DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1650)/DERC/2018-19/

Petition No. 03/2020

In the matter of: **Petition for determination of tariff for FY 2020-21 and Truing up Aggregate Revenue Requirement for FY 2018-19.**

Tata Power Delhi Distribution Limited,
Through its: **Managing Director**
Sub-Station Building, Hudson Lines,
Kingsway Camp,
Delhi 110 009 ...**Petitioner/Licensee**

Coram:
Hon'ble Sh. Justice S S Chauhan, Chairperson
Hon'ble Sh. A.K. Singhal, Member
Hon'ble Dr. A. K.Ambasht, Member

ORDER

(Date of Order: 28.08.2020)

M/s. Tata Power Delhi Distribution Ltd. (TPDDL) has filed the instant Petition for Aggregate Revenue Requirement(ARR) for FY 2020-21 and True up of ARR of FY 2018-19. The Petition was admitted by the Commission vide Order dated 20.02.2020. The Petition along with Executive summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders.

Considering the submissions made by the Petitioner as well as the comments and suggestions of the stakeholder, the Commission in exercise of power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, hereby passes this Tariff Order signed, dated and issued on 28.08.2020.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised tariffs applicable from 01.09.2020.

This Tariff Order shall remain in force till replaced by a subsequent Tariff Order and/or is amended, reviewed or modified, in accordance with the provisions of the Electricity Act, 2003 and the Regulations made thereunder.

(A.K. Ambasht)	(A.K. Singhal)	(Justice S S Chauhan)
Member	Member	Chairperson

CONTENTS

LIST OF ABBREVIATIONS

Abbreviation	Explanation
ARR	Aggregate Revenue Requirement
A&G	Administrative and General
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
ACD	Advance Consumption Deposit
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEST	Birhanmumbai Electric Supply and Transport
BHEL	Bharat Heavy Electricals Limited
BIS	Bureau of Indian Standards
BPTA	Bulk Power Transmission Agreement
BRPL	BSES Rajdhani Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CCGT	Combined Cycle Gas Turbine
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamp
CGHS	Cooperative Group Housing Societies
CGS	Central Generating Stations
CIC	Central Information Commission
CISF	Central Industrial Security Force
CoS	Cost of Supply
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CPSUs	Central Power Sector Utilities
COVID	Corona Virus Disease
CSGS	Central Sector Generating Stations
CWIP	Capital Work in Progress
DA	Dearness Allowance
DDA	Delhi Development Authority
DERA	Delhi Electricity Reform Act
DERC	Delhi Electricity Regulatory Commission
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)

Abbreviation	Explanation
DMRC	Delhi Metro Rail Corporation
DPCL	Delhi Power Company Limited
DTL	Delhi Transco Limited
DVB	Delhi Vidyut Board
DVC	Damodar Valley Corporation
EHV	Extra High Voltage
EPS	Electric Power Survey
FBT	Fringe Benefit Tax
FPA	Fuel Price Adjustment
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GTPS	Gas Turbine Power Station
HEP	Hydro Electric Power
HPSEB	Himachal Pradesh State Electricity Board
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
IDC	Interest During Construction
IGI Airport	Indira Gandhi International Airport
IPGCL	Indraprastha Power Generation Company Limited
JJ Cluster	Jhugghi Jhopadi Cluster
KSEB	Kerala State Electricity Board
LED	Light Emitting Diode
LIP	Large Industrial Power
LT	Low Tension
LVDS	Low Voltage Distribution System
MCD	Municipal Corporation of Delhi
MES	Military Engineering Service
MLHT	Mixed Load High Tension
MMC	Monthly Minimum Charge
MoP	Ministry of Power
MTNL	Mahanagar Telephone Nigam Limited
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension

Abbreviation	Explanation
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non-Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Unit of Measurement

Abbreviation	Explanation
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

A1: INTRODUCTION

1.1 This Order relates to the petition filed by Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' or the 'Petitioner') for True-Up of Aggregate Revenue Requirement (ARR) for FY 2018-19 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as 'Tariff Regulations, 2017') and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017 (hereinafter referred to as 'Business Plan Regulations, 2017'); and approval of ARR & Tariff for FY 2020-21 in terms of Tariff Regulations, 2017 and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 (hereinafter referred to as 'Business Plan Regulations, 2019').

TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

1.2 Tata Power Delhi Distribution Limited (TPDDL) is a company incorporated under the Companies Act, 1956 and is engaged in the business of Distribution and Retail Supply of Electricity within its area of supply (as defined in the license) in the National Capital Territory (NCT) of Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by the GoNCTD on 03/03/1999 and it became operational from 10/12/1999.

1.4 The Commission's approach to regulation is driven by the Electricity Act, 2003, the National Electricity Plan, the National Tariff Policy and the Delhi Electricity Reform Act 2000 (hereinafter referred to as 'DERA'). The Electricity Act, 2003 mandates the Commission to take measures conducive to the development and management of the electricity industry in an efficient, economic and competitive manner, which inter alia includes formulation of Tariff Regulations and Tariff determination.

THE COORDINATION FORUM MEETING

1.5 Govt. of NCT of Delhi vide notification No. F.11/36/2005/Power/1789 dated 16.06.2005 constituted the Coordination Forum, comprising of Chairperson and Members of DERC, CMD of DTL, Managing Director of IPGCL/PPCL, CEOs of NDPL (now TPDDL), BYPL and BRPL with Secretary, DERC as the Member Secretary. Since the Committee constituted did not include NDMC and MES, who also distribute power in Delhi, the Commission had decided to invite them for all the meetings.

1.6 The 29th Co-ordination Forum Meeting was held on 04/03/2020 in the office of the Commission. Apart from the Chairperson, Members and other senior officers from the Commission, the 29th Co-ordination Forum Meeting witnessed participation from CEOs of BRPL and BYPL, representatives of DTL, SLDC, IPGCL, PPCL, TPDDL, NDMC.

1.7 The issues which were deliberated during the meeting are as listed below:

Table 1.1: Issues Discussed in 29th Co-ordination Forum Meeting

Sr. No.	Issues Discussed
a.	Confirmation of minutes dated 09/03/2015 and amendment dated 07/04/2015, action taken on decisions.
b.	Summer Preparedness
c.	Presentation by DTL on Islanding scheme in Delhi
d.	Proposal for disposal of DTs inherited from DVB which are beyond repair.
e.	Review Progress of replacement of oil filled transformers by dry type transformers
f.	Compliance of information to the consumers for scheduled power outages and un-scheduled power outages.
g.	Channels and manpower for registration of complaints related to outages during summer period.
h.	Status of implementation of Smart Meters
i.	Status of maintenance of toll free number for registration of electricity grievance.
j.	Surrender/ Re-allocation of Long Term Power, considering Demand-Supply scenario till FY 2024-25.
k.	Status of RPO Compliance and initiatives thereafter to meet the trajectory as stipulated in DERC (Business Plan Regulations), 2019.
l.	DSM initiatives and Actual Savings thereafter.

