adjustment Charges (PPAC) (in %age) for Oct 2023 to Dec 2023:

Particulars		UoM	Values	Remarks
Actual	Long Term ISGS	MUs	2397.0	
Actual	Long Term Genco	MUs	233.0	
Actual	CSGS	Rs. Cr.	1273.6	
Actual	Genco	Rs. Cr.	252.1	
Actual	Transmission amount	Rs. Cr.	200.5	
Actual	Short term sales	MUs	-342.1	
Actual	Short / Medium term purchase	MUs	38.2	
Approved	PGCIL losses	%age	2.00%	Page no. 333, Tariff Order FY 21-22.
Approved	DTL losses	%age	0.92%	Page no. 333, Tariff Order FY 21-22.
Approved	Distribution Losses	%age	6.91%	Page 34, Business Plan Regulations, 2023 of Gazette copy.
Approved	Power Purchase Cost	Rs./kWh	4.57	Page no. 328, Tariff Order FY 21-22.
Approved	Average Billing Rate	Rs./kWh	7.04	Approved Total Sales for FY 21-22 is 9205 MUs in Table 4.18 page 312 and Total Revenue of Rs. 6476 Crores in Table 5.7 page no. 364 of Tariff Order FY 21-22.
Calculation	Actual Power Purchase cost from Long Term Sources	Rs./kWh	5.80	
A	Total units procured from long term PPAs	MUs	2630	
B	Proportionate Bulk Sale of Power	MUs	-337.2	
C	Difference in base and actual PPC	Rs./kWh	1.23	
D	Actual Transmission Cost	In Rs. Cr	200.5	
E	Base Transmission charges	In Rs. Cr	245.7	Total Transmission Charges of Rs. 982.97 Crores on page no. 333, Tariff Order FY 21-22.
Z	Units on which PPAC shall be applicable	MUs	2221.10	
PPAC		%age	16.29%	

Accordingly, Auto levy of PPAC as per above is computed as 8.75% for Q3 of FY 2023-24.

