

**ARR for FY 2025-26**

As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*, the Hon'ble Commission has notified Business Plan Regulations, 2023, which contains the following parameter applicable for the Control Period (FY 2023-24 to FY 2025-26):

- (1) *Rate of Return on Equity*
- (2) *Margin for rate of interest on Loan*
- (3) *Operation and Maintenance Expenses*
- (4) *Capital Investment Plan*
- (5) *Mechanism for sharing of incentive-disincentive mechanism*
- (6) *Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset*

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- (9) *Distribution Norms:*
  - (a) *Distribution Loss Target*
  - (b) *Collection Efficiency Target*
  - (c) *Targets for HPO, Wind & Other RPO*
  - (d) *Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions*
  - (e) *The ratio of various ARR components for segregation of ARR into Retail Supply and Wheeling Business.*

It is submitted that ARR has been computed on an estimated basis and any variation on account of eligible claims in accordance with the regulations and orders of judicial/statutory authorities as issued from time to time in respect of Power purchase costs, Incentives, O&M expenses, Depreciation, Return on capital employed along with carrying costs on regulatory gap, etc., will be permitted during the true-up process.

In light of the recent accounting rules for Discoms issued by the Ministry of Power, the Petitioner respectfully request the Hon'ble Commission to include a suitable provision in the upcoming tariff order to address the recoverability of the differential claims/amount in future tariffs, in accordance with the regulations.

Based on the above, the Petitioner submits its Aggregate Revenue Requirement for FY 2025-26.

**Projected Energy Sales & Billed Revenue for FY 2025-26**

To estimate the energy sales for the year FY 2025-26, the Petitioner has considered the underlying factors which drive the demand for electricity and past growth trend. Demand forecast is based on the standard approach looking at the past year's consumption trend. The assumptions considered for forecasting category wise sales are as below:

1. Based upon available growth trends, Compounded Annual Growth Rate (CAGR) of 5 Years is considered for the Sales forecast because CAGR of 2/3/4 years is not indicative of demand trend due to impact of COVID-19. Consumers and Load other than Public Utilities, Temporary Supply and E-vehicles for which 1-year CAGR is considered.
2. To estimate the energy sales for FY 2025-26, Tata Power- DDL has considered FY 2023-24 as base year and computed sales for FY 2024-25 by using above CAGR and further escalated by same CAGR to arrive sales for FY 2025-26.
3. For those categories where CAGR/ past growth trends are not showing any particular type of movement then the demand has been forecasted based on consumption pattern of FY 2023-24.
4. Impact of Demand Side Management due to replacement of existing electrical equipment's with the star rated equipment's have been considered while forecasting the sales.
5. Impact of Net Metering due to Solar Energy generated by the different categories of consumers has also been factored while forecasting the energy sales. Prospective plans of generation under Net metering is given below.

Category	FY 2025-26 (In MU's)
Domestic	2
Non-Domestic	3
Industrial	5
<b>Total</b>	<b>10</b>

6. Impact of movement of consumers under Open Access has also been factored for future years. FY 2025-26 projection of reduction in consumption (in MU's) due to Open Access is given below:

Category	FY 2025-26 (in MU's)
Industrial	6
Non Domestic	5
<b>Total</b>	<b>11</b>

Previous years' billed sales trend are given below:

**Year on Year Category wise billed Sale from FY 2019-20 onwards is given below**

**Table 4.1: Category wise summary of units sold from FY 2019-20 to FY 2024-25**

S. No.	Category	FY20 Sales (MU)	FY21 Sales (MU)	FY22 Sales (MU)	FY23 Sales (MU)	FY24 Sales (MU)	FY25 Sales (MU) Estimated
1	Domestic	4,321.09	4,473.85	4,428.00	4,934.97	4,873.14	5,052.31
2	Non Domestic	1,552.30	1,182.43	1,349.27	2,094.40	2,437.32	2,472.39
3	Industrial	2,496.57	2,080.42	2,340.17	2,176.62	1,944.03	1,972.00
4	Agriculture & Mushroom Cultivation	15.03	16.79	14.43	17.60	16.12	16.34
5	Public Utilities	579.90	439.97	500.56	574.18	566.24	605.42
6	Own Consumption	12.75	13.11	13.63	13.30	12.63	25.94
7	Advertisement & Hoarding	0.38	0.48	0.42	0.32	0.31	0.31
8	Others**	107.70	103.38	105.74	135.35	178.51	256.72
	<b>Total</b>	<b>9,085.73</b>	<b>8,310.43</b>	<b>8,752.21</b>	<b>9,946.72</b>	<b>10,028.30</b>	<b>10,401.42</b>

Note: As per Form 2.1a for respective years, all sub-categories are merged into one main category

\*\* Others includes Staff, Temporary, and Theft & Misuse.

**Table 4.2: CAGR of Units Billed based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	3.68%	3.05%	2.89%	4.91%	-1.25%
2	Non Domestic	1.44%	1.99%	10.32%	8.97%	2.58%
3	Industrial	1.44%	1.99%	10.32%	8.97%	2.58%
4	Agriculture & Mushroom Cultivation	1.36%	-0.34%	-3.69%	5.33%	-9.24%
5	Public Utilities	-1.63%	-0.59%	8.77%	6.36%	-1.38%
	<b>Total</b>	<b>2.49%</b>	<b>2.50%</b>	<b>6.46%</b>	<b>7.04%</b>	<b>0.82%</b>

*Note: FY 2023-24 as base year is considered for sales forecast of FY 2024-25. Also, predominantly CAGR for five years has been considered for sales forecast of FY 2025-26*

**Domestic**

The consumption of energy by domestic consumers constitutes substantial part of total sales of the Petitioner.

Based on the sales of 4,873 MU's for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
3.68%	3.05%	2.89%	4.91%	-1.25%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 3.68%, (i.e. 5-year CAGR) twice to estimate the energy sales for domestic consumers for FY 2025-26 considering FY 2023-24 as base year.

Further impact due to energy generated under roof top solar has been adjusted in the domestic consumption as per above assumptions along with impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's.

Based on above the projected consumption for domestic consumers is computed as below:

**Table 4.3: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Domestic			
I	Domestic - Others than CGHS	5,022.78	3.68%	5,207.45
	<b>Adjusted due to</b>			
	Less: Metering of Roof top solar			2
	Less: Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			2
	<b>Net Consumption – Domestic</b>			<b>5,203.45</b>
II	Single delivery point for CGHS/Hospital	29.53		
	<b>Total Domestic</b>	<b>5,052.31</b>		<b>5,234.06</b>

**Non-Domestic**

The consumption of energy by non-domestic consumers constitutes reasonable share of total sales of the Petitioner.

Based on the sales of 2,437 MU's for FY2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.44%	1.99%	10.32%	8.97%	2.58%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 1.44%, (i.e. 5-year CAGR) twice to estimate the energy sales for Non-domestic consumers for FY 2025-26 considering FY 2023-24 as base year.

The Petitioner has further considered the impact of Net Metering arrangement and Open Access for its consumption for Non- Domestic Consumers as per above assumptions.

Based on above projected consumption for non-domestic consumers is computed as below

**Table 4.4: Projected billed energy for FY 2025-26**

S. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Non-Domestic			
I	Non -Domestic below 3 kVA	2,472.39	1.44%	2,507.95
II	Non -Domestic above 3 kVA			
	Less: Open Access			5
	Less- Adjustment for Net Metering			3
	<b>Net Consumption</b>			<b>2,499.95</b>

### **Industrial**

The consumption of energy by Industrial consumers constitutes approx. 1/5<sup>th</sup> part of total sales of the Petitioner.