MULTI YEAR TARIFF REGULATIONS

1.8 The Commission issued Tariff Regulations, 2017 vide gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Distribution of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities have also been approved by the Commission in Business Plan Regulations, 2017 under Tariff Regulations, 2017 for the period FY 2017-18 to FY 2019-20, and, in Business Plan Regulations, 2019 under Tariff Regulations, 2017 for the period FY 2020-21 to FY 2022-23.

FILING OF PETITION FOR TRUE-UP OF FY 2018-19 AND ARR FOR FY 2020-21

FILING AND ACCEPTANCE OF PETITION

1.9 TPDDL has filed its Petitions for the approval of Truing up of Expenses upto FY 2018-19 and ARR for FY 2020-21, before the Commission on 23/12/2019 and 14/02/2020 respectively.

1.10 The Commission admitted the Petitions vide its Order dated 20/02/2020 subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 20/02/2020 is enclosed as Annexure I to this Order.

1.11 Further, in view of the changed circumstances due to COVID-19, the Commission deemed it appropriate to give an opportunity to utilities to submit revised Tariff Petitions/ additional information w.r.t. ARR for FY 2020-21, by 30/05/2020.

1.12 On request of utilities to extend the time period for submission of revised Tariff Petitions for FY 2020-21, the final date for submission was extended upto 05/06/2020.

1.13 The complete copy of the Petition filed by the Petitioner along with additional information has been uploaded on website of the Commission (www.derc.gov.in) and the Petitioner.

1.14 The Executive Summary of Tariff Petitions, Executive Summary of Additional Information have also been uploaded on Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

1.15 The Order has referred at numerous places about various actions taken by the "Commission". It may be mentioned for the sake of clarity, that the term "Commission" in most of the cases refers to the officers of the Commission and C&AG empanelled Auditors appointed by the Commission for carrying out the due diligence on the Petition filed by the Petitioner, obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.

1.16 The Commission relies upon the analysis conducted by the Tariff Division comprising of Executive Director (Tariff), Joint Director (Tariff-Engineering), Joint Director (Tariff-

Finance), Deputy Director (Tariff-Engineering), Deputy Director (Tariff Accounts-Financial Analysis) and Deputy Director (Tariff-Economics) for preparation of the Orders.

1.17 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was carried out. Additional information/clarifications have been sought from the Petitioner as and when required. The Commission and the Petitioner have discussed key issues raised in the Petition, which included details of Long Term & Short Term Power Purchase, Sales, Billing, Collection, Capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, loss reduction trajectory, liability towards SVRS expenditure, etc.

1.18 The Commission also conducted multiple validation sessions with the Petitioner during which discrepancies in the petition and additional information as required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised and provided details and documentary evidence to substantiate its claims regarding various submissions.

1.19 The Commission scheduled a Public Hearing on Tariff Petitions for True Up of FY 2018-19 and ARR for FY 2020-21 on 18/03/2020 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination.

1.20 However, due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing scheduled on 18/03/2020 was cancelled and last date of submission of comments/suggestions on Tariff Petitions for True up of FY 2018-19 and ARR for FY 2020- 21 which was earlier kept till 20/03/2020 was thus extended till the next date of Public Hearing. The Public Notices, in this regard, were issued by the Commission.

1.21 In relation to COVID-19, as per Order no. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India, large gatherings/ congregations have continued to remain prohibited. Giving due consideration to arisen scenario due to outbreak of Corona Virus Disease which refrains from holding Public Gatherings, the Commission finally decided not to conduct Public Hearing this year, for issuance of Tariff Order related to True up of FY 2018-19 and ARR of FY 2020-21 and communicated the same through public notice including on Commission's website. Alternatively, all stakeholders have been given additional time-period till 30/06/2020 for submitting comments/suggestions on tariff petitions/ additional information filed by the utilities.

1.22 A soft copy of the petition was also made available in CD form on payment of Rs. 25/- per CD or a copy of the petition was also made available for purchase from the respective Petitioner's head-office on working day till 30/06/2020 between 11 A.M. and 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.

1.23 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, four officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Performance Standards & Engineering), Deputy Director (Tariff Accounts-Financial Analysis) and Deputy Director (Tariff-Engineering) were nominated for discussion on the ARR Petitions. This was duly mentioned in the Public Notices published by the Commission.

1.24 The Commission received written comments from the stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission.

1.25 The issues and concerns raised by various stakeholders have been examined by the Commission. The major issues made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

1.26 The Commission has therefore considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and C&AG empanelled Auditorsin arriving at its final decision.

PUBLIC NOTICE

1.27 The Commission has issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the venue, date and time of Public Hearing scheduled on 18/03/2020 and inviting comments from stakeholders on the Tariff Petition filed by the Petitioner latest by 20/03/2020:

(a)	Hindustan Times (English)	:	04/03/2020
(b)	The Hindu (English)	:	04/03/2020
(c)	The Times of India (English)	:	04/03/2020

(d)	Mail Today (English)	:	04/03/2020
(e)	Navbharat Times(Hindi)	:	04/03/2020
(f)	Punjab Kesri (Hindi)	:	04/03/2020
(g)	Dainik Jagran (Hindi)	:	04/03/2020
(h)	Jadid-In-Dinon (Urdu)	:	04/03/2020
(i)	Jan Ekta (Punjabi)	:	04/03/2020

Public Notice was also uploaded on Commission's website www.derc.gov.in.

1.28 The Petitioner also published a Public Notice indicating salient features of its petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 20/03/2020 in the following newspapers on the respective dates mentioned alongside:

(a)	The Indian Express (English)	:	03/03/2020
(b)	Hindustan Times (English)	:	03/03/2020
(c)	Hindustan (Hindi)	:	04/03/2020
(d)	Sahafat (Urdu)	:	05/03/2020
(e)	Qaumi Patrika (Punjabi)	:	06/03/2020

1.29 As stated in preceding paras that due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing which was scheduled on 18/03/2020 was cancelled. The Commission issued a Public Notice in this regard in the following newspapers:

(a)	Hindustan Times (English)	:	14/03/2020
(b)	The Hindu (English)	:	14/03/2020
(c)	Times of India (English)	:	14/03/2020
(d)	Mail Today (English)	:	14/03/2020
(e)	Navbharat Times (Hindi)	:	14/03/2020
(f)	Dainik Jagran (Hindi)	:	14/03/2020

Public Notice was also uploaded on Commission's website www.derc.gov.in.

