



TATA POWER-DDL

TPDDL/REGULATORY/2023-24/03/48
May 16, 2023

Office of the Chief (Regulatory, Legal & PM)

“Without Prejudice”

The Secretary

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

Subject: Representation to Hon’ble Commission under Regulation 36 and 41 of DERC (Business Plan) Regulations, 2023.

Reference: 1. DERC (Business Plan) Regulations, 2023 issued by the Hon’ble Commission on 29.03.2023.
2. Statement of Reasons (SoR) for DERC (Business Plan) Regulations, 2023 issued on 24.04.2023.

Dear Sir,

We write in reference to the DERC (Business Plan) Regulations, 2023 issued by the Hon’ble Commission on 29.03.2023 and the Statement of Reasons (SoR) issued subsequently on 24.04.2023.

Regulations 36 and 41 of the DERC (Business Plan) Regulations, 2023 allow the Hon’ble Commission power to remove difficulties and to alter or modify the Regulations respectively after receiving representation. The said Regulation is reproduced below for ready reference:

“36. POWERS TO REMOVE DIFFICULTIES: *If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these Regulations or the Act, do or undertake to do things or direct the Licensee to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.”*

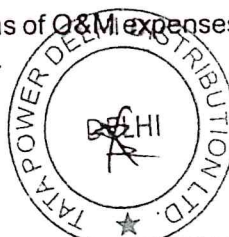
“41. POWER TO AMEND: *The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision/(s) of these Regulations by amendment after receiving the representation.”*

Accordingly, Tata Power-DDL wishes to make a representation on the following issues for the kind consideration for the Hon’ble Commission and requests it to use its power under these Regulations to suitably make the required alternations or modifications to the Business Plan Regulations, 2023. The issues are explained as follows:

1. Operation and Maintenance (O&M) expenses - Regulation 23

A. Inadvertent Error in Considering the CAGR growth of Sales:

The Hon’ble Commission has notified the norms of O&M expenses for DISCOMs at Regulation 23(10), reproduced below for ready reference.



**Table 8: Norms of O&M Expenses for DISCOMs for the Control Period
[Rate / Unit of sale (Paise)]**

Distribution Licensees	FY 2023-24	FY 2024-25	FY 2025-26
BRPL	54.72	54.92	55.13
BYPL	64.15	64.40	64.64
TPDDL	61.46	62.09	62.73
NDMC	54.72	54.92	55.13

The Hon'ble Commission has derived the O & M norms of rate per unit by dividing the total Controllable O&M Expenses with Estimated Sales.

Further, the Hon'ble Commission has computed Estimated Sales considering the CAGR growth of Sales from FY 2017-18 to FY 2019-20 as mentioned in Point no "k" on Page 57 of SOR on DERC (Business Plan) Regulations.:

*"k) The Commission has projected the estimated sales for FY 2022-23 **considering the CAGR growth from FY 2017-18 to FY 2019-20**. FY 2020-21 and FY 2021-22 have not been considered due to imposition of Covid-19 lockdown."*

Based on the above, the Trued-Up Sales CAGR of Tata Power-DDL from FY 2017-18 to FY 2019-20 comes to 2.60% and is depicted in the table below:

Table 1: CAGR growth from FY 2017-18 to FY 2019-20

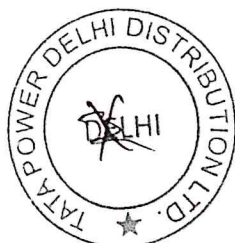
Particulars	FY 17-18	FY 18-19	FY 19-20
Trued Up Billed Sales (Mus)	8631	8867	9086
CAGR (%)			2.60%

On the contrary, the Hon'ble Commission has considered the CAGR of 3.59% for deriving estimated Sales (MUs) for the next control period FY 23-24 to FY 25-26 on the actuals of FY 19-20 as depicted in the table below:

Table 2: Sales (MUs) projected by the Hon'ble Commission for FY 22-23 to FY 25-26 @ CAGR 3.59%

Particulars	FY 19-20 (Actual)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Estimated Billed Sales (Mus)	9086	9412	9750	10101	10464	10840	11229
CAGR (%)							3.59%

Thus, the Hon'ble Commission has inadvertently considered the Sales CAGR of 3.59% against the Actual Sales CAGR of 2.60%.