Based on the sales of 1,944 MU's to industrial consumers for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.44%	1.99%	10.32%	8.97%	2.58%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 1.44% (i.e. 5-year CAGR) twice to estimate the energy sales for Industrial consumers for FY 2025-26 considering FY 2023-24 as base year.

The Petitioner has further considered the impact of Net Metering arrangement and Open Access for its consumption for Industrial Consumers as per above assumptions along with impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's.

Based on above projected consumption for Industrial consumers is computed as below

**Table 4.5: Projected billed energy for FY 2025-26**

S. No.	Category	FY 25 Sales (MU's)	Growth (%)	FY 26 Sales (MU's)
A	Industrial			
I	Industrial	1,972.00	1.44%	2,000.37
	Less: Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			4.00
	Less: Open Access			6.00
	Less- Adjustment for Net Metering			5.00
	<b>Net Consumption</b>			<b>1,985.37</b>

**Agriculture and Mushroom Cultivation**

The consumption of energy by Agriculture & Mushroom cultivation consumers constitutes a very small portion of total sales of the Petitioner.

Based on the sales of 16 MU's for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1.36%	-0.34%	-3.69%	5.33%	-9.24%

The Petitioner has considered the CAGR of 5 Year i.e. 1.36% growth twice for projecting the agriculture & mushroom cultivation consumption considering FY 2023-24 as base year.

**Table 4.6: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25	Growth (%)	FY 26
		Sales (MU's)		Sales (MU's)
I	Agriculture & Mushroom	16.34	1.36%	16.56

**Public Utilities**

The consumption of energy towards public utilities constitutes approx. 6% of total sales of the Petitioner.

Based on the sales of 566 MU's for FY 2023-24 the Petitioner has computed CAGR over a period of one year to five years.



The Petitioner has considered 1-year CAGR category-wise for FY 2025-26 projected energy sale for Public Utilities. For DMRC, there has been decline in sales as compared to previous year therefore the growth rate has been restricted to 0%.

**Table 4.7: Projected billed energy for FY 2025-26**

Sl. No.	Category	FY 25	Growth (%)	FY 26
		Sales (MU's)		Sales (MU's)
<b>Public Utilities</b>				
(i)	Public lighting	130.60	2.72%	134.16
(ii)	Delhi Jal Board (DJB)	292.82	4.56%	306.18
(iii)	Delhi Metro Rail Corporation	182	0%	182
	<b>Public Utilities</b>	<b>605.42</b>		<b>622.34</b>

### **Own Consumption**

The Hon'ble Commission in its Business Plan Regulations, 2023 has stated that normative Own consumption of DISCOM's shall be considered @ 0.25% of billed sales of the respective year. Based on the same the Petitioner is seeking Own consumption as computed below:

**Table 4.8: Projected energy from FY 2025-26**

S. No.	Category	FY 26 Sales (MU's)
I	Billed Sale	10,754.41
II	Own consumption @ 0.25%	0.25%
III	Own consumption MU	26.89

### **Advertisement & Hoardings**

The consumption of energy by Advertisement & Hoardings consumers constitutes a very little portion of total sales of the Petitioner. The Petitioner has considered a growth of 1.44% just like Non-Domestic to project the energy sales for Adv. & Hoardings.

**Table 4.9: Projected energy for FY 2025-26**

S. No.	Category	FY 25	Growth	FY 26
		Sales (MU's)	Rate	Sales (MU's)
I	Advertisement & Hoardings	0.31	1.44%	0.31

**E – Vehicle**

Based on the sales of 81 MU's for FY 2023-24 the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
64.69%	45.29%	71.19%	87.70%	85.87%

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 85.87% (i.e. 1-year CAGR) twice to estimate the energy sales for E-Vehicle consumers for FY 2025-26 considering FY 2023-24 as base year.

**Table 4.10: Projected energy for FY 2025-26**

S. No.	Category	FY 25	Growth	FY 26
		Sales (MU's)	Rate	Sales (MU's)
I	E-Vehicle	151	85.87%	281.03

**Others (including Temporary Supply, Misuse and Theft)**

The Petitioner has projected following sale for Temporary, Misuse, Theft and Staff category consumers.

**Table 4.11: Projected energy for FY 2025-26**

Sl. No.	Category	FY25 Sales (MU's)
I	Others	114.79

Based on the above assumptions and explanations, the category wise estimated summary of billed sale (MU's) for FY 2025-26 is given below:

**Table 4.12: Projected Sales (MU's) for FY 2025-26**

S. No	Category	FY 2025-26 Projections
A	Domestic	5,234.06
	Domestic - Others than CGHS	5,203.45
	Single delivery point for CGHS/Hospital	30.61
B	Non –Domestic	2,499.95
C	Industrial	1,985.37
D	Agriculture	15.12
E	Mushroom Cultivation	1.44
F	Public Utilities	622.34
G	Advertisement & Hoardings	0.31
H	E-Vehicle	281.03
I	Others* including Temporary Supply	114.79
J	Own consumption	26.89
	<b>Total</b>	<b>10,781.30</b>

\*Others includes Staff, Theft & Misuse

**Estimated Consumers for next year**

To estimate the numbers of Consumers for year FY 2025-26, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connection and consumer growth for FY 2025-26. Also, numbers of consumers estimate is forecasted based on the standard approach looking to the past year's trend as follows:

- a) CAGR of five year has been considered for consumer projections for FY 2025-26 for categories like Domestic, Non-Domestic, Industrial, Agriculture & Mushroom in line with CAGR used for Sales.
- b) CAGR of one year has been considered for consumer projections for FY 2025-26 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

**CAGR of Consumers based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	4.08%	3.91%	3.92%	3.91%	3.65%
2	Non-Domestic	1.49%	1.66%	1.93%	2.31%	2.25%
3	Industrial	1.49%	1.66%	1.93%	2.31%	2.25%
4	Agriculture & Mushroom Cultivation	-0.17%	-0.53%	-0.97%	-0.42%	-0.02%
5	Public Utilities	3.34%	2.47%	1.73%	0.99%	1.12%
6	E-vehicle	34.65%	28.08%	33.31%	39.04%	48.72%
	<b>Total</b>	<b>3.55%</b>	<b>3.41%</b>	<b>3.45%</b>	<b>3.66%</b>	<b>3.42%</b>

Petitioner has projected approx. 21.80 lakhs consumers for FY 2025-26. Category wise breakup of Consumers is given below:

**Table 4.13: Given below is the projected number of consumers for Next year**

S. No.	Category	FY 2025-26
A	Domestic	1,85,9283
B	Non -Domestic	2,73,851
C	Industrial	14,182
D	Agriculture	4,159
E	Mushroom Cultivation	20
F	Public Utilities	6,662
G	Advertisement & Hoardings	225
H	Others- including E vehicle	21,296
	<b>Total</b>	<b>2,179,678</b>

**Estimated Consumer Load for next year**

To estimate the consumer load for year FY 2025-26, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connection and consumer load growth for FY 2025-26. Also load estimate is forecasted based on the standard approach looking to the past year's trend as follows:

- a) CAGR of five year has been considered for consumer load projections for FY 2025-26 for categories like Domestic, Agriculture & Mushroom in line with CAGR used for Sales.
- b) CAGR of one year has been considered for consumer load projections for FY 2025-26 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

**CAGR of Consumers Load based on Main Category wise consumption**

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	4.39%	4.91%	5.59%	6.29%	6.36%
2	Non-Domestic	-0.38%	0.25%	1.59%	1.47%	2.18%
3	Industrial	-0.38%	0.25%	1.59%	1.47%	2.18%
4	Agriculture & Mushroom Cultivation	1.94%	2.01%	2.56%	2.01%	2.49%
5	Public Utilities	4.93%	-6.46%	2.46%	2.50%	1.75%
6	E -vehicle	87.98%	97.09%	135.51%	141.76%	144.04%
	<b>Total</b>	<b>2.51%</b>	<b>2.66%</b>	<b>4.10%</b>	<b>4.58%</b>	<b>5.10%</b>

For the purpose of computing fixed charges, the Petitioner has projected load of 7,282 MW for FY 2025-26. Category wise break up of consumers load is given below:

**Table 4.14: Given below is the projected number of consumer's load for Next year**

S. No.	Category	FY 2025-26 (MW)
A	Domestic	4,062
B	Non -Domestic	1,811
C	Industrial	858
D	Agriculture	33
E	Mushroom Cultivation	1
F	Public Utilities	235
G	Advertisement & Hoardings	1
H	Others- including E vehicle	281
	<b>Total</b>	<b>7,282</b>

**Estimated Revenue at existing Tariff for next year**

The Hon'ble Commission has followed two-part tariff principle for each consumer category (except CGHS colonies) consisting of fixed/ demand charges as well as energy charges.