1.30 Further, in view of the circumstances arisen due to outbreak of COVID-19 which refrains from holding Public Gatherings, the Commission decided not to conduct Public Hearing, for issuance of Tariff Order related to True up of FY 2018-19 and ARR of FY 2020-21, and all stakeholders have been given additional time-period till 30.06.2020 for submitting comments/suggestions on tariff petition/ additional information filed by the Petitioner. In this regard, the Commission issued Public Notice in the following newspapers inviting comments from stakeholders on the Revised Tariff Petitions and additional information filed by the Petitioner latest by 30/06/2020:

(a)	Hindustan Times (English)	:	13/06/2020
(b)	The Hindu (English)	:	13/06/2020
(c)	The Times of India (English)	:	13/06/2020
(d)	Mail Today (English)	:	13/06/2020
(e)	Navbharat Times(Hindi)	:	13/06/2020
(f)	Punjab Kesri (Hindi)	:	13/06/2020
(g)	Dainik Jagran (Hindi)	:	13/06/2020
(h)	Jadid-In-Dinon (Urdu)	:	13/06/2020
(i)	Jan Ekta (Punjabi)	:	13/06/2020

1.31 Copies of all the Public Notices are available on Commission's website www.derc.gov.in

LAYOUT OF THE ORDER

1.32 This Order is organised into six Chapters:

a) Chapter A1 provides details of the tariff setting process and the approach of the Order.

b) Chapter A2 provides brief of the comments of various stakeholders, the Petitioner's response and views of the Commission thereon.

c) Chapter A3 provides details/analysis of the True up of FY 2018-19 and impact of past period true up based on judgement of Hon'ble APTEL, if any, Review Order of the Commission, if any, and its directives on the matter.

d) Chapter A4 provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2020-21.

e) Chapter A5 provides details of the determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2020-21, and the approach adopted by the Commission in its determination.

f) Chapter A6 provides details of the Directives of the Commission.

1.33 The Order contains following Annexures, which are an integral part of the Tariff Order:

a) Annexure I - Admission Order.

b) Annexure II - List of the stakeholders who submitted their comments on True-up of expense for FY 2018-19 and approval of Aggregate Revenue Requirement & Tariff for FY 2020-21.

PERFORMANCE REVIEW

1.34 Regulation 77 (3) & 77 (3)(i) of the DERC (Supply Code and Performance Standards) Regulations, 2017 stipulates as under:

"77(3) The Licensee shall furnish to the Commission, in a report as per the formats for every quarter and in a consolidated annual report for each financial year, the following information as to the Overall Standards of Performance:

(i) The level of performance achieved with reference to those specified in Schedule-II as per the format prescribed in the Commission's Orders;

1.35 The Commission has sought inputs on overall Standards of Performance for FY 2018-19 as prescribed in Schedule-II of the DERC (Supply Code and Performance Standards) Regulations, 2017. The details submitted by TPDDL for FY 2018-19 are as follows:

Table 1.2:Standards of Performance for FY 2018-19

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
1.	Power Supply Failure					
(i)	Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply, excluding the failure where distribution transformer requires replacement.	At least 95% calls received should be rectified within prescribed time limits	336383	335854	529	99.84%
(ii)	Continuous power failure affecting more than 100 consumer connected at Low voltage supply excluding the failure where		137797	136507	1290	99.06%

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
	distribution transformer requires replacement.					
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		1643	1636	7	99.57%
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above		104286	103889	397	99.62%
(v)	Continuous scheduled power outages	At least 95 % of cases resolved within Time Limit	15107	14965	142	99.06%
(vi)	Replacement of burnt meter		7595	7582	13	99.83%
	Period of Scheduled Outage					
2	Maximum duration in a single stretch	At least 95% of cases resolved within time limit	8205	8205	0	100
	Restoration of supply by 6:00 PM		8205	8178	27	99.67%
3	Faults in street light maintained by the License	At least 90% cases should be complied within prescribed time limits	167542	167413	129	99.92%
	Reliability Indices					
4	SAIFI		1.626			
	SAIDI		1.698			
	CAIDI		1			
5	Frequency Variation	To maintain supply frequency within range as per IEGC	0	0	0	-

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
6	Voltage Imbalance	Maximum of 3% at point of commencement of supply	0	0	0	-
7	Percentage Billing Mistakes	Shall not exceed 0.2%	8777	7855	0	0.04

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2018-19

1.36 The Commission in its Business Plan Regulations, 2017 has indicated that Regulations shall remain in force for a period of three (3) years. The relevant Regulation of Business Plan Regulations, 2017, in this regard, is as follows:

> *"1(2) These Regulations, shall remain in force for a period of 3 (three) years i.e., for FY 2017-18, FY2018-19 and FY 2019-20, unless reviewed earlier."*

1.37 The Commission in its Tariff Regulations, 2017 has specified that Regulations shall be deemed to have come into effect from 1st February, 2017. The Relevant Regulation of Tariff Regulations, 2017, in this regard, is as follows:

> *"(4) These Regulations shall be deemed to have come into force from Ist February, 2017 and shall remain in force till amended or repealed by the Commission. "*

1.38 Accordingly, ARR for FY 2018-19 has been trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2017.

APPROACH FOR ARR AND TARIFF FOR FY 2020-21

1.39 The Commission vide its Notification dated 31st January, 2017 had issued Tariff Regulations, 2017. Further, the Commission has issued Business Plan Regulations, 2019.

1.40 The Commission has evaluated the revised ARR/ additional information submitted by the Petitioner on the basis of the provisions in Tariff Regulations, 2017 read with Business Plan Regulations, 2019 and other factors considered appropriate by the

Commission as discussed hereafter.

A2: RESPONSE FROM THE STAKEHOLDERS

2.1 Summary of objections/suggestions from stakeholders, response of DISCOMs (viz. Tata Power Delhi Distribution Limited (TPDDL), BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL), New Delhi Municipal Council (NDMC) and the Commission's view.

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the determination of Tariff shall be Section 62 of the Electricity Act, 2003 for the Distribution Licensees on consideration of all objections/suggestions received from the public and the response of the DISCOMs response thereon to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as applicable may be specified in the order.

2.3 The Commission has on examination the issues took into consideration the comments/ suggestions offered by the various stakeholders in their written statements and also the response of the Petitioners thereon.

2.4 The comments and the suggestions of stakeholders, and the petitioners replies/response thereon the summarised views of the Commission are appended under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS

STAKEHOLDERS' VIEW

2.5 Publish MYT Business Regulations and Tariff Petition for FY 2020-21 in newspapers as per the Electricity Act, 2003.

2.6 Public hearing for Mushroom Cultivation Tariff Category.

2.7 The time period for submission of the comments may be extended.

2.8 Public notice must reflect separately all charges and utilization separately.

2.9 Public Notice dated 06/03/2020 in the case of BYPL and TPDDL, must be treated as null and void as the same is not traceable.

PETITIONER'S SUBMISSION

TPDDL

2.10 The Commission may comment on MYT Business Regulations as it may deemed fit. Tata Power-DDL has published the Public Notice on True-Up FY 2018-19 and ARR FY 2020-21 in various newspapers in the 1st week of March 2020 viz. Indian Express (English)-03/03/2020; Hindustan Times (English)-03/03/2020; Hindustan (Hindi)-04/03/2020; Sahafat (Urdu)-05/03/2020; Quami Patrika (Punjabi)-06/03/2020.