The Projected Sales for FY 2022-23 to FY 2025-26 considering the Actual CAGR of 2.60% would be as follows:

Table 3: Estimated Sales (MUs) ought to be considered by the Hon'ble Commission for FY 22-23 to FY 25-26 with CAGR 2.60%

Particulars	FY 19-20 (Actual)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Estimated Billed Sales (Mus)	9086	9322	9564	9813	10068	10330	10599
CAGR (%)							2.60%

Considering the above projections of the Estimated Sales, the revised per unit rate of O&M expenses to be allowed to Tata Power-DDL is depicted in the table below:

Table 4: Revised O&M Expenses norms

O & M Norms as per Revised CAGR				
Particulars	Base Year FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total O&M expenses (Rs Cr)	614.45	643.08	673.05	704.42
Estimated Sales (Mus)	9813	10068	10330	10599
Rate per Unit (Paise/unit)	62.62	63.87	65.16	66.46

Therefore, the Hon'ble Commission is requested to allow the revised O&M norms as per the above table.

B. Omission of "Other Regulatory Expenses" in computation of Normative O & M

During the analysis of O & M expenses considered by the Hon'ble Commission in Table named "TPDDL" under Point no "n" on Page 58 of SOR on DERC (Business Plan) Regulations 2023 (attached as **Annexure-1**), it is observed that all the expense under Miscellaneous head has been considered except "**Other Regulatory Expenses**" for computation of normative O&M expenses by Hon'ble Commission.

The "**Other Regulatory Expenses**" include Statutory expenses like contribution towards expenses of Electricity Ombudsman & Consumer Grievance Redressal Forum (CGRF) as per the direction of Hon'ble Commission and Petition Filing Fee with the Hon'ble Commission for various petitions like ARR & Tariff, Power Purchase Agreement approval, PPAC Petition etc. The year wise bifurcation of these expenses is given below for reference:

Table 5: Other Regulatory Expenses

Particulars (Amount In Rs Cr.)	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Average	% Contribution
CGRF Office	0.39	0.35	0.34	0.5	0.46		37%
Electricity Ombudsman Office	0.2	0.25	0.23	0.29	0.28		23%
Petition Filing Fee in Hon'ble DERC	0.05	0.24	1.27	0.18	0.08		33%
Others	-0.06	0.11	0.15	0.15	0.09		8%
Grand Total	0.58	0.95	1.99	1.12	0.91		
Less: Others*	-0.06	0.11	0.15	0.15	0.09		



Particulars	FY	FY	FY	FY	FY	Average	% Contribution
(Amount in Rs Cr.)	17-18	18-19	19-20	20-21	21-22		
Other Regulatory Expenses to be considered for O&M norms	0.64	0.84	1.84	0.97	0.82	1.02	

*The above table includes line item of 8% attributed to filing fee pertaining to petitions/cases covered under Regulation BPR 2019. For the purpose of this communication Tata Power-DDL is not pressing the same however Tata Power-DDL reserves its right to seek impact of the same when BPR writ Petition No.3753/2020 is allowed in favour of Tata Power-DDL by the Hon'ble High Court.

Table 6: Additional impact of "Other Regulatory Expenses" on O&M Expense norms

Particulars (Amount in Rs Cr.)	Base Year	FY	FY	FY
	FY 22-23	23-24	24-25	25-26
Other Regulatory Expenses to be considered for O&M norms	1.17	1.23	1.28	1.34
Estimated Sales as per Table no 3	9813	10068	10330	10599
Rate per Unit (Paise/unit)	0.12	0.12	0.12	0.13

All the above expenses are statutory in nature and mainly incurred as per the direction of Hon'ble Commission and other applicable Regulations / Laws.

The Formation of Forum for Redressal of grievances of the Consumer by licensee is governed by Clause 5, Section 42 (Duties of distribution licensee and open access) of Electricity Act'2003. Further the Payment to Office of Electricity Ombudsman is released as per communication received from Hon'ble Commission from time to time (Sample attached as Annexure-2). Thus these payments are binding on the DISCOMs.

Accordingly, we request the Hon'ble Commission to amend the Regulation 23(10) Table 8 to include "**Other Regulatory Expenses**" in computation of normative O&M expenses as per above table 6.

Therefore, the Hon'ble Commission is requested to consider Other Regulatory expenses as part of normative O&M Expenses and revise O&M Expenses norm to include the impact as indicated in Table 6 above.

