



**TATA POWER-DDL**

TPDDL/REGULATORY/2024-25/PMG/26  
Apr 18, 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 Q4 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 4 (Jan 2024 to Mar 2024) 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 12.79%.**

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

Website : [www.tatapower-ddl.com](http://www.tatapower-ddl.com) CIN No. : U40109DL2001PLC111526

**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	<b>Revised ARR (1+2+3)</b>	<b>7045.38</b>
5	Revenue at Revised Tariff	6443.76
6	Add: Revenue from PPAC	626.57
7	<b>Total Revenue (5+6)</b>	<b>7070.33</b>
8	<b>Revenue (Gap)/Surplus (7-4)</b>	<b>24.95</b>

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 21.29% (i.e. 12.79% + 8.50% PPAC).**

Accordingly, in line with the above, we shall be levying PPAC of **8.75%** from the next billing cycle due from 23<sup>rd</sup> April 2024 for the next 3 months. For the balance PPAC of **12.54%** i.e. (**21.29%-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.



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## Annexure-1

**Power Purchase Adjustment Charges (PPAC) (in %age) for Jan 2024 to Mar 2024:**

Particulars		UoM	Values	Remarks
Actual	Long Term ISGS	MUs	2445.8	
Actual	Long Term Genco	MUs	177.6	
Actual	CSGS	Rs. Cr.	1254.3	
Actual	Genco	Rs. Cr.	193.3	
Actual	Transmission amount	Rs. Cr.	214.5	
Actual	Short term sales	MUs	-354.2	
Actual	Short / Medium term purchase	MUs	64.1	
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	5.52	
A	Total units procured from long term PPAs	MUs	2623	
B	Proportionate Bulk Sale of Power	MUs	-345.7	
C	Difference in base and actual PPC	Rs./kWh	0.95	
D	Actual Transmission Cost	In Rs. Cr	214.5	
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	2205.1	
PPAC		%age	12.79%	

**Accordingly, Auto levy of PPAC as per above is computed as 8.75% for Q4 of FY 2023-24.**

