



TATA POWER-DDL

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

PUBLIC NOTICE REQUEST FOR PUBLIC RESPONSE

Multi Year Tariff Petition for approval of Aggregate Revenue Requirement for Distribution (Wheeling and Retail Supply) Business for FY 2012-13 to FY 2014-15 and True up of FY 2010-11

March 10, 2012

- Under the provisions of the Electricity Act, 2003, Delhi Electricity Reform Act, 2000 to the extent applicable and the DERC (Terms & Conditions for determination of Wheeling Tariff & Retail Supply Tariff) Regulations issued by the Delhi Electricity Regulatory Commission (DERC or Commission) vide Order dated December 2, 2011 and MYT Regulations dated May 30, 2007 applicable to erstwhile MYT Period for FY 2007-08 to FY 2011-12, Tata Power Delhi Distribution Limited (TPDDL, formerly known as NDPL) has filed a Multi Year Tariff (MYT) Petition on 07.02.2012 before the DERC for True up of FY 2010-11 and approval of Aggregate Revenue Requirement (ARR) and corresponding Tariff adjustments. The Commission has admitted the Petition vide Order dated 09.02.2012.
- The salient features of the Petition are as under:

Summary of ARR and Revenues for TPDDL at existing Retail Supply Tariff (RST)

S.No	Particulars	Unit	2010-11	2011-12	2012-13	2013-14	2014-15
A	Energy Input	MUs	7,306	7,622	8,236	8,903	9,619
B	Energy Billed	MUs	6,400	6,665	7,222	7,829	8,483
C	AT&C Loss Level for the year@	%	13.10%	13.00%	12.75%	12.50%	12.25%
D	Average Power Purchase Rate	Rs./kWh	4.26	4.56	4.92	5.29	5.43
E	Average Billing Rate (Excl. E Tax & FSA) #	Rs./kWh	4.64	4.96	5.52	5.51	5.50
F	Power Purchase Cost at Average Power Purchase Rate (A x D/10)	Rs. Cr	3,113	3,476	4,053	4,707	5,224
G	Arrear Bills of Power Purchase	Rs. Cr	-	370	-	-	-
H	O&M expenses Allowed/sought in ARR	Rs. Cr	330	315	548	662	804
I	Depreciation	Rs. Cr	110	118	211	228	259
J	RoCE + Retail Supply Margin including interest on borrowings	Rs. Cr	242	263	364	405	442
K	Other Expenses	Rs. Cr	67	15	48	52	57
L	Less: Other income including Non Tariff Income	Rs. Cr	90	65	69	77	82
M	Aggregate Revenue Requirement (F to K-L)	Rs. Cr	3,772	4,492	5,155	5,977	6,704
N	Revenue available for the purpose of ARR	Rs. Cr	2,670	3,363	4,373	4,815	5,309
O	Less: Reduction of Revenue Gap through additional revenues generated by reducing AT&C Losses better than Target level-Consumer Share	Rs. Cr	34				
P	Revenue Gap for the year at existing Tariff (M-N-O)	Rs. Cr	1,068	1,129	782	1,162	1,395
Q	Carrying Cost during the Year	Rs. Cr	183	364	528	714	962
R	Revenue Gap for the year (P+Q)	Rs. Cr	1,251	1,493	1,310	1,876	2,357
S	Opening Revenue Gap approved up to FY 09-10	Rs. Cr	1,113				
T	Total Cumulative Revenue Gap (including Carrying Cost)	Rs. Cr	2,364	3,857	5,167	7,043	9,400

Note:

@ Actual for FY 10-11 and estimated for FY 11-12 onwards.

Current Average Billing Rate being charged to consumers.