C) Non-inclusion of certain expenses under "Rates and Taxes" Head:

Regulation 23 (6) of DERC (Business Plan) Regulations, 2023 allows Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC on Actual Basis subject to prudence check. The relevant portion is replicated below for reference:

"Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC shall be Trued up for relevant Financial year subject to prudence check"



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During the analysis of O & M expenses considered by the Hon'ble Commission in Table named "TPDDL" under Point no "n" on Page 58 of SOR on DERC (Business Plan) Regulations 2023 (attached as **Annexure-1**), it is observed that the expenses grouped under "**Rates and Taxes**" category have been excluded from the computation of normative O&M expenses by the Hon'ble Commission.

The "Rates and Taxes" category expenses include Statutory levies like **CETP Charges, Court Fee and Stamp Duty**, Property Tax, Licensee Fee and other similar expenses.

Though the Hon'ble Commission has specified that the License fee paid to the Hon'ble DERC, Property Tax and Land Licence Fee shall be allowed on actuals during True Up, however there is no reference regarding the other Statutory levies like CETP Charges, Court Fee & Stamp Duty and other similar levies. It may be noted that these expenses have been excluded by Hon'ble Commission while calculating the normative expenses. Therefore, the same should be allowed on actual basis.

Accordingly, we request the Hon'ble Commission to amend the Regulation 23(6) to include left out Statutory levies which are not part of normative expenses as follows:

*"Expenses on account of Statutory Levies like Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC, **CETP Charges, Court Fee & Stamp Duty and other similar levies** shall be Trued up for relevant Financial year subject to prudence check"*

Therefore, the Hon'ble Commission is requested to issue a suitable amendment in BPR, 2023 and allow such expenses on actual basis.

D) Inadvertent Error in providing impact of approved Inflationary Growth Rate of 4.66% while deciding Normative O & M Norms:

The Hon'ble Commission has notified the norms of O&M expenses for DISCOMs as per Regulation 23(10) of DERC BPR, 2023, reproduced below for ready reference.

*"23 (10) The Normative Operation and Maintenance Expenses of a Distribution Licensees for the Control Period, **after considering Inflationary Growth Rate of 4.66%**, shall be as follows:*

**Table 8: Norms of O&M Expenses for DISCOMs for the Control Period
[Rate / Unit of sale (Paise)]**

Distribution Licensees	FY 2023-24	FY 2024-25	FY 2025-26
BRPL	54.72	54.92	55.13
BYPL	64.15	64.40	64.64
TPDDL	61.46	62.09	62.73
NDMC	54.72	54.92	55.13

The Hon'ble Commission has decided to allow **4.66%** as the Inflationary Growth Rate for the Control Period from FY 2023-24 to FY 2025-26.

However, while reviewing the **Table no 8** of O & M norms, it is observed that the effective year on year Growth Rate for computation of "Per Unit O&M" is only **1.03%**, whereas the actual



approved inflationary growth decided by the Hon'ble Commission is **4.66%**. The actual year on year Growth Rate derived as per the norms is depicted in below table for reference:

FY	DERC BPR, 2023	
	Paise Per Unit	% Inflationary Growth
Base Year	60.83	
FY 2023-24	61.46	1.03%
FY 2024-25	62.09	1.03%
FY 2025-26	62.73	1.03%

Further, the Growth Rate of O & M norms allowed in DERC BPR, 2017 and DERC BPR, 2019 were also analyzed and it was observed that approved Inflationary Growth Rate for control Period is equal to the actual growth considered during the calculation of year wise O & M norms. The Approved Inflationary Growth Rate and Actual Growth Rate between the different years for DERC BPR, 2017 and DERC BPR, 2019 is depicted in below table for reference:

BPR	Growth Rate Allowed	FY's	O & M in lacs / Ckt. kM	% Inflationary Growth
BPR, 2019	3.83%	20-21	7.338	
		21-22	7.620	3.83%
		22-23	7.912	3.83%
BPR, 2017	5.61%	17-18	6.372	
		18-19	6.730	5.61%
		19-20	7.107	5.61%

Accordingly, we request the Hon'ble Commission to revise the Regulation 23(10) Table 8 to include "**Approved Inflationary Growth rate**" in computation of normative O&M expenses.