2.11 All requisite details and the information thereon have been provided in the petition.

BYPL

2.12 The Commission is uploading on its website of the stakeholder's comment regarding the procurement of the tariff petition.

The complete petitions and executive summaries for comments has been published along with the public notices stating that the public hearing could not be held due to the COVID-19 pandemic.

finalize the Tariff Orders in line with DERC (Terms and conditions for determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019 notwithstanding the fact that is the prerogative of the Commission.

BRPL

2.13 BYPL and TPDDL are two different Distribution Licensees of Delhi and Public Notices have been issued as per directions of the Commission.

NDMC

2.14 On fresh date of the public hearing which was earlier scheduled on 18/03/2020 has been resolved as the public hearing which was postponed has subsequently been cancelled. The stakeholders have been asked to submit their comments and objections by letters and e-mails. Due to global pandemic of COVID-19, as it is not advisable to hold a public gathering which may cause prejudice to the health and life of the citizens.

COMMISSION'S VIEW

2.15 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity Act, 2003.

2.16 The Commission vide its Public Notice dated 04/03/2020 scheduled a Public Hearing on

Tariff Petitions for True-Up of Expenses for FY 2018-19 and Aggregate Revenue Requirement (ARR) for FY 2020-21 on 18/03/2020 to take a final view on issues concerning the principles and guidelines for tariff determination.

2.17 However, due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing scheduled on 18/03/2020 was cancelled. The last date of submission of comments/suggestions on Tariff Petitions for True-up of FY 2018-19 and ARR for FY 2020- 21 which was earlier kept till 20/03/2020, was thus extended till the next date of Public Hearing. The Public Notices, in this regard, were issued by the Commission.

2.18 As per Order No. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India, large gatherings/ congregations was prohibited. Accordingly, Commission decided to refrain from conducting the Public Hearing this year, for issuance of Tariff Order related to True-up of FY 2018-19 and ARR of FY 2020-21 and communicated the same through public notice including on Commission's website. Alternatively, the stakeholders were given additional time-period till 30/06/2020 for submitting comments/suggestions on tariff petitions/ additional information filed by the utilities.

2.19 The Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2020-21, like Power Purchase Cost, O&M cost, CAPEX, financing cost, the gap in True-up of FY 2018-19 and carrying cost for the regulatory assets etc. The Petitioners submit the audited accounts to substantiate their claims. The Tariff Petitions are duly scrutinized and admitted only if found in order as per the DERC (Comprehensive Conduct of Business) Regulations, 2001. The Petitioners furnish clarifications/additional information, as and when required by the Commission. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.20 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."

2.21 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 2: BUSINESS PLAN& SOP REGULATION

STAKEHOLDERS' VIEW

2.22 DERC Supply Code Regulations should ensure parity between consumers and DISCOMS, and should be transparent.

2.23 Collection efficiency should be 100%;

2.24 Any collection above 100% billing should be treated as Non Tariff Income, and added to the revenue;

2.25 The scheme for rebate of 0.20% of Annual bill per extra electricity bill over six bills in an annum may please be reintroduced for domestic consumers. The DISCOM collects almost 90% electricity bills from Consumer, fifteen(15) days in advance, and total bill is cleared ten (10) days in advance prior to payment of monthly Power purchase cost to Generators to avail 2% rebate;

2.26 The DISCOM shall open Letter of Credit or make payment through NEFT/RTGS for dues payable to Generators within 3 days of receipt of the Generator bill to avail 2% rebate. In case of failure in making the payment the loss of rebate should be to DISCOM's account.

2.27 All Generators including State Generating Stations (SGS) must be paid Power purchase bill within 3 days of the generation bill, as prescribed to avail 2% discount either through Letter of Credits or through NEFT/RTGS etc.;

2.28 Revision of sanctioned load / contract demand shall be based on maximum demand readings.

2.29 At least 100 helpline Connection shall be made available and for the Consumers to make call within 3 seconds of disruption.

2.30 Late Payment Surcharge (LPSC) is being charged at a very high rate.

2.31 Return on Equity (ROE) may be reduced to 10% per annum because of low return/ interest level now prevailing in the market to ensure the per unit rate of Power cheaper and to keep it as low as possible;

2.32 Legal expenses to be allowed in ARR only for such cases, where DISCOM wins against the consumers in the court of law.

PETITIONER'S SUBMISSION

TPDDL

2.33 All Regulations made by the Commission are subject to the condition of previous publications which mandates that before making Regulations, publishing a draft of the Regulations and considering any objection or suggestion which may be received from any person concerning the draft before the date specified in the notice, published with the draft Regulations, after which the draft Regulations will be taken into consideration.

BYPL

2.34 Petitioner would like to submit that Commission has adopted a complete transparent methodology while finalizing the Supply Code Regulations by circulating draft regulations and issued a public notice seeking comments from all the stakeholders. Hence, there is no point alleging that the supply code of Commission is anti-consumer or one-sided in nature.

2.35 The Commission had uploaded the draft of DERC (Business Plan) Regulations, 2019 on its website and had invited comments from stakeholders through Public Notices published in leading newspapers, which was also uploaded on the Commission's website. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019.

Further, on 29/01/2020, the Commission had issued an Explanatory Memorandum explaining the rationale and objective behind finalization of DERC (Business Plan) Regulations, 2019.

BRPL

2.36 Stakeholder has purportedly observed that the present provisions of the Supply Code Regulations, 2017 are one-sided and is in favour of the licensees. This observation may not be correct as before framing any Regulations, as per the practice followed by the Commission, comments from stakeholders were duly invited before the said Regulation was finalized. The Commission had also published a Statement of Reasons which inter-alia highlighted the reasons for accepting or rejecting comments received from various stakeholders. Nevertheless, the stakeholders comments are directed towards the Commission and seek amendment of the provisions of the DERC Supply Code and Performance Standards Regulations 2017 alleging the same being in favour of the licensees. The Commission accords due consideration to stakeholders comments. It may also be noted that the Supply Core Regulations safeguards the interest of the consumers by enforcing strict and time-bound standards of performance with provision for imposing penalties on the licensees in case of failure to meet such standards.

NDMC

2.37 Any Amendment in Supply Code regulation or Framing of regulations is the prerogative of the Commission.

COMMISSION'S VIEW

2.38 The DERC (Business Plan) Regulations 2017 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft DERC (Business Plan) Regulations, 2017 was uploaded on DERC website and stakeholders' comments were invited via public notice and a Public hearing was also held on 19/07/2017 and comments received from the stakeholders were considered in the final Business Plan

Regulations approved by the Commission. These Regulations are applicable till FY 2019-20. Further, Commission had uploaded the draft of DERC (Business Plan) Regulations, 2019 on its website and had invited comments from stakeholders through Public Notices published in leading newspapers, which was also uploaded on the Commission's website. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019.