1. The fixed/ demand charges are specified for different categories as a fixed amount per month or as a fixed amount per kW of sanctioned load per month.
2. The energy charges, on the other hand, are always usage-based and are specified as per unit of electricity consumed.

In order to reduce the cost of power purchase during peak hours the Hon'ble Commission has implemented Time of Day Tariff (TOD) wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off peak time. The Hon'ble Commission in its Tariff Order September, 2015 has reviewed the TOD time slots and restrict the applicability of TOD for the period May- September instead of whole year. As it is possible to ascertain distinct peak and off-peak periods during the winter season also in addition to the summer season, for which TOD mechanism has already been put in place by the Hon'ble Commission, the Petitioner has requested the Hon'ble Commission for review of TOD mechanism which forms part of this petition as there has been no change since September, 2015.

It is further clarified that the Hon'ble Commission vide its Tariff Order dated July, 2012 has introduced Deficit Revenue Recovery Surcharge @ 8% on the aforesaid two-part tariff. The aforesaid surcharge has been imposed for recovery of previous years accumulated Revenue Gap and carrying cost which otherwise has to be met through increase in two- part tariff.

**Methodology for Computation of Fixed Charges for Domestic Consumers**

- a) For Domestic consumers with sanctioned load less than 5 kW, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the number of months for respective consumers in that particular tariff slab.

- b) For Domestic consumers with sanctioned load exceeding 5 kW, the revenue from fixed charges is calculated by multiplying the specified fixed charge with the connected load (in kW) of the category.

**Methodology for Computation of Energy Charges for Domestic Consumers**

For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

**Methodology for Computation of Fixed Charges & Energy Charges for other than Domestic Consumers and Advertisement & Hoarding Consumers**

For Non-Domestic, Industrial, Public Utilities billing is done either on kW or kVA basis, as specified in the last approved tariff schedule. Since projections for next year are done only on kW basis for sanctioned load and on kWh basis for energy sales, wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

Based on the above factors i.e. energy billed, no. of consumers, consumer load, the Petitioner has estimated revenue at existing retail supply Tariff for next year.

Category wise estimated Revenue Billed for FY 2025-26 is given below:

**Table 4.15: Estimated Billed Revenue (Rs Cr)**

Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Domestic	252.82	2,105.02	0.00	2,357.83	4.50	165.05
Non -Domestic	543.44	2,141.17	13.32	2,697.93	10.79	188.86
Industrial	257.39	1,562.37	10.42	1,830.17	9.22	128.11
Agriculture	4.98	2.27	0.00	7.24	4.79	0.51
Mushroom Cultivation	0.13	0.50	0.00	0.63	4.39	0.04
Public Utilities	70.59	419.51	0.39	490.49	7.88	34.33
Advertisement & Hoardings	0.15	0.27	0.00	0.42	13.41	0.03
E Vehicle	0.00	126.46	1.37	127.83	4.55	8.95

Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Others	12.39	86.32	0.00	98.71	6.97	6.91
<b>Total</b>	<b>1,141.89</b>	<b>6,443.89</b>	<b>25.50</b>	<b>7,611.27</b>	<b>7.06</b>	<b>532.76</b>
8% Deficit Revenue Surcharge				<b>608.87</b>		

**Collection efficiency**

The Hon'ble Commission has approved collection target of 99.80% vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2023.

Relevant extract of the same is given below:

**26. TARGET FOR COLLECTION EFFICIENCY**

*(1) The targets for Collection Efficiency for FY 2023-24 to FY 2025-26 of the Distribution Licensee shall be 99.80%.*

Based on above, collection efficiency at 99.80% level is considered for FY 2025-26.

**Table 4.16: Estimated Energy Collection**

S. No.	Particulars	Amount Rs Cr	Remark
A	Estimated Billing at Current Tariffs –without DRS, E tax & Pension Trust	7,611.27	Table 4.15
B	Collection Efficiency	99.80%	
C	Estimated Collection	7,596.05	(A*B)

**Target for Distribution Loss Level**

The Hon'ble Commission in its Business Plan Regulations, 2023 has approved distribution loss reduction targets as mentioned in table below in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017:

**Table 4.17: Distribution loss level for 5th MYT Control Period**

Category	FY 2023-24	FY 2024-25	FY 2025-26
Approved Distribution Target Loss level	6.91%	6.83%	6.74%
Year on Year reduction in distribution loss level		0.08%	0.09%

Based on above table, distribution loss level of 6.74% for FY 2025-26 has been considered and corresponding energy requirement at TPDDL periphery comes to 11,560 MU's for FY 2025-26.

**Table 4.18: Estimated Energy Requirements for FY 2025-26**

S. No.	Particulars	UoM	Amount	Remark
A	Expected Sales	MU	10,781.30	Table 4.12
B	Distribution Loss	%	6.74%	Table 4.17
C	Energy Input (at TPDDL periphery)	MU	<b>11,560.47</b>	A/(1-B))
D	Distribution Loss	MU	779.18	(C-A)

**Power Purchase Projections for FY 2025-26**

Power purchase cost is the single largest component of ARR for a distribution company and hence the same is being submitted as part of MYT Regulations considering power from both existing as well as future power stations.

**Allocation of Power from Central and State Generating Stations**

- Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the latest allocation order has been considered.
- Further, allocation from various stations has been considered as per latest allocation orders issued by Delhi SLDC.
- It is further clarified that no power from unallocated quota has been considered for projection purposes.
- Medium Term Hydro Purchase from NVVNL (200 MW) has been considered from May'2025 to Sep'2025. This contract is only for peak summer months.
- No other Bilateral Purchase has been considered.

**Energy Availability from the Central Sector, State Sector and Other Generating Stations and cost assumptions:**

The Energy available in MU's for the purpose of projections has been computed as below:

- (i) To estimate the energy (MU's) which would be scheduled from the long-term sources; stations like Hydro, Nuclear, Renewable & Delhi Genco stations have been considered as must run stations. All other plants have been considered to be running at minimum technical limit (MTL) and further, it has been assumed that the plants having Energy charge rate (ECR) less than the estimated sale rate at exchange shall be scheduled to maximum allocation basis the exchange rates for maximizing surplus sale rate considering market conditions.
- (ii) Interstate STOA Charges have been considered as 38 Paise for the short-term purchase.
- (iii) The generation expected from Own TPDDL- Solar installed capacity and roof top solar has been considered at 15% Capacity Utilization Factor (CUF).