Therefore, the Hon'ble Commission is requested to revise the O&M Expenses as per above submission.

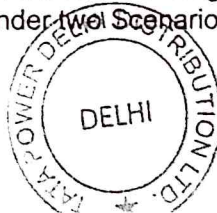
2. Restoration of Rate of Return on Equity to 16%

The Hon'ble Commission has notified the Rate of Return on Equity for DISCOMs **@ 14%** on post tax basis for Wheeling and Retail Business as a whole as per Regulation 20(1) of DERC BPR, 2023 , reproduced below for ready reference:

20 (1) Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis for Wheeling and Retail Business as a whole.

The Hon'ble Commission has reduced the Rate of Return on Equity for DISCOMs **by 2%** in comparison to previous Business Plan and MYT Regulations. It is submitted that the RoE of **14%** along with reduction in Base Rate of Return on Equity funding of Regulatory Assets to **13%** will lead to breach of various debt covenants for the existing loan portfolio and may result in lenders recalling their debts along with the applicable interest penalties.

We have illustrated below the change in Debt Service Coverage Ratio and Interest Coverage Ratio due to changes in DERC BPR, 2023 under two scenarios of Regulatory Assets i.e.:



1. **Regulatory Assets @ 1763 Cr** approved by the Hon'ble Commission in 30th Sep'21 Order till FY 2019-20.
2. **Regulatory Assets @ Rs 5021 Cr** as per Tata Power-DDL True Up Petition of FY 2021-22 filled on 1st November 22 (refer Table no 3.67)

Debt Service Coverage Ratio (DSCR) for FY 23-24				
Particulars	Regulatory Assets @ Rs 1763 Cr		Regulatory Assets @ Rs 5021 Cr	
	BPR, 2023	Proposed Norms	BPR, 2023	Proposed Norms
RoE Rate / Base Rate for Equity Portion of Regulatory Assets	14% / 13%	16% / 15%	14% / 13%	16% / 15%
Actual Debt Service Coverage Ratio	0.97	1.00	1.08	1.13
Minimum Debt Service Coverage Ratio as per Bank Agreement	1.13	1.13	1.13	1.13
Covenant status	Not complied	Not complied	Not complied	Complied

Interest Coverage Ratio (ICR) for FY 23-24				
Particulars	Regulatory Assets @ Rs 1763 Cr		Regulatory Assets @ Rs 5021 Cr	
	BPR, 2023	Proposed Norms	BPR, 2023	Proposed Norms
RoE Rate / Base Rate for Equity Portion of Regulatory Assets	14% / 13%	16% / 15%	14% / 13%	16% / 15%
Actual Interest Coverage Ratio	1.88	2.00	2.32	2.52
Minimum Interest Coverage Ratio as per Bank Agreement	2.00	2.00	2.00	2.00
Covenant status	Not complied	Complied	Complied	Complied

As depicted in above computation, the DSCR and ICR Convents are not complied at Rate of Return of Equity allowed by Hon'ble Commission in DERC BPR, 2023.

We can comply with the agreed Debt Convents only in case, the Rate of Return on Equity is restored to earlier levels i.e. 16% post tax. The Detailed calculation is attached as **Annexure 3**.

Accordingly, we request the Hon'ble Commission to amend the Regulation 20 and restore the Rate of Return on Equity and Base rate of Return on Equity for Carrying Cost equivalent to at least the levels forming part of DERC BPR, 2019.




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On the basis of above submissions, we request the Hon'ble Commission to issue suitable amendment under Regulations 36 and 41 of DERC BPR, 2023.

Yours Sincerely,
For Tata Power Delhi Distribution Ltd.



Peyush Tandon
Chief (Regulatory, Legal & Power Management)