2.39 The Commission has notified the DERC (Supply Code and Performance Standards) (Third Amendment) Regulations, 2018 amending the existing timelines for restoration of power supply failure and compensation thereof as specified in DERC (Supply Code and Performance Standards) Regulations, 2017. TPDDL has filed a Writ Petition no. (C) 1717/2019 before the Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi in its order dated 19/02/2019 has held as under:

> *"In view of these contentions, and given the nature and the short time limit as opposed to the earlier regulations, the Court is of the opinion that the respondents should not take any coercive action under the amendment Regulations during the pendency of the proceedings. Likewise, in complaints contemplated by the amendment Regulations, no final decision shall be taken. In the meanwhile, the claims made may be processed in accordance with the preexisting regulations which would operate. The complaints received from consumers shall be processed and appropriate orders made but enforced only having regard to the earlier regulations. However, in the event the amendments Regulations are upheld, the additional compensation, if any, shall be paid to the concerned consumers by the concerned DISCOMs subject to the final outcome of the present proceeding".*

2.40 The Commission in its *DERC (Supply Code and Performance Standards) Regulations, 2017* has specified the procedure for revision of sanctioned load / contract demand based on maximum demand readings during the previous financial year. For all categories other than domestic, fixed charges are levied based on billing demand. Further, a surcharge of 30% is levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during such billing cycle.

2.41 Late payment surcharge is levied for the delay in number of days in receiving payment from the consumer by the distribution licensee at the rate as specified by the Commission in its Tariff Schedule from time to time.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

2.42 Imposing Renewable Purchase Obligations (RPO) and purchase of Renewable Energy Certificates (REC) by DISCOMS would lead to unnecessary burden on the consumers.

2.43 Inefficient and costly power plants must be closed and some relief from RPO targets should be given to DISCOMs.

2.44 To promote renewable energy, Net-metering should be promoted instead of purchasing RECs and purchase renewable power from generating stations outside Delhi.

2.45 The percentage of RPO obligation needs to be set only as per the availability of solar power. The current year's RPO obligation should be deferred to the future years when sufficient renewable power is available.

2.46 Tata Power-DDL (TPDDL) has purchased RECs of Rs.134/- Crore for meeting the RPO obligations. This cost should not be passed on to the consumers in the form of ARR.

2.47 DISCOMs have incorrectly computed the quantum of RPO for FY 2020-21 which conflicts with principles of Electricity Act, 2003 and Tariff Policy, 2016. RPO quantum is to be calculated on the consumption of electricity (including transmission and distribution losses) and not on the sale of electricity, as is being done by DISCOMs.

2.48 CERC has extended the validity of RECs till 31/10/2020. The commission is requested to allow DISCOMs to procure RECs for any shortfall in meeting RPO compliance till FY 2020-21 as there is enough liquidity in the Exchange for RECs.

2.49 Solar power purchase agreements with DMRC are not in place yet..

PETITIONER'S SUBMISSION

TPDDL

2.50 RECs procurement has been mandated as per DERC Regulations to promote renewable energy. Commission has mandated the Renewable Power Purchase Obligation on DISCOMs which are bound to fulfil the same through either procurement of Renewable

Energy or through purchase of REC. However, the RPO targets of DISCOMs can be reduced considering that Renewable energy of Open access consumers is also flowing in DISCOM periphery resulting in excess renewable energy (over and above RPO targets) flowing in the licensed area.

2.51 Long term PPAs are to be honoured without any breach of contractual agreements. The GENCOs have been established for giving power on a long term basis, and hence form an integral part of the power supply value chain. Moreover, the availability of power from other short term sources is not guaranteed, and overdependence on short term resources can lead to low power availability with and supply disruptions. Wherever possible, it is endeavoured to get PPAs reallocated to other states through the Ministry of Power, Govt. of India. Gas Plants with PPAs expiring shortly, and without any gas tie-ups may be transferred to the other gas plants. The Commission has mandated the Renewable Power Purchase Obligation for DISCOMs, and they are bound to fulfil the same through either procurement of Renewable Energy or purchase of RECs. However, the RPO targets of DISCOMs may be reduced considering that Renewable energy of Open access consumers also flows in DISCOM periphery, which results in renewable energy (over and above RPO targets) flowing in the licensee area.

2.52 Physical renewable power is the preferred option to meet RPO targets, and Net metering also helps to reduce the purchase of RECs for compliance of RPO. The net metering guidelines are prevalent in Delhi and are monitored under the Performance Assurance Guidelines of Commission. Tata Power-DDL has already installed approx. 900 net meters in its area of operations which are helping reduce the purchase of RECs to an extent.

2.53 REC procurement has been mandated as per Regulations to promote Renewable Energy. Commission has mandated the Renewable Power Purchase Obligation on DISCOMs and DISCOMs are bound to fulfil the same through either procurement of Renewable Energy or purchase of REC.

2.54 The commission may like to decide on percentage of RPO compliance.

2.55 The commission may also like to decide on RPO deferment.

2.56 Our focus is on buying Renewable power and only in case of unavailability, REC's are bought as the last option to meet the targets for Renewable Purchase Obligation.

2.57 The commission may like to decide on lower the RPO obligation.

2.58 DERC (Business Plan) Regulations, 2017, section 27 (1) specifies that RPO is to be computed on the total sale of power. The same clause is mentioned in DERC (Business Plan) Regulations 2019 as well.

2.59 Commission has already allowed meeting RPO through physical renewable power/ REC.

BYPL

2.60 The petitioner has signed various PPA's for fulfillments of Solar and Non-Solar obligations in the coming future with Solar Energy Corporation of India (SECI) and Waste to Energy Plants of Delhi. The power from the majority of the plants under these PPA's is expected to be supplied from FY 2021-22 onwards. The Petitioner is also facilitating the growth of Net Metering Connections in its area. Power from these long term PPA's and Net Metering sources would suffice the most of the requirement of Renewable Power and a practical alternative to RECs. Further, given the recent outbreak of COVID-19, the SECI projects have been delayed, and are expected to commence from FY 2021-22. Accordingly, petitioner has now requested Commission to defer/ waive the RPO targets for FY 20-21 due to force majeure condition of COVID-19. All possible options/solutions to avail renewable power and meet the RPO targets are being explored. However, our capability for purchase of RPO has been constrained since BYPL has been facing adverse financial conditions, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and recent force majeure condition of COVID-19 pandemic, Therefore, BYPL has requested for waiver/carry forward of RPO targets in its True-up Petition for FY 18-19 and ARR of FY 20-21.

2.61 Our focus is on buying Renewable power and only when it is not available, do we buy REC as the last option to meet the targets for Renewable Purchase Obligation.

2.62 We agree with the comment that renewable purchase obligation should be fulfilled with the renewable power, not the REC's, but we would like to submit that The Petitioner in its Petition for True-up of FY 18-19 has explained the efforts undertaken for fulfilling RPO targets for FY 18-19, which includes facilitation for Net Metering connection in its area and signing various Power Purchase Agreements for procuring Renewable power.