- (iv) No energy is considered to be scheduled from Rithala in view of DERC directive.
- (v) The ECR's have been considered as per following:
- Thermal stations: As per latest ECR of Apr'24 to Aug'24 FY 2024-25.
  - Hydro Stations: Apr to Aug: - As per FY 2024-25 & for Sep to Mar as per FY 23-24
  - Nuclear Stations: Apr to Aug: - As per FY 2024-25 & for Sep to Mar as per FY 23-24
  - Renewable Stations: As per their defined tariffs
- (vi) PGCIL Transmission charges have been considered factoring in the implementation of GNA Regime. Monthly Charges of approx. Rs. 47.40 Cr. (including GNA enhancement required if any) has been considered.
- (vii) New Plant additions considered in FY 2025-26 are:
- SECI Solar ACME 100 MW added for full year at 24% CUF considering ECR of Rs. 2.51/-unit.
  - Hybrid 510 MW through TPREL added from Jan'26 to Mar'26 at ~30% CUF considering ECR of Rs. 3.00/-unit.
  - Parbati-2 19 MW added for full year at 45% CUF considering overall cost of Rs. 6.00/-unit.
- (viii) Others
- Fuel Gas Desulfurization (FGD) expense is as follows: Aravali Jhajjar (Major contributor is Aravali Jhajjar for TPDDL due to allocation of 578 MW). As per the latest communication from Aravali Jhajjar, we have started getting the FGD expense corresponding to One unit [FC ~ Rs. 3 cr./monthly and VC: ~6 p/kWh] and for remaining 2 units they are going to install FGD & operationalize the same by Dec'24, so the additional expected cost equivalent to [FC ~ Rs. 3 cr./monthly for each unit and VC: ~6 p/kWh] for full FY have been considered in the PPC for FY 25-26. And FGD expense of CLP & Dadri-2 has also been considered on the similar lines considering the current expenses.

- b. Compensation charges of Rs. 6.7 Cr. has been considered to the extent of the Aravali Jhajjar being backed down during Oct'2025 to Mar'2026 based on last year trend.
- c. No Arrear has been considered in energy balance due to uncertainty of the amount and duration of the legal cases to get resolved.
- d. REC cost of Rs. 8 Cr. has been considered for meeting the RPO compliance against the shortfall of RPO quantum. The same has been considered @ Rs. 0.15 + GST (18%).

Based on above assumption, power purchase & its cost from various state generating stations for next year is given below:

**Power Procurement cost of the above State Generating Plant (Rs. Cr)**

To compute the power procurement cost for next year, the following assumptions are considered:

- (i) Fixed Cost is considered as per Current Billed Annual Fixed Cost (AFC's).
- (ii) Variable cost for FY 2025-26 for each generating station, considered as per above assumptions.
- (iii) Delhi Gencos Stations:- GT (Half Module i.e 11 MW from April'25 to Mar'26), Pragati-1(Full Module from May'25 to September'25 and half module for April'25 and October'25 and for remaining period Nil) and for Pragati 3 ( Max of One Full Module {140 MW} from April'25 to Septemebr'25 and MTL of One Full Module {100 MW} from October'25 to March'26).

**Table 4.19: Projected Power Purchase from State Generating Stations for FY 2025-26**

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
<b>A</b>	<b>State Generating Stations</b>				
I	Pragati	228	29	244	274
II	Pragati III	1,052	285	824	1,109
III	GT	96	16	130	146
	<b>Total SGS</b>	<b>1,376</b>	<b>330</b>	<b>1,198</b>	<b>1,528</b>

**Central Sector Generating Stations**

- (i) Thermal Plants: The estimates for energy availability from coal-based plants are based on the normative month wise availability (PAFM) of the stations.
- (ii) Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.
- (iii) Hydro Plant: The energy estimation is based on the actual energy received from these plants in previous years.
- (iv) To estimate the energy (MU's) which would be scheduled from the CSGS, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to 85% of allocation.
- (v) Scheduling from these Central Generating Stations Plants have been considered @ 85%, but if variable rates of any station is higher than exchange rate, schedule from such station would be restricted to 55%. (Minimum Technical Limit)
- (vi) From April to September Plant availability of 85% has been considered for three units of Aravali Jhajjar (578 MW) & two units of CLP Jhajjar (124 MW) and from October to March 55% Plant availability is being considered for scheduling purposes.
- (vii) No New Thermal capacity addition has been considered.

Based on above assumption, power purchase quantum (MU's) & its cost from Central State Generating stations for next year is projected as below:

**Table 4.20: Projected Power Purchase from Central Generating Stations**

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
<b>Central State Generating Stations</b>					
<b>A</b>	<b>NTPC</b>				
I	ANTA	6	6	7	13
II	Auriya GPS	11	12	13	26
III	Dadri GPS	14	10	17	27
IV	Rihand STPS-I	211	17	35	52
V	Rihand STPS-II	271	21	44	65
,VI	Unchahaar-I TPS	50	5	19	24
VII	Unchahaar-II TPS	98	11	36	47

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
VIII	Unchahaar-III TPS	60	7	23	30
IX	Dadri (Th)	0	0	0	0
X	Dadri (Th) II	22	3	10	12
XI	Kahalgaon-I TPS	106	11	28	39
XII	Kahalgaon-II TPS	339	31	83	114
XIII	Aravali	3,546	782	1,507	2,289
XIV	Farakka	48	4	15	19
XV	Singrauli STPS	319	24	54	79
	<b>Total</b>	<b>5,101</b>	<b>947</b>	<b>1,891</b>	<b>2,837</b>
<b>B</b>	<b>NHPC</b>				
I	Bairasul	18	3	2	5
II	Tanakpur	13	5	3	8
III	Chamera-I	50	5	6	10
IV	Chamera-II	56	7	7	14
V	Chamera-III	36	9	7	16
VI	URI	66	9	6	15
VII	URI II	54	12	11	23
VIII	Dhauliganga	40	7	5	12
IX	Sewa II	17	5	4	9
X	Dulhasti	85	18	19	37
XI	Parbati III	17	9	2	11
X	Parbati HEP-II	76	23	23	46
	<b>Total</b>	<b>528</b>	<b>111</b>	<b>96</b>	<b>206</b>
<b>C</b>	<b>THDC</b>				
I	Tehri HPP	57	11	11	22
II	Koteshwar HEP	32	10	8	18
	<b>Total</b>	<b>89</b>	<b>20</b>	<b>19</b>	<b>40</b>
<b>D</b>	<b>DVC</b>				
I	DVC (CTPS 7&8)	618	101	218	319
II	DVC (MTPS 6)	206	24	77	101
	<b>Total</b>	<b>824</b>	<b>125</b>	<b>295</b>	<b>420</b>

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU's)	(Rs Cr)	(Rs Cr)	(Rs Cr)
<b>E</b>	<b>NPCIL</b>				
I	NAPS	89	0	32	32
II	RAPS	135	0	47	47
	<b>Total</b>	<b>225</b>	<b>0</b>	<b>80</b>	<b>80</b>
<b>F</b>	<b>SJVNL</b>				
I	Naptha Jhakri	205	26	25	51
	<b>Total</b>	<b>205</b>	<b>26</b>	<b>25</b>	<b>51</b>
<b>G</b>	<b>Others</b>				
I	Tala	7	0	2	2
II	Sasan, MP	405	6	47	53
III	CLP Jhajjar	761	70	320	390
IV	MPL	2,094	307	623	930
	<b>Total</b>	<b>3,267</b>	<b>384</b>	<b>991</b>	<b>1,374</b>
	<b>Total CSGS (A+B+C+D+E+F+G)</b>	<b>10,239</b>	<b>1,612</b>	<b>3,395</b>	<b>5,007</b>

**Renewable Power Purchase Obligation**

The Hon'ble Commission has notified the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) Regulations, 2012 with effect from October' 2012.