Encl: As mentioned above



ANNEXURE-1

Statement of Reasons for Business Plan Regulations 2023

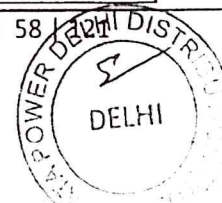
BYPL	Audited	Audited	Audited	Audited	Audited	Estimated	Projected		In Rs. Cr.
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee Exps (NET of capitalisation)									
FRSR	256.76	226.45	221.70	295.61	251.77	239.18	227.22	215.86	205.07
Non FRSR	107.80	123.93	126.15	97.72	105.36	128.62	134.61	140.89	147.45
A&G Expenses	171.23	179.15	174.71	179.19	191.84	205.47	215.04	225.06	235.55
Vehicle Hire and Running Expenses	18.95	20.82	22.98	22.83	25.15	25.39	26.57	27.81	29.11
Travelling, Conveyance, Boarding and Lodging	2.30	2.26	1.97	1.11	1.32	2.05	2.15	2.25	2.35
Insurance	1.79	2.44	2.79	4.41	4.55	3.67	3.84	4.02	4.20
Bill Collection Charges	17.74	16.99	12.31	13.64	14.84	17.18	17.98	18.81	19.69
Communication Expenses	8.12	6.88	8.01	9.20	8.33	9.29	9.73	10.18	10.65
Printing and Stationery	3.87	3.40	3.26	3.14	5.26	4.34	4.54	4.76	4.98
Meter Reading and Bill Distribution Expenses	12.19	33.01	32.78	29.76	35.63	37.46	39.20	41.03	42.94
Call Centre Expenses	4.29	4.26	5.26	5.90	7.42	6.22	6.51	6.81	7.13
House Keeping Charges	7.91	7.99	8.58	9.44	9.96	9.97	10.43	10.92	11.43
Security Expenses	16.45	16.79	16.69	17.57	18.49	19.72	20.64	21.60	22.60
Advertisement Expenses	0.87	0.77	0.69	0.72	0.89	0.90	0.95	0.99	1.04
Professional Consultancy Charges (normalised to exclude legal expenses for FY 2017-18 by 6 Cr and FY 18-19 by 10 Cr)	10.33	10.54	10.29	10.47	10.35	11.92	12.47	13.06	13.66
Door Step Service Expenses	5.47	5.51	6.34	6.09	-	5.32	5.57	5.83	6.10
Misc Support Service (SLA)	35.49	38.08	36.94	36.25	43.32	43.58	45.61	47.74	49.96
Expenditure on Corporate Social Responsibility									
Remuneration to Auditors	0.45	0.43	0.47	0.42	0.64	0.55	0.58	0.61	0.63
Directors' Sitting Fees	0.20	0.26	0.17	0.22	0.21	0.24	0.25	0.26	0.28
Bank Charges	1.34	0.76	0.47	0.55	0.34	0.77	0.80	0.84	0.88
Miscellaneous Expenses	3.59	8.76	4.72	7.47	5.53	6.90	7.22	7.55	7.90
R&M Expenses	119.32	134.11	128.81	129.75	133.82	148.07	154.97	162.19	169.75
Machinery	82.15	90.09	90.96	95.35	100.19	105.18	110.08	115.21	120.58
Buildings	3.89	3.84	5.52	2.98	2.97	4.40	4.61	4.82	5.04
Others	6.98	8.27	9.57	9.93	9.39	10.12	10.59	11.07	11.60
Stores and Spares consumed (Net of recoveries)	26.36	31.91	22.76	21.48	21.27	28.36	29.68	31.06	32.51
Stores and Spares written off	0.03	-	-	-	-	0.01	0.01	0.01	0.01

TPDDL	Audited	Audited	Audited	Audited	Audited	Estimated	Projected		In Rs. Cr.
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee Exps (NET of capitalisation)									
FRSR	223.87	198.87	201.72	272.51	228.57	245.97	233.67	221.98	210.89
Non FRSR	249.69	270.83	303.18	284.62	287.15	319.96	334.87	350.47	366.81
A&G Expenses	127.13	135.28	132.62	117.18	122.84	145.60	152.39	159.49	166.92
Communication expenses	2.33	2.55	2.40	2.40	2.37	2.77	2.90	3.03	3.17
Printing and stationery	2.96	3.22	3.27	1.68	2.40	3.10	3.25	3.40	3.56
Legal and professional charges	5.50	7.73	7.91	4.58	4.93	7.03	7.36	7.70	8.06
Travelling and conveyance	6.83	9.04	8.20	3.19	4.62	7.31	7.65	8.01	8.38
Insurance	5.06	5.14	6.31	7.96	8.22	7.49	7.84	8.21	8.59
Advertisement, publicity and business promotion	7.14	3.01	2.59	1.98	1.71	3.72	3.89	4.08	4.27
Rent and hire charges	2.50	2.56	1.29	1.15	0.90	1.93	2.02	2.11	2.21
Freight, handling and packing expenses	0.44	0.62	0.53	0.44	0.56	0.59	0.62	0.65	0.68
Bill collection and distribution expenses	12.00	11.43	11.22	7.04	8.15	11.43	11.96	12.52	13.10
Postage and courier charges	0.24	0.32	0.39	0.18	0.19	0.33	0.34	0.36	0.38
ODP expenses	11.31	8.89	12.41	12.29	13.71	13.44	14.06	14.72	15.40
Housekeeping expenses	8.93	9.20	9.83	10.19	10.65	11.19	11.71	12.26	12.83
Miscellaneous expenses	9.55	10.29	9.42	11.68	9.80	11.63	12.18	12.74	13.34
Transferred from R&M Expenses	52.22	61.25	57.07	52.42	54.61	63.64	66.61	69.71	72.96
R&M Expenses	112.18	113.63	127.94	141.58	154.04	148.89	155.83	163.09	170.69
Stores and spares consumed (net of recoveries)	28.90	30.69	40.47	43.28	51.93	44.77	46.85	49.04	51.32
(i) Building	5.07	4.52	5.22	5.23	5.41	5.84	6.11	6.39	6.69
(ii) Plant and equipment	78.21	78.42	82.25	93.07	96.71	98.28	102.87	107.66	112.68