However, due to precarious financial condition of the Petitioner, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and because the availability of long term Renewable power from PPA's is expected to commence in future years, we have requested Commission to carry forward RPO target for FY 18-19.

2.63 The stakeholder has highlighted that the RPO target for FY 2020-21 should be calculated based on consumption rather than the sale of electricity within the DISCOM. The stakeholder also mentioned that excluding Hydro purchase from the sale is not a correct methodology for calculation of RPO target for DISCOMs. We respectfully submit that Regulation 124 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides as under:

"Provided also that the Commission Will specify the targets for Solar and Non-Solar RPO in the Business Plan Regulations for a specific Control Period:

2.64 Further Regulation 27 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 provides RPO Target from FY 20-21 to FY 22-23 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23, shall be computed as a percentage of the total sale of power, to its retail consumers in its area of supply, excluding procurement of hydropower. "

The Petitioner has calculated the RPO target for FY 20-21 as per the above methodology provided by the Commission.

2.65 The Petitioner in its Petition for True-up of FY 18-19 has explained the efforts undertaken for fulfilling RPO targets for FY 18-19, which includes facilitation for Net Metering connection in its area and signing Various Power Purchase Agreements for procuring Renewable power.

However, due to precarious financial condition of the Petitioner, primarily on account of a non- cost-reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and because the availability of long term Renewable power from PPA's is expected to commence in future years, we have requested Commission to carry forward RPO target for FY 18-19.

2.66 We appreciate the concern of the stakeholder regarding the burden on the consumer due to the purchase of REC. The petitioner, due to precarious financial condition, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and also, as the availability of long term Renewable power from PPA's is expected to commence in future years, has requested Commission to carry forward RPO target for FY 18-19 to future years.

2.67 BYPL appreciates the stakeholders suggestion to consider RPO compliance mandatory for Open Access consumers in the interest of consumers of Delhi and requests the Commission to consider the same as it is the prerogative of the Commission. As it is evident that the collections and the cash flow of the Petitioner have been adversely affected due to COVID-19 impact, BYPL could not buy RECs to comply with the RPO Targets. Hence, BYPL agrees with the stakeholder's suggestion concerning REC purchase cost not to be considered for FY 2020-21 due to COVID-19 impact. Hence, the Commission is also requested to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

2.68 It seems that the stakeholder is referring to the ARR petition filed by the Petitioner in February 2020. Under the directions of the Commission, the Petitioner has filed its revised ARR (impact of COVID-19) wherein the Petitioner has not considered the REC purchase cost for FY 2020-21 considering the adverse situation on account of COVID -19 pandemic and riots in the Petitioner area of supply. The detailed submissions in this regard are provided in Para 2.10 (Page 87 to 92) of the revised ARR Petition.

2.69 We appreciate the concern of the stakeholder regarding the burden on the consumer due to purchase of REC, the petitioner, due to precarious financial condition, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and because the availability of long term Renewable power from PPAs is expected to commence in future years, has requested Commission to carry forward RPO target for FY 18-19 in future years.

BRPL

2.70 The renewable resources are limited in Delhi so the DISCOMs are bound to buy RECs (Renewable Energy Certificates) to fulfil RPO obligations. However, we expect that the Commission will give due consideration to the stakeholders comments while determining the tariffs. Furthermore, we would like to submit that the determination of electricity tariff to be charged from a certain category of a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.71 The stakeholder has requested for non-inclusion of certificates charges in the ARR Petition. In this regard, we would like to submit that the as per Section-86 (1) (e) of EA 2003, Every State Commission fixes minimum Renewable Purchase Obligation (RPO) percentage which is effectively the quantum to be purchased mandatorily from RE Sources out of the total power purchase quantum. Therefore, in case any DISCOM is unable to meet the RPO Target due to any reason, the DISCOM has the option to purchase RE Certificates to fulfil the same. The cost of these RECs is thus allowed in the ARR of DISCOM. However, BRPL has not purchased any RECs during FY 2018-19 and hence, the comments of the stakeholder pertain to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

Further, it is submitted that the determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.72 The Petitioner in its Petition for Truing-up of FY 2018-19 at Para-3A.80 to 3A. 84, along with the reasons for non-achievement of RPO target during FY 2018-19, has also highlighted the various steps taken towards the fulfilment of RPO Targets. The Petitioner has also highlighted the various PPAs signed and upcoming RE generation already tied up for future years. The Petitioner has also requested the Commission to carry forward the shortfall in achievement of RPO Targets during FY 2018-19 to next control period or waive off the same given supply constraints. The Petitioner requests the Commission to kindly consider the request and allow the same.

2.73 The Petitioner has signed various PPA’s for fulfilments of Solar and Non-Solar obligations with the supply to be commence in near future. The details are shown hereunder:

Table 2. 1: Details of upcoming Firm Renewable sources

Sr.No.	Party	Particular/ Description	Allocation (MW)	Date of Signing of PPA	Validity/Expected COD
1	SECI	Solar- SECI ACME	400	06-Aug-18	SCOD- Oct'20
		Solar-SECI	350	17-Jun-19	SCOD – Dec'20
		Wind -SECI Alfanar	150	28-Mar-18	SCOD – Nov'19
		Wind- SECI SITEC	100	20-Dec-18	SCOD – Jul'20
		Wind -SECI Srijan	50	17-Jun-19	SCOD – Jan'21
2	PTC	Wind PTC - Inox	50	21-Jul-17	SCOD of Oct'18.
3	SDMC	Tehkhand-Okhla	10	20.11.2018	future plant- Mar'21
Total			**1110**		

The above-mentioned PPAs shall start operationalizing from FY 2020-21 onwards and shall be meeting RPO targets in future.

2.74 BRPL has computed the Renewable Purchase Obligation of FY 2020-21 as per Regulation-27 of DERC Business Plan Regulations, 2019 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-23 as below:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23, shall be computed as a percentage of the total sale of power, to its retail consumers in its area of supply, excluding procurement of hydropower.

The target for RPO shall be met through the purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('REC') or combination of both, and shall be as follows:

..."

2.75 Adjustment of RPO shortfall: As far as the renewable energy certificates are concerned, the same is stated to be valid instruments for the discharge of renewable purchase obligations as stated in regulation 5 of the said 2012 RPO Regulations. Even if the DISCOMs purchase renewable energy certificate, the fact would remain that the consumers of Delhi will be bearing this financial burden, without receiving any physical energy, will not in any manner be benefited from any reduction in the greenhouse gas emission in the atmosphere of Delhi.

Alternatively, BRPL has also entered into 1100 MW of Power Purchase Agreement (PPA) with SECI/PTC to meet its Renewable Purchase Obligation at a landed cost of less than Rs. 3 per Unit.

NDMC

2.76 NDMC endeavours to meet the RPOs targets as set by DERC. Further, many new initiatives are in the pipeline to procure green power from renewable sources on a sustainable basis. The same will lead to the replacement of coal-based power with such green power in near future.