Further the Hon'ble Commission in its Business Plan Regulations 2023, has notified the following RPO trajectory for DISCOM:

**Table 4.21: Targets for Renewable Power Purchase Obligation**

S. No.	RPO Targets for Distribution Licensees	FY 2025-26
1	Wind RPO	3.36%
2	Other RPO	28.17%
3	HPO Target	1.48%
<b>4</b>	<b>Total RPO Target</b>	<b>33.01%</b>

Based on above targets, following RPO/REC cost has been considered for FY 2025-26:

**Table 4.22: RPO Compliance for FY 2025-26**

S. No.	Particulars	UoM	FY 2025-26		
			Wind	HPO	Other RPO
A	Projected Energy sale for FY 2024-25	MU	10,781		
B	RPO target–Solar & Non-Solar	%	3.36%	1.48%	28.17%
C	RPO target –Solar & Non-Solar	MU	362.25	159.56	3,037.09
D	RPO Compliance through	MU	235.01	683.01	2,213.80
i	Purchase from TPDDL Solar	MU			1.62
ii	Purchase from SECI 20 MW	MU			40.11
iii	Purchase from SECI 100 MW [ACME]	MU			211.78
iv	Purchase from SECI 200 MW [SBSR]	MU			226.99
v	SunEdison	MU			318.83
vi	Net Metering- at Gross (Rooftop)	MU			111.69
vii	Suryakanta	MU			35.16
viii	Nanti Hydro	MU			35.48
ix	Medium Term Hydro 200 MW	MU		606.54	-
x	Purchase from Singrauli Small Hydro	MU			6.40
xi	Purchase from DMSWL	MU			40.39
xii	SECI Wind	MU			138.18
xiii	Purchase from TOWMCL	MU			45.36
xiv	Cosmos Hydro	MU			72.18
Xv	Taranda Hydro	MU			35.01
Xvi	TPREL Hybrid (Solar 170 MW)	MU			80.78
xvii	TPREL Hybrid (Non- Solar 340 MW)	MU	235.01		235.01
xviii	SDMC	MU			60.57
xix	Purchase from Large Hydro	MU		76.47	753.26
E	(Excess)/ Shortfall= (C-D)	MU	127.24	(523.45)	823.29
F	Inter head adjustment which can be done	MU	-	-	-
G	Available inter head quantum	MU	127.24	(523.45)	823.29
H	REC rate + 18% GST	Rs/kWh	0.19	0.19	0.19
I	Cost for REC purchase	Rs Cr	8.03		
L	<b>Total REC Cost</b>	Rs Cr	<b>8.03</b>		

**Power Procurement through NET Metering**

The Petitioner would further like to submit that, the Petitioner has already undertaken an assessment of roof top potential in its area and accordingly, the following is estimated:

<b>Solar Capacity</b>	<b>Target / Milestone FY 2025-26</b>
Capacity in MW	85
Energy in MU	96

MU's due to Net Metering Capacity addition has been calculated after assuming a Capacity utilization factor (CuF) of 15%

Additionally, the Petitioner would like to submit that with DMRC and other Open Access consumers pursuing open access from Renewable sources; the same would also add up to meeting of the RPO requirements of the Petitioner considering Discoms and Open access consumers as Obligated Entities. This shall reduce the RPO requirements to be met by the Petitioner on a stand-alone basis substantially as cumulative RPO met of obligated entities like the Petitioner and future expected open access consumers having substantial load like DMRC and other Open Access consumers shall add up the RPO mandates of the Hon'ble Commission.

**Table 4.23: Power Purchase from solar and non-solar generating stations**

<b>S. No.</b>	<b>Stations</b>	<b>Petitioner Share</b>	<b>Total Charges</b>
		<b>(MU's)</b>	<b>(Rs Cr)</b>
<b>A</b>	<b>Solar</b>		
I	Purchase from TPDDL Solar	1.62	1.14
II	Purchase from SECI 20 MW	40.11	22.06
III	Purchase from SECI 100 MW	211.78	53.16
IV	Purchase from SECI 200 MW	226.99	60.83
V	TPREL Hybrid (Solar 170 MW)	80.78	24.24
VI	SunEdison	318.83	126.26
VII	Net Metering	40.01	22.20
	<b>Sub-Total</b>	<b>920.13</b>	<b>309.89</b>
<b>B</b>	<b>Non-Solar</b>		
I	SECI Wind 1	138.18	34.82
II	TOWMCL	45.36	26.04
III	Singrauli Small Hydro	6.40	3.23
IV	Suryakanta	35.16	13.36
V	Nanti Hydro	35.48	15.25
VI	Medium Term Hydro (200 mw)	606.54	368.91
VII	DMSWL	40.39	28.39
VIII	Cosmos Hydro	72.18	32.05

S. No.	Stations	Petitioner Share	Total Charges
		(MU's)	(Rs Cr)
IX	Taranda Hydro	35.01	15.02
X	TPREL Hybrid (Non- Solar 340 MW)	235.01	70.50
Xi	SDMC @100%	60.57	28.77
	<b>Sub-Total</b>	<b>1,310.28</b>	<b>636.35</b>
	<b>Total</b>	<b>2,230.41</b>	<b>946.24</b>

### **Short Term Purchase**

Total short-term purchase for FY 2025-26 has been considered as below:

**Table 4.24: Projected Units purchase**

Other Sources	Projection FY 2025-26		
	MU's	Amount (Rs Cr)	Av. Rate
<b>Power Purchase from Other Sources</b>			
Inter-State Bilateral Purchase	232	163	7.00
Intra-State Power Purchase			
<b>Other Purchases Total</b>	<b>232</b>	<b>163</b>	<b>7.00</b>

### **Short Term Sale**

Surplus unit: Based on the energy required at the Petitioner's periphery and Gross Power Purchase schedule to the Petitioner, the surplus power available for sale is determined which shall be sold and the sale proceeds shall entirely go towards reducing the net power purchase cost charged to consumers. Given below is the surplus power available for sale in FY 2025-26:

**Table 4.25: Short Term Power Sale**

Source	Amount (Rs Cr)
Sale of Surplus Power – MU's	(2,025.75)
Revenue from Sale of Surplus Power – Rs Cr	(810.30)
Per unit Rate- Rs/kWh	4.00

### **Transmission Losses**

Transmission losses have been considered @ 3.5% for PGCIL & DTL as a whole.

Given below is the year-on-year projected transmission losses for FY 2025-26:

**Table 4.26: Transmission Losses for FY 2025-26**

Source	MU's
Inter-State Transmission	(385.26)
Intra-State Transmission (DTL)	(106.06)
<b>Total Transmission Losses</b>	<b>(491.31)</b>

Transmission Charges: year on year transmission charges has been considered including increase in transmission charges on account of new transmission lines/network required for enhanced renewable power.

**Table 4.27: Transmission Charges for FY 2025-26**

Source	Amount (Rs Cr.)
PGCIL Charges	568.80
DTL & SLDC Charges	346.04
Other Transmission charges, LDC charges, STOA Charges	224.81
<b>Total (excluding Pension Trust)</b>	<b>1,139.65</b>

\*STOA charges of Rs. 0.05/unit has been factored as a part of transmission cost

### **Normative Rebate**

CERC Tariff Regulations (2024-29) the normative rebate is 1.50%. However, the Hon'ble Commission has kept the normative rebate at 2.00% and considered 1.50%, 2.00% and 2.50% normative rebate. Therefore, normative rebate for the purpose of Power Purchase cost is computed in table below:

**Table 4.28: Computation of Normative Rebate**

Genco's	Rate	Amount (Rs Cr)
<b>State Generating Stations</b>		
Pragati	2.00%	5.47
Pragati III	1.50%	16.63
GT	2.00%	2.91
<b>Central Generating Stations</b>		
NTPC	1.50%	42.56
NHPC	1.50%	3.09
NPCIL	2.50%	1.99
Others	1.50%	28.27