Note: The FRSR employee cost as shown above is subject to True-up based on the actuals and is only indicative for the purpose of ARR.

o) The summary of O&M Expenses are as follows:

Controllable O&M expenses	UoM	Base year FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
BRPL					
Employee - Non FRSR	Rs. Cr.	296.02	309.82	324.25	339.36
A&G	Rs. Cr.	252.99	264.78	277.12	290.04
R&M	Rs. Cr.	223.79	234.22	245.13	256.55



ANNEXURE-2



दिल्ली विद्युत विनियामक आयोग Delhi Electricity Regulatory Commission

विनियामक भवन, सी-ब्लॉक, शिवालिक,
मालवीय नगर, नई दिल्ली-110017
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110017



F.7 (23-D)/DERC/FORUM/2019-20/Pt.File/64821/2218 Dated:14.02.2023

To

- ✓ 1. The Chief Executive Officer, BSES Rajdhani Power Ltd., BSES Bhawan, Nehru Place, New Delhi - 110019
2. The Chief Executive Officer, BSES Yamuna Power Ltd., Shakti Kiran Building, Karkardooma, Delhi - 110092
3. The Managing Director, Tata Power Delhi Distribution Ltd., Sub-Station Building, Hudson Lines, Kingsway Camp, Delhi - 110009
4. The Chairperson, New Delhi Municipal Council, Palika Kendra, Sansad Marg, New Delhi - 110001

Sub: 1/4th Budget release for FY 2023-24.

Ref.: Letter No. EOMB/Budget 2023-24/23 dated 06.02.2023 issued by the O/o The Electricity Ombudsman.

Sir,

This has reference to the letter No. EOMB/Budget 2023-24/23 dated 06.02.2023 received from the Secretary, O/o The Electricity Ombudsman on the subject cited above.

2. The Electricity Ombudsman has proposed an amount of Rs.1,27,42,349/- (Rupees One Crore Twenty-Seven Lakh Forty-Two Thousand Three Hundred Forty-Nine Only) as Budget for FY 2023-24.

3. The Electricity Ombudsman has requested to release 1/4th of the budgeted amount as advance for meeting the expenditure of the first quarter of the Financial Year 2023-24, pending audit of expenditure upto 31.03.2023. Therefore, the Audit for the FY 2022-23 of the O/o Electricity Ombudsman may take time, for smooth functioning of the O/o the Electricity Ombudsman, it is recommended for 1/4th of the FY 2023-24 budget amount of Rs.31,85,587/- (Rupees Thirty-One Lakh Eighty-Five Thousand Five Hundred Eighty-Seven Only).

4. The expenses of the O/o The Electricity Ombudsman are to be shared by all the distribution utilities in Delhi viz. BSES Rajdhani Power Ltd. (BRPL), BSES Yamuna Power Ltd. (BYPL), Tata Power Delhi Distribution Ltd. (TPDDL), New Delhi Municipal Council (NDMC), in proportion of energy available of State Transmission



[Signature]
14/2/23

Periphery to these entities from Delhi Transco Ltd. (DTL) in the FY 2019-20. Accordingly, 1/4th Budget balance amount of Rs.31,85,587/- for FY 2023-24 has been apportioned in the manner indicated in the following table.