3. Capex Proposal

Particulars	UoM	FY 12-13	FY 13-14	FY 14-15
Estimated Capex to be incurred (including deposit work)	Rs Cr	419	475	453

4. Revenue Gap During FY 2012-13 to FY 2014-15

S No	Particular	UoM	FY 12-13	FY 13-14	FY 14-15
A	Annual Revenue Requirement (excluding carrying cost on past Revenue Gaps)	Rs. Cr	5,155	5,977	6,704
B	Revenue Realised other than FPA	Rs. Cr	3,967	4,293	4,644
C	Revenue Realised through FPA	Rs. Cr	406	522	665
D = B+C-A	Revenue (Gap)/Surplus	Rs. Cr	(782)	(1,162)	(1,394)
E = D/B	Tariff Hike Required from Existing levels (excluding FPA)	%	19.7%		
F = B*(1+E)	Revenue at revised tariff after considering required hike of FY13	Rs. Cr		5,139	5,560
G = F+C-A	Revised Revenue (Gap)/Surplus for the year	Rs. Cr		(316)	(479)
H = G/F	Tariff hike from proposed level			6.1%	8.6%

5. To immediately stop further accumulation of Revenue Gap due to variations in estimated power purchase cost allowed in current distribution tariff and actual power purchase cost being incurred, the implementation of monthly/quarterly automatic power purchase price adjustment surcharge is highly imperative. This will also reduce the burden of carrying cost on consumers for revenue gaps that get accumulated.

6. For Recovery of costs other than covered by point 5 above a tariff correction is required.

7. Regarding the recovery of accumulated Revenue Gap with carrying cost over a period of time, a Revenue Gap Recovery Surcharge is proposed as a separate line item in electricity bills applicable till the time entire revenue gap with carrying cost is recovered or alternatively suitable amortization plan may be worked out.

8. Introduction of "Reliability Surcharge" as a separate component of tariff, proposed to be levied only on high end consumers and accordingly minimising the burden of tariff correction on lower end consumers. (detailed proposal contained in the Petition).

9. Performance of TPDDL during FY 2010-11.

◆ AT&C Loss Reduction

The AT&C loss level has been brought down to 13.1% at the end of FY 10-11 as against MYT target for AT&C loss level at the end of FY 10-11 being 17% thereby resulting in an overachievement of loss reduction in AT&C loss levels by 3.90% leading to availability of additional revenue of Rs. 33.91 Cr to the benefit of Consumers.

◆ Other key Improvements carried out:

- 4 new grids were commissioned in FY 10-11 to strengthen Distribution System.
- All stations are fully SCADA compliant and remote controlled.
- All distribution network poles (inclusive of street light poles) numbered and painted to facilitate improved customer services.
- Establishment of Secondary data Center for improved security and business continuity.
- Commissioning of two units of own gas based electricity generation plant at Rithala and 1000 KW Rooftop Solar generation plant at Keshavpuram to enhance power availability and provide uninterrupted power supply to consumers in our area of operation.
- Facility of generating Mini Bills extended and made available at all the 34 ATPM Machines.
- SMS Alert service introduced to get the details of last 5 payments.
- New payment channels established resulting in total consumer touch points exceeding 5800.
- More than 150 electricians trained under Neighborhood Electrician Scheme.

10. In accordance with the provisions of the DERC Comprehensive (Conduct of Business) Regulations, 2001 notified by the Commission, the consumers and stakeholders are requested to submit the response on the above said Petition latest by 30th March, 2012. The response may be sent to the Secretary of the Commission personally or by post or by email at the following address, email id as mentioned below.

DELHI ELECTRICITY REGULATORY COMMISSION

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

Email id: secyderc@nic.in Telefax: 011-26673608

11. The Commission would hold public hearings with the responding stakeholders subsequently. The date of the public hearings shall be notified separately by the Commission.

12. A copy of the Petition can be purchased from the head-office of the TPDDL located at NDPL House, Hudson Lines, Kingsway Camp, Delhi-110 009 on any working day, from 10th March, 2012 to 29th March, 2012 between 11 a.m. to 4 p.m. on payment of Rs. 100/-, either by cash or by Demand Draft/Pay Order in favour of Tata Power Delhi Distribution Limited, payable at New Delhi.

13. The complete Petition is available at our website <http://www.ndpl.com> and/or <http://www.tatapower-ddl.com> as well as the website of the Commission <http://www.derc.gov.in>. Copy of the Petition is available for inspection at our Head Office as well as the Commission's office at the addresses provided herewith, on any working day between 11 a.m. to 4 p.m.

For Tata Power Delhi Distribution Limited

Sd/
(Hemant Goyal)
Addl., GM (Finance)