Genco's	Rate	Amount (Rs Cr)
<b>Transmission</b>		
DTL & SLDC	2.00%	6.92
PGCIL/CTUIL	1.50%	8.53
<b>Total</b>		<b>116.38</b>

**Energy balance for FY 2025-26**

Based on above submissions, Energy balance for FY 2025-26 is given below:

**Table 4.29: Energy Balance Summary and Power Purchase Cost for FY 2025-26**

S. No.	Particulars	Energy	Amount	Rate
		MU's	Rs. Cr	Rs/unit
A	Power from CSGS	10,239.19	5,007.49	4.89
B	Power from SGS	1,376.56	1,528.00	11.11
C	Short Term Power Purchase (Medium Term 200 MW)	232.37	162.66	7.00
D	RPO obligation to be met through purchase from renewable sources	2,230.41	946.24	4.24
E	RPO obligation to be met through purchase of REC & HEC		8.03	
F	Compensation		6.67	
	<b>Total Purchase</b>	<b>14,077.53</b>	<b>7,659.09</b>	<b>5.44</b>
G	Transmission losses (Intra state & Interstate)	(491.31)		
H	Transmission charges		1,139.65	
	<b>Total Purchase with Tx</b>	<b>13,586.22</b>	<b>8,798.74</b>	<b>6.48</b>
I	Less: Short Term surplus power sale	(2,025.75)	(810.30)	4.00
J	Less: Normative Rebate		(116.38)	
	<b>Net Power Purchase Cost</b>	<b>11,560.47</b>	<b>7,872.07</b>	<b>6.81</b>

**Operation & Maintenance Expenses for FY 2025-26**

The Hon'ble Commission in its Business Plan Regulations, 2023 has notified norms for Operation and Maintenance expenses in terms of Regulation 23(10).

The Petitioner is seeking O&M Expenses for FY 2025-26 as given in table below.

**Table 4.30: O&M Expenses entitlement for FY 2025-26**

S. No.	Particulars	Amount Rs. Cr	Remark
A	Normative O&M Expenses	704.42	As specified in page no. 59 SOR of BPR 2023
B	FRSR Employee Cost (Net of capitalization)	260.15	To be allowed on actuals as per clause no 23 (5) of BPR 2023
<b>C</b>	<b>Statutory Levies</b>		To be allowed on actuals as per clause no 23 (6) of BPR 2023
i	DERC License Fee	5.22	As per actual Payment for FY 2024-25 + 4.66% inflation of 1 year
ii	Land License Fee	17.11	As per actual of FY 2023-24 + 4.66% inflation for 2 years as per BPR 2023
iii	Property Tax	2.43	
iv	Rates and Taxes	0.12	
v	CETP Charges	0.46	
vi	Other Regulatory Charges	1.61	
D	Legal Expenses	23.19	
E	Replacement cost against FRSR retirees	62.02	Refer note below
	<b>Total amount Sought towards O&amp;M Expenses</b>	<b>1,076.76</b>	

The Petitioner has considered normative O&M expenses at Rs. 704.42 Cr for FY 2025-26 as per the estimated O&M expenses considered by the Hon'ble Commission. Since there seems to be an ambiguity in CAGR considered by the Hon'ble Commission while deriving sales (MU's) for FY 2025-26, therefore the Petitioner has not considered O&M expenses based on estimated sales per unit rate as prescribed in BPR 2023

Further the above computation shall be subject to any subsequent amendment/relief provided by the Hon'ble Commission against O&M Regulations of BPR 2023.

**FRSR employee cost (on Actual Basis)**

As per Business Plan Regulations 2023, FRSR employee cost shall be allowed on actual basis.

*"(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check:"*

Further as per Statement of Reason for Business Plan Regulations 2023, Uncontrollable expenses such as FRSR expenses, Rates & Taxes shall be allowed in the ARR equal to last available actual expenses which shall be trued-up.

Therefore, FRSR employee cost for FY 2025-26 has been computed based on FY 2023-24 estimated actuals with following assumptions:

- a) Total increase of 12% on account of DA hike (twice a year), promotions & annual increment
- b) Net of capitalization
- c) Net of estimated savings due to retirements expected in FY 2025-26

### **FRSR Replacement Cost**

Further as per Statement of Reason for Business Plan Regulations 2023, the Hon'ble Commission has agreed to allow replacement cost of FRSR retirees while mapping suitably the replacement cost of FRSR employees with Non- FRSR employees subject to prudence check.

The Petitioner based on the expected superannuating employees from FRSR structure has estimated replacement cost at Average Employee cost payable for additional recruitment of Non-FRSR employees against superannuating FRSR Employees at Rs. 62.03 Cr as submitted in Comments on Draft Business Plan Regulations 2023.

### **Statutory Levies to be allowed on actual basis**

As per regulations 23 (6) Statutory levies like license fee paid to the Hon'ble Commission has been considered on the basis of actual payment for FY 2024-25- & one-year inflation as allowed in Business Plan Regulation, 2023. Property tax amount has been considered based on FY 2023-24 actual expense & two years inflation as allowed in Business Plan Regulation, 2023.

As per Statement of Reasons [point (e) page no. 55] for Business plan Regulations 2023, the Hon'ble Commission has specified to allow rates and taxes on actual basis. Apart from license fees and property tax, Rates and taxes also include CETP Charges, stamp duty, court charges etc. Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2023-24- & two-years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2025-26.

Any statutory levies arising due to Government of India's Notification or Change in law but not factored in base year expenses shall be claimed separately over and above normative expenses.

### **Other Regulatory Expense**

The '**Other Regulatory expense**' include statutory expense like contribution towards expenses of electricity ombudsman & Consumer Grievance Redressal Forum (CGRF) as per the direction of the 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.

All the above expenses are statutory in nature and mainly incurred as per the direction of the 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 of electricity ombudsman is released as per communication received from the Hon'ble Commission from time to time.

Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2023-24- & two-years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2025-26

### **Legal Expenses**

The Hon'ble Commission in its Business Plan Regulations 2023 has provided the treatment of Legal Expenses as follows:

*"(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR)".*

With respect to above, the Petitioner would like to mention that the legal expenses should be allowed to the Petitioner. Non-allowance of legal expenses amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The

distribution business is a regulated business under the aegis of this Commission. The majority of issues in Distribution Business will arise out of orders/ directions issued by the Commission. In all such cases, the Petitioner has right to challenge the same before the Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses without any distinction should be allowed as an expense in the ARR.

Therefore, it is requested to the Hon'ble Commission to allow Rs 23.19 Cr. as part of ARR of FY 2025-26 basis last year actual expense of FY 2023-24 and two year of inflation. The said amount can be trued up based on prudence check of actual expenses.

**Capitalization for FY 2025-26**

The Hon'ble Commission in its Business Plan Regulations, 2023 has approved capitalization of Rs 446 Cr. for FY 2025-26 (excluding Rs. 50 Cr towards Capital Deposit). However, The Petitioner has considered higher capitalization due to installation of Smart Meters and higher influx of Group Net Metering and Virtual Net Metering Customers wherein all Capital Expenditure has to be borne by Discoms. The capitalization for FY 2025-26 as following:

**Table 4.31: Capitalization for FY 2025-26**

<b>Particulars</b>	<b>Amount (Rs Cr)</b>
Capitalization including deposit work	624.66
Less- Deposit work	100.00
Total Capitalization excluding deposit work	524.66

It is worthwhile to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2025-26 is considered as given below:

**Table 4.32: Estimated Capitalization considering Deposit work for FY 2025-26**

<b>Particulars</b>	<b>Amount (Rs Cr)</b>
Capitalization without deposit work	450.00
Employee cost capitalization & IDC	74.66
Deposit Work*	100.00
<b>Total including Deposit Work</b>	<b>624.66</b>

*\* May change as per Deposit electrification work requirement from land owing agencies/DDA/other authorities/new HT Connection etc.*

Considering the capitalization of Rs. 624.66 Cr, gross block of fixed assets for FY 2025-26 works out as follows:

**Table 4.33: Capitalization of Fixed Assets**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening balance of Gross Fixed Assets (as on 1st April'2021)	<b>7,204.76</b>	Table 3.66 True up order FY 20-21
B	Less: Adjustment of inadvertent allowance of Capitalization	77.71	Table 3.38 of True up Petition 2023-24
C	Add- Capitalization during the FY 2021-2022	415.76	Table 3.45 of True up Petition 2021-22
D	Add - 7th Pay LSC/PC Capitalization	8.62	Table 3.45 of True up Petition 2021-22
E	Less- Retirement/ De-capitalization for the FY 2021-2022	79.68	Table 3.45 of True up Petition 2021-22
F	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2022)	<b>7,471.75</b>	(A-B+C+D-E)
G	Add- Capitalization during the FY 2022-2023	447.65	Table 3.42 of True up Petition 2022-23
H	Less- Retirement/ De-capitalization for the FY 2022-2023	54.94	Table 3.43 of True up Petition 2022-23
I	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2023)	<b>7,864.45</b>	(F+G-H)
j	Add- Capitalization for FY 2023-2024	405.95	Table 3.36 of True up Petition 2023-24
k	Less- Retirement/ De-capitalization for FY 2023-2024	51.44	Table 3.36 of True up Petition 2023-24
L	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2024)	<b>8,218.97</b>	(I+J-K)
M	Add- Estimated Capitalization for FY 2024-2025	413.00	Table 4.32 of ARR Petition 2024-25
N	Less- Retirement/ De-capitalization for FY 2024-2025*	-	
O	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2025)	<b>8,631.97</b>	(L+M-N)
P	Add- Estimated Capitalization for FY 2025-2026	624.66	Table 4.32
Q	Less- Retirement/ De-capitalization for FY 2025-2026*	0.00	
R	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2026)	<b>9,256.63</b>	(O+P-Q)
S	Average Balance of Fixed Assets	8,944.30	((O+R)/2)

\*No De-capitalization has been considered & actual De-capitalization impact will be considered at the time of true up

**Contributions, Grants, subsidies towards cost of Capital Assets**

The contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized. It is estimated that Rs 100 Cr will be capitalized towards consumer contribution in FY 2025-26.

**Table 4.34: Estimated Consumer Contribution capitalized**

Sl. No.	Consumer Contribution/Grant	Amount (Rs Cr)	Remark
A	Opening Balance (as on 1st April'2021)	<b>928.92</b>	Table 3.68 True up order FY 20-21
B	Add- Capitalized during the FY 2021-2022	52.47	Table 3.46 of True up Petition 2021-22
C	Closing Balance (as on March'2022)	<b>981.39</b>	(A+B)
D	Add- Capitalized during the FY 2022-2023	60.77	Table 3.44 True Up petition FY 22-23
E	Closing Balance (as on March'2023)	<b>1,042.16</b>	(C+D)
F	Add-Capitalized for FY 2023-2024	97.09	Table 3.37 of True up Petition 2023-24
G	Closing Balance (as on March'2024)	<b>1,139.26</b>	(E+F)
H	Add- Projected Capitalized for FY 2024-2025	50.00	Table 4.32 of ARR Petition 2024-25
I	Closing Balance (as on March'2025)	<b>1,189.26</b>	(G+H)
J	Add- Projected Capitalized for FY 2025-2026	100.00	Table 4.32
K	Closing Balance (as on March'2026)	<b>1,289.26</b>	(I+J)
L	Average Cumulative Capitalized Consumer Contribution	1,239.26	(I+K)/2

**Depreciation and Provision of Depreciation**

The Hon'ble Commission in Business Plan Regulations, 2023 has followed the same methodology for allowance of Depreciation as in Business Plan Regulations, 2019. Based on the said regulations the Petitioner has charged depreciation rate in its books of account. Thus, for the purpose of computation of Deprecation for FY 2025-26, the Petitioner has considered Deprecation rate of 4.72% equivalent to the rate considered for FY 2023-24 True up petition.

**Table 4.35: Estimated Depreciation for FY 2025-26**

Sl. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening GFA	8,631.97	Table 4.33
B	Net Additions to Asset during the year	624.66	Table 4.32
C	Closing GFA	9,256.63	(A+B)
D	Average GFA	8,944.30	(A+C)/2
E	Less: Average Consumer Contribution	1239.26	Table 4.34
F	Average GFA net of Consumer Contribution	7,705.05	(D-E)
G	Average rate of depreciation	4.72%	Table 3.38 of True Up for FY 23-24
H	Depreciation for the year (FY 25-26)	363.89	F*G
I	Opening Depreciation (as on 1st April' 2024)	3,364.06	Table 3.40 of True Up for FY 23-24
J	Add: Depreciation for the FY 24-25	321.22	Table 4.34 of ARR for FY 24-25

Sl. No.	Particulars	Amount (Rs Cr)	Remark
K	Closing Depreciation (as on March' 2025)	3,685.28	(I+J)
L	Closing Depreciation (as on March'2026)	4,049.17	(H+K)
M	Average Depreciation	3,867.23	(K+L)/2

**Working Capital Requirement**

The Petitioner has computed working capital requirement as per Regulation 84 (4) Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract of the Regulation is as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working Capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month."

Based on the above formula computation of working capital is given below:

**Table 4.36: Computation of Change in Working Capital**

Sl. No.	Particulars	Amount (Rs Cr)		Remark
			FY 2025-26	
A	Annual revenue requirement	10,698.74		Table 4.43
B	Receivables equivalent to 2 months ARR		1,783.12	(A/12*2)
C	Power Purchase expenses	7,872.07		Table 4.29
D	Add: 1/12th of power purchase expenses		656.01	(C/12)
E	Total working capital		1,127.12	(B-D)
F	Opening working capital		995.77	Table 3.42 of True Up of FY 23-24 & Rs. (26.64) for FY 24-25 (Table 4.35 of ARR FY 24-25)
G	Change in working capital		131.35	(E-F)

**Means of Finance for Capitalization for FY 2025-26**

The Petitioner has submitted that Regulation 63 of the Tariff Regulations, 2017, provided that for determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30.

**Table 4.37: Means of finance**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Capitalization	624.66	Table 4.35
B	Less- Consumer Contribution Capitalized during the year	100.00	Table 4.34
C	Funding Requirement	524.66	(A-B)
D	Through- Debt @ 70%	367.26	C*70%
E	Through Equity @ 30%	157.40	C*30%

**Regulated Rate Base**

Regulations 65 to 71 of the Tariff Regulations, 2017 deals with the methodology for determination of Regulated Rate Base (RRB), Weighted Average Cost of Capital (WACC) and computation of Return on Capital Employed (ROCE).

Regulation 66 of the Tariff Regulations 2017 provided that "*The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.*"

Based on the estimated capitalization and corresponding depreciation thereon, estimated consumer contribution and estimated working capital requirement as computed above, computation of Regulated Rate Base for FY 2025-26 is given below:

**Table 4.38: Computation of Regulated Rate Base**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening Balance of Fixed Assets	8,631.97	Table 4.33
B	Opening Balance of Accumulated Depreciation	3,685.28	Table 4.35
C	Opening Balance of Accumulated Consumer Contribution	1,189.26	Table 4.34
D	Opening balance of working capital	995.77	Table 4.36
E	<b>RRB – Opening</b>	4,753.20	(A-B-C+D)
F	Capitalization during the year	624.66	Table 4.35
G	Depreciation for the year	363.89	Table 4.35

S. No.	Particulars	Amount (Rs Cr)	Remark
H	Consumer Contribution, Grants	100.00	Table 4.32
I	Change in Working Capital	131.35	Table 4.36
J	<b>ΔAB (Change in Regulated Base)</b>	211.73	(F-G-H)/2+I
K	<b>RRB – Closing</b>	5,045.32	(E+F-G-H+I)
L	<b>RRB(i)</b>	4,964.94	(E+J)

**Computation of WACC**

The Hon'ble Commission in the Business Plan Regulations, 2023 has approved Rate of Return on Equity at base rate of 14% on post-tax basis for wheeling and retail business.