2.77 Net metering is being provided as per the prevailing Regulations of DERC.

COMMISSION'S VIEW

2.78 The Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for the promotion of co-generation and generation based on renewable energy sources. The policy framework of the Government of India also stresses on the encouragement of renewable energy sources keeping in view the need for energy security and reducing the carbon footprint.

Section 86 (1) (e) of the Electricity Act 2003 states:

"The State Commission shall discharge the following functions:

Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee"

2.79 The Commission in pursuance of the same has mandated the renewable purchase obligation to be met through the purchase of energy from renewable energy sources/or purchase of renewable energy certificates to ensure that RPOs are met in the most optimum manner.

2.80 The Commission has issued *DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2012* and *Business Plan*

Regulations, 2017. As per these Regulations, the obligated entity is required to fulfil a defined minimum percentage of the total quantum/consumption from eligible renewable energy sources.

2.81 Ministry of Power (MoP) vide its Order dated 14/06/2018 specified the RPO targets till FY 2021-22. The Commission has considered the RPO targets (a year later targets) in DERC (Business Plan) Regulations, 2017 & DERC (Business) Plan Regulations, 2019, as specified by MoP.

2.82 The Commission has promoted Net Metering in Delhi through framework of Net Metering Regulations in 2014 and had also issued guidelines related to Virtual Net Metering and Group Net Metering. Approximately 170 MW of Solar Roof Top through Net metering arrangement has been installed in Delhi. As per Section 86 (1) (e) of the Act, for promotion of electricity from renewable energy sources a percentage of total consumption of electricity has to be considered which translates to sales and not factoring transmission and distribution losses as submitted by stakeholders. The Commission observed that Delhi distribution licensees have submitted that they are unable to meet 100% of their RPO targets as mandated in the Regulations on account of various reasons like non-availability of RECs at exchanges, delay in scheduled COD of RE Plants etc. The distribution licensees should endeavour to meet RPO targets as stipulated in the Regulations and hedge the risk due to delay in COD of RE Plants.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.83 DISCOMs keep on purchasing costly power from inefficient plants. The effort should be made by the DISCOMs and Commission to reduce the Power Purchase cost.

2.84 In Pragati (Bawana) and Aravalli Jhajhar plants fuel supply is not available in a full Quantum. Hence, GENCOs should reduce their bills and Commission should audit them for adequate fuel supply arrangements.

2.85 East Delhi has low-end Domestic consumers, accordingly, if the Commission decreases the power purchase cost, DISCOMs will be able to invest more in upgrading network, improving customer services etc.

2.86 DISCOMs can renegotiate PPA with NTPC and amend the terms.

2.87 DISCOMs can substitute the power from five NTPC plants that have completed 25 years with power from Teesta-III with a lower tariff of Rs.4.25/kWh. This would save power purchase cost of Rs. 480 Cr and reduce RPO quantum.

2.88 A large portion of Dadri TPS Stage-I can be substituted with cheaper hydropower.

2.89 Restoring cheaper power to TPDDL.

2.90 Short term purchases 1064 MU was made for Rs. 453.4 Cr. at an average price of Rs. 4.27/unit. Short term sale Power sale of 2489 MU was made for Rs. 453.4 cr. at an average price of Rs. 3.76/ unit. It is not understood how huge amount of Power was sold at such a cheap rate and short term Power was purchased at a much higher rate.

2.91 The stakeholder has submitted that the generation capacity excluding BTPS is 2250 MW against a demand of 7016 MW, due to which there is excessive power import resulting in disturbance in system reliability.

2.92 The costly Power of Anta gas @ Rs. 33.63/unit, Auraiya gas @ Rs. 48.68/unit and Dadri gas @ Rs. 10.16/unit may not be purchased to reduce cost of Power purchase. Aravali Power corporation, Jhajjar supplies power @ Rs. 13.09/unit to Delhi Discoms. Aravali Thermal Power Station should be dismantled because coal is being brought from Andhra Pradesh at very high prices.

2.93 Any purchase and sale of power is done in the most economical manner as per the principles outlined by the Commission from time to time.

PETITIONER'S SUBMISSION

TPDDL

2.94 Long-term PPA's are to be honoured without breach of agreements. The GENCO's has been established for giving power on a long-term basis and hence Form an integral part of the power supply value chain. Moreover, the availability of power from other short-term sources is not guaranteed and over-dependence on short term resources can lead to low power availability issues with supply disruptions. Wherever possible, it is endeavoured to get the PPA's reallocated to other states through Ministry of power, Govt. of India. The commission may like to decide on the same.

"The existing power purchase agreement for power supply from the plant to Delhi

Distribution Company will be expiring by March 2021. Since GTPS plant has several features like Reliable Supply to VVIP areas, work as Starting station for Grid revival in case of Blackouts or total grid failure, capable to operate in Synchronous Condenser Mode with minimum retrofit, ..."

BRPL vide their letter dated 22.06.2020 has responded to GT proposal of R&M of GT after the expiry of useful life.

2.95 The commission cannot decrease power purchase cost for plants regulated by the Hon'ble CERC. Further, DISCOMs are allowed schemes based on their criticality and necessity after due prudence by Commission. Power Purchase Costs do not govern the decision for investment in such schemes. Thus if a particular area requires new scheme, up-gradation the same must be pointed out to Commission with data of breakdowns, poor supply, load shedding etc.

2.96 PPAs are non-negotiable and governed by Regulations. Some of the plants are highly reliable and low in tariffs. Hence we are continuing with the same.

2.97 Tata Power-DDL has 10 MW allocation from Dadri Stage 1. Based on Regulations, power will be substituted/ continued.

2.98 Stakeholders have rightly raised the issue of reallocation of cheap power amongst Delhi DISCOMs. Tata Power-DDL agrees with the suggestion and agrees that cheaper power should be allocated back so that Power Purchase Cost on the consumer reduces. This will benefit the consumers of Tata Power-DDL area, as well as improve critical financial position of Tata Power-DDL, which is further deteriorating due to present Covid-19 situation.

BYPL

2.99 Power purchase cost is the major component of the ARR comprising more than 70% of the total cost, any reduction in power purchase cost would results in reduction in tariff to the end consumer. BYPL appreciates the concern of the stakeholders regarding the higher cost of existing and newly developed power stations, unavailability of the quantum of the cheaper fuel supply of Bawana and Aravali Jhajjar plants and allocation of cheaper power to the petitioner due to its predominant domestic consumer profile having low paying capacity. In view of the above, and overall interest of the consumer, the Petitioner has taken various steps for closing down /exit of PPAs from various high cost and inefficient power stations. Further, the Petitioner has also approached various forums at both central and state level including submission of its comments on the Petitions filed by various Central /State Generating and Transmission utilities for consideration of the Regulatory Commissions.

2.100 The DISCOM's are bound with the Long Term Power Purchase agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31st March 2007. The petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, MoP etc.