DISCOMs	Energy available at State Transmission Periphery approved in Tariff Order for FY 2019-20 (MU)	%age	Proportion of Expenditure for FY 2023-24 i.e. 1/4 th of BE 2023-24 (in Rs.)
BRPL	13,496.11	42.37	13,49,733
BYPL	7,178.45	22.54	7,18,031
TPDDL	9,746.92	30.60	9,74,790
NDMC	1,430.84	4.49	1,43,033
Total	31,852.32	100	31,85,587

5. The distribution licensees are accordingly requested that the necessary payment may kindly be released directly to the O/o the Electricity Ombudsman at the earliest under intimation to this office. In case the payment is made through Cheque the same is required to be drawn in favour of "Electricity Ombudsman".

Yours faithfully,


14/2/23
(Rajesh Dangi)
Secretary

Copy to: The Electricity Ombudsman
O/o The Electricity Ombudsman
B-53, Paschimi Marg,
Opp. Tagore International School
Vasant Vihar, New Delhi - 110057



ANNEXURE-3

Debt Service Coverage Ratio (DSCR)	RA @ 1763 Cr		RA @ 5021 Cr		Remarks (Basis of working)
	(Fig. in Cr)	(Fig. in Cr)	(Fig. in Cr)	(Fig. in Cr)	
	Estimated	Estimated	Estimated	Estimated	
Particulars	FY 23-24 BPR	FY 23-24	FY 23-24 BPR	FY 23-24	
ROE rate/return on equity portion of RA	14%/13%	16%/15%	14%/13%	16%/15%	
Profit After Tax	206.75	236.90	311.61	357.90	ROE of 14% shall be allowed on equity portion of RRB (Avg equity 928 Cr as per last Tariff order 2021 Table 4.61) + ROE impact of capitalisation in subsequent years+ Equity return towards carrying cost of RA
Depreciation	396.00	396.00	396.00	396.00	5% Increase over FY 22-23 as per past trend
Finance Cost	286.32	286.32	286.32	286.32	kept same as per FY 22-23
Profit Before depreciation & interest (A)	889.06	919.22	993.93	1,040.22	
Finance Costs	286.32	286.32	286.32	286.32	Kept as per actual avallment of loans during FY 22-23
Repayment of Capex Loans	630.51	630.51	630.51	630.51	kept as per actual repayment of loans during FY 22-23
Repayment of Revenue gap Loans					
Total (B)	916.83	916.83	916.83	916.83	
Debt Service Coverage Ratio (A/B)	0.97	1.00	1.08	1.13	
Minimum Debt Service Coverage Ratio (as per bank agreement)	1.13	1.13	1.13	1.13	
Covenant status	Not complied	Not complied	Not complied	Complied	



(1/2)

Interest Coverage Ratio (ICR)	(Fig in Cr)				Remarks (Basis of working)
	RA @ 1763 Cr		RA @ 5021 Cr		
Particulars	Estimated FY 23-24	Estimated FY 23-24	Estimated FY 23-24 BPR	Estimated FY 23-24	
ROE rate/return on equity portion of RA	14%/13%	16%/15%	14%/13%	16%/15%	
Profit after Tax	206.75	236.90	311.61	357.90	ROE of 14% shall be allowed on equity portion of RRB (Avg equity 928 Cr as per last Tariff order 2021 Table 4.61) + ROE impact of capitalisation in subsequent years+ Equity return towards carrying cost of RA
Tax	44.01	50.43	66.21	76.04	As per applicable MAT rate of 17.47% on grossed up ROE and tax on equity portion of RA
Profit before Tax	250.76	287.34	377.82	433.95	
Finance Cost	286.32	286.32	286.32	286.32	kept same as per FY 22-23
Profit Before Interest and Tax (A)	537.08	573.66	664.14	720.27	
Interest charges (B)	286.32	286.32	286.32	286.32	kept same as per FY 22-23
Interest Coverage Ratio (A/B)	1.88	2.00	2.32	2.52	
Minimum Interest Coverage Ratio (as per bank agreement)	2.00	2.00	2.00	2.00	
Covenant status	Not complied	complied	complied	complied	



(2/2)