Further, based on expected cost of debt for capex loans & working capital loan, the weighted average rate of interest has been considered @ 8.52% for FY 2025-26.

Considering the above cost of debt and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2025-26.

**Table 4.39 (i): Computation of equity**

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening Equity for FY 2024-25	1,950.42	Table 3.45 of True Up for FY 2023-24
B	Capitalization during the FY 2024-2025	413.00	Table 4.33
C	Less: Consumer contribution & de-capitalization	(50.00)	Table 4.33 & Table 4.34
D	Net Capitalization	363.00	(B+C)
E	Equity for FY 2024-25	108.90	(D*30%)
F	Closing Equity FY 2024-25	2,059.32	(A+E)
G	Average Equity for FY 2024-25	2,004.87	(A+E)/2
H	Equity for FY 2025-26	157.40	Table 4.37
I	Average Equity for FY 2025-26	2,083.57	(G+H/2)
J	Closing Equity for FY 2025-26	2,216.72	(F+H)

**Table 4.39 (ii): Weighted Average Cost of Capital (WACC)**

Sl. No.	Particulars	Amount (Rs Cr)	Remark
A	Equity	2,083.57	Table 4.39 (i)
B	Debt- Capex	1,754.25	Balancing figure
C	Debt- working capital	1,127.12	Table 4.36
D	Return on Equity	14.00%	
E	Income Tax Rate	25.17%	Enacted tax rate
F	Grossed up Return on Equity	18.71%	D/(1-E)
G	Rate of Interest	8.52%	Cost of Debt for Capex @ 8.86% & Working capital @ 8%

Sl. No.	Particulars	Amount (Rs Cr)	Remark
H	Weighted Average Cost of Capital	12.80%	

Considering the above computed WACC of 12.80% the Petitioner has computed ROCE for FY 2025-26 as follows:

**Table 4.40: Computation of Return on Capital Employed**

S. No.	Particulars	Amount Rs Cr	Remark
A	RRB (i)	4,964.94	Table 4.38
B	WACC	12.80%	Table 4.39 (ii)
C	<b>Return on Capital Employed</b>	<b>635.40</b>	<b>(A*B)</b>

### **Non-Tariff Income**

The Petitioner has kept non-tariff income for FY 2025-26 at Rs 101.98 Cr which is in line with the methodology followed by the Hon'ble Commission in the past.

**Table 4.41: Non-Tariff Income**

S. No.	Particulars	Amount (Rs Cr)
A	Non-Tariff Income/Interest on Security Deposit	101.98
B	Additional Open Access charges	
C	Total	

### **Computation of Carrying Cost Rate**

The Hon'ble Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be considered at Base Rate of Return on Equity minus One (1.00%) percent i.e., 13.00% on pre-tax basis for computation of Weighted Average Rate of Interest for funding of Regulatory Asset/Accumulated Revenue Gap through 70% Debt and 30% Equity, as per Business Plan Regulations 2023.

Further, based on the prevailing borrowing rate of carrying cost loans, rate of interest has been taken at 8.88% for FY 2025-26 for funding of regulatory gap.

Based on the above, the carrying cost rate for FY 2024-25 computed as follows.

**Table 4.42: Computations of Carrying Cost Rate**

S. No.	Particulars	FY 2025-26
A	Rate of Return on Equity	13.00%
B	Rate of Interest on Loan	8.88%
C	Rate of Carrying Cost	10.12%

**Computation of Aggregate Revenue Requirement**

Based on the above submissions, the total Aggregate Revenue Requirement for the FY 2025-26 comes to Rs. 10,695.91 Cr. Component wise breakup of the same is given below:

**Table 4.43: Summary of Aggregate Revenue Requirement**

S. No.	Particular	Amount (Rs Cr)	Remark
A	Cost of Power Purchase	7,872.07	Table 4.29
B	O&M Expenses including Legal expenses	1,076.76	Table 4.30
C	Depreciation	363.89	Table 4.35
D	Return on Capital Employed (Including Income tax)	635.40	Table 4.40
E	Carrying Cost	852.60	Table 4.45
F	Less: Non-Tariff Income/ Interest on consumer security deposit	(101.98)	Table 4.41
G	<b>Annual Revenue Requirement</b>	<b>10,698.74</b>	

**Computation of Revenue (Gap)/surplus without carrying cost & DRRS for FY 2025-26**

Based on the above submission, the Petitioner has estimated Revenue Gap of Rs. (2,250.09) Cr for FY 2025-26.

**Table 4.44: Computations of Revenue (Gap) for the year without carrying Cost**

S. No.	Particular	FY 2025-26	Remark
		Estimated Rs Cr	
A	Aggregate Revenue Requirement for the year without carrying cost	9,846.14	Table 4.43
B	Revenue available for the year without DRRS	7,596.05	Table 4.16
C	Revenue (Gap)/surplus for the year	(2,250.09)	(B-A)

**Computation of Closing Revenue Gap (on Provisional basis) along with Carrying Cost upto FY 2025-26**

For the FY 2025-26, the Petitioner has estimated an amount of Rs 607.65 Cr towards 8% Deficit recovery surcharge and thereafter adjusted the said amount against the total of closing revenue gap for the year.

The summary of addition in opening Revenue Gap along with carrying cost (net of 8% Deficit Recovery Surcharge) is given below:

Sl. No.	Particular	FY 2025-26	Remark
		Estimated	
A	Opening Provisional true up Revenue Gap up to FY 2020-21	-5,787.70	Para no. 3.374 of True up FY 20-21
B	Add: Revenue Gap sought for FY 2021-22 (including carrying cost & DRRS)	-789.04	Table 3.67 of True up petition FY 21-22
C	Revised Opening Revenue Gap up to FY 2022-23	<b>-6,576.74</b>	(A+B)
D	Impact of Various Judgement	-402.48	Table 3.58 of True up petition FY 23-24
E	Add: Revenue Gap sought for FY 2022-23 (including carrying cost & DRRS)	-846.92	Table 3.65 of True up petition FY 22-23
F	Opening Revenue Gap for FY 2023-24	<b>-7,826.14</b>	(C+D+E)
G	Add- Revenue Surplus for FY 2023-24	61.30	Table 3.58 of True up petition FY 23-24
H	Opening Revenue Gap for FY 2024-25	<b>-7,764.84</b>	(F+G)
I	Add- Revenue Gap for FY 2024-25	-1,932.83	Table 4.44 of ARR for FY 24-25
J	Estimated PPAC on the basis of DERC order for FY 2024-25	2,394.44	
K	Opening Revenue Gap for FY 2025-26	<b>-7,303.23</b>	(H+I-J)
L	Revenue (Gap)/Surplus for the year	-2,250.09	Table 4.44
M	Closing Revenue (Gap)	<b>-9,553.32</b>	(K+L)
N	Carrying Cost Rate	10.12%	Table 4.42
O	Carrying Cost	-852.60	(K+M)/2*N
P	Recovery of carrying cost from 8% Deficit Revenue Recovery Surcharge	607.65	Table 4.15 (DRRS@99.80%)
Q	Closing Revenue Gap (including carrying cost)	<b>-9,798.27</b>	M+O+P