2.101 We appreciate the concern raised by the consumer, but we would like to inform you that, all the Long Term Power procurement is done after the approval of the Commission. At the time of privatization, all Power Purchase Agreements ("PPA") entered into by Delhi Vidyut Board ("DVB") were handed over to Delhi Transco Limited ("DTL"). DTL was to enter into power procurement arrangements for the state of Delhi for a period of 5 years, ending on 31st March 2007. As DTL was a transmission licensee and could not be in the business of trading in power, a special dispensation was taken for DTL for doing so from the Government of India, to enable it to continue in this role till 31st March 2007. Hence, any PPA entered into prior to 31st March 2007 are PPAs entered into either by the erstwhile DVB or DTL, who had the obligation to do so. The PPAs for Dadri Thermal Generating Station (NTPC) (Coal based) and Pragati Power station (Gas based) etc., were entered into by DTL initially and came to BRPL as mentioned above. These PPAs were assigned to BRPL in terms of the Commission Order dated March 31, 2007. Hence, BRPL had no choice in entering into the PPA and had to take on the PPA pursuant to the order/ directions of the Commission. Thus, BRPL is bound by the PPAs signed by DTL and entrusted to it in FY07-08 by DERC. Nowadays, BRPL enters into Long Term Power Arrangement from Renewable Energy sources at highly competitive rates (i.e. Landed Tariff at less than Rs. 3 per unit). This not only reduces Power Purchase cost for consumers of Delhi but also help in meeting RPO targets and achieving Greening the Grid objectives.

2.102 The Commission allows the Power Purchase cost from Anta, Auraiya and Dadri Gas based stations to the Petitioner in order to meet its demand following the principle of Merit Order. However, the Commission may rationalize and adjust the power purchase cost by reassigning the allocation of power in terms of the Tariff Regulations 2017. Further, the Petitioner has also filed a petition before Hon'ble CERC and the Commission for the surrender of PPAs from some of the costly power plants.

2.103 The Petitioner has taken various steps for closing down higher-cost power stations such as BTPS, Rajghat etc. It is further submitted that the Petitioner has also approached various forums such as CERC, DERC for the reduction in Power Purchase Cost. The DISCOM's are bound with the Long Term Power Purchase agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31st March 2007. The petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, MOP etc. The Stakeholder has also submitted that due to prevailing Covid-19 situation, no Fixed charges be paid to State Generation companies. In this regard, we would like to submit that the Petitioner through its various communications to Commission, GoNCTD and MoP has requested for Moratorium period for Genco bill payments, Fixed Charge waiver etc.

BRPL

2.104 The Distribution Licensees procure most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Commission as per its orders dated 31-03-2007. The power purchase cost accounts for about 80% of Annual Revenue Requirement of the Distribution Licensees and includes the cost paid for procurement of power, transmission charges, UI charges, SLDC/RLDC charges.

2.105 The aforesaid observations of the stakeholder pertain to State Generating Stations. The Commission is empowered to look into the issues pertaining to Generating Stations.

2.106 The aforesaid observations of the stakeholder pertain to State Generating Stations. The Commission is empowered to look into the issues pertaining to Generating Stations.

2.107 In this regard, it is submitted that BRPL's share in the generation capacity allocated to Delhi has been indicated as 3073 MW at Table-4.6 of the additional submission available on the website of the Commission. Further, the demand referred in the aforesaid observation is the combined demand for all Delhi DISCOMs and not only BRPL. It is further submitted that almost 90% of the power is purchased from generating companies owned and/ or fully controlled by the Central Government and State Government. The PPAs with these Generating Stations were initially signed by M/s DTL or erstwhile DVB and thus have been inherited by the Petitioner.

NDMC

2.108 NDMC request the Commission that no reallocation of power to be expedited without the explicit consent of NDMC.

COMMISSION'S VIEW

2.109 The long term Power Purchase Agreements (PPA) are entered into by the Petitioner considering the overall average projected demand of the consumers and likely growth in the demand vis-à-vis the likely availability of Power from various sources. The surplus/shortfall in power availability arising due to difference in demand during peak hours and non-peak hours including seasonal variations are required to be sold /purchased by the Petitioner on need basis. The Commission has directed the Petitioner to optimize such short term transactions and maintain transparency in its short-term power purchases and sales.

2.110 The Commission has specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as well as in earlier Tariff Orders, that the Merit Order Dispatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also an incentive and disincentive mechanism for sale of surplus power to maximise the revenue from the sale of surplus power. Further, as per the provision of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017 and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019, the contingency limit for the sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.

2.111 The Commission has already approved various Power Purchase Agreements (PPA) entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21.10.2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.

2.112 The Commission has also noted that the load curve in Delhi is peculiar in nature with high morning and evening peaks and very low load demand during night hours. It is due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have the requirement of power primarily during day time. The round-the-clock industries, which are a common feature in most of the States and which contribute towards flattening of the load curve, are very few in Delhi.

2.113 To cater to the peak demand during day time, DISCOMs have been buying Round the Clock (RTC) Power. The surplus power during night hours/off-peak hours gets sold at the prevailing short-term market rate/Power Exchange Rate/UI Rates. In order to optimize the cost of power purchase, the Commission has advised the distribution utilities to explore the possibility of higher banking transactions to avoid the purchase of peaking power for a short duration, so as not to burden the consumers with avoidable purchases of RTC power which entail the sale of off-peak surplus power at very low rates under the mechanism of Unscheduled Interchange.

2.114 The Commission had projected power purchase cost net of the rebate as per the provisions of *DERC (Terms and Condition for Tariff Determination) Regulations, 2017*. The power purchase cost is allowed to the distribution licensee after considering maximum normative rebate available for each generating stations.

2.115 The provision for reallocation of power among Delhi DISCOMs has been made in *DERC (Terms and Condition for Tariff Determination) Regulations, 2017* as follows:

> *"The gap between the average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution*

licensee:

Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India"

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.116 CISF, Police Force etc. may be provided to DISCOMs for reduction of theft of electricity and DISCOM's assets.

2.117 Distribution loss of 7.90% for FY 2020-21 is too high.

2.118 The AT&C loss Target for 2011-12 was 18% as per MYT Extension Regulation May 2011 and Petitioner admitted such loss reduction on 11th Commercial Sub-Committee meeting held on 18.10.2011 by CEO BYPL. Consequently, the Target for 2012-13, 2013-14 and 2014-15 was as per MYT Regulation 2011 and MYT Extension Regulation May 2015 to a total of 13.2%. The position stated by the Petitioner in the figure is wrong. MYT target has to be achieved and the consequence of not achieving the target is to the account of Petitioner and non-performance cannot be an excuse.

2.119 Any collection over 100% is again misleading. How can the DISCOM collect more than they billed. In the case of old dues, the same should be treated as non – Tariff income. There is no question of giving any incentive towards the collection of old dues

PETITIONER'S SUBMISSION

TPDDL

2.120 The Distribution loss targets are fixed by the Commission for the entire MