



TATA POWER-DDL

TPDDL/REGULATORY/2022-23/PMG/305
July 21, 2022

Office of the Chief (Regulatory, Legal & PM)

The Secretary

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

Subject: Submission of revised proposal for levy of Power Purchase Cost Adjustment Charges (PPAC) pertaining to Q1 of FY 2022-23.

Dear Sir,

This is with reference to the directions contained in the DERC (Business Plan) Regulations, 2019 notified by the Hon'ble Commission, towards levy of Power Purchase Adjustment Charges; excerpt of the relevant clauses are reproduced below:

Clause 30 (4)(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."

Clause 30 (4)(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."

Clause 30 (4)(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%)."

Based on the power purchase bills for the period Quarter 1 (April 2022 to June 2022) of FY 2022-23, 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 14.37%**. We are not considering the refund of STOA transmission charges provided by DTL in the calculations of PPAC as per the discussion in the meeting with Hon'ble Commission on 07.04.2022. Also, SLDC SCED credit amount has not been considered in line with Hon'ble Commission's letter F.3 (635)/Tariff- Engg/DERC/2020-21/6938/2195 dated 24th Dec 2020.

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

In line with the above, we shall be levying PPAC of **8.75%** from the next billing cycle due from 26th July 2022 for the next 3 months.

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 CIN No. : U40109DL2001PLC111526

Further, the Hon'ble Commission vide letter no. F.3(659)/Tariff-Engg./DERC/2021-22/7236/489 dated 10.06.2022 had allowed additional provisional PPAC of 2% to Tata Power-DDL considering the deteriorated cash flow position, non-inclusion of Short Term Power Purchase (STPP) in PPAC formula, increased dependency on STPP, impact of blending of imported coal and increased Gas Prices. This provisional additional PPAC is valid till 31/08/2022 and was to be reviewed thereafter.

Considering Q1 FY 2022-23 calculated PPAC is about 14.37% and as per current Business Plan Regulations, 2019, Tata Power-DDL will be able to Suo-Motto levy PPAC of only 8.75%, We request the Hon'ble Commission to allow the levy of balance PPAC of 5.62% i.e. (14.37%-8.75%) from 1st August 2022 for next three months in line with Hon'ble Commission letter F.3(659)/Tariff-Engg./DERC/2021-22/7236/489 dated 10.06.2022.

Thus in view of precarious financial situation of Tata Power-DDL due to high Short Term Power Purchase (STPP) and up to 40% increase in ECR of Thermal Power Station because of imported coal blending, we request the Hon'ble Commission to kindly enhance the provisional additional PPAC from 2% to 5.62% from **01.08.2022** till **31.10.2022**.

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

Yours Sincerely,
For **Tata Power Delhi Distribution Ltd.**


Peyush Tandon
Chief (Regulatory, Legal & Power Management)

Encl: As mentioned above. M-7



Annexure-1

Power Purchase Adjustment Charges (PPAC) (in %age) for Apr 2022 to June 2022:

	Particulars	UoM	Values	Remarks
Actual	Long Term ISGS	MUs	3180.5	
Actual	Long Term Genco	MUs	325.6	
Actual	CSGS	Rs. Cr.	1470.20	
Actual	Genco	Rs. Cr.	418.81	
Actual	Transmission amount	Rs. Cr.	271.09	
Actual	Short term sales	MUs	-511.8	
Actual	Short term purchase	MUs	428.8	
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	7.70%	Page 17, Business Plan Regulations, 2019
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	5.39	
A	Total units procured from long term PPAs	MUs	3506	
B	Proportionate Bulk Sale of Power	MUs	-456.0	
C	Difference in base and actual PPC	Rs./kWh	0.82	
D	Actual Transmission Cost	In Rs. Cr	272.1	
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	2954.86	
PPAC		%age	14.37%	

Accordingly, Auto levy of PPAC as per above is computed as 8.75% for Q1 of FY 2022-23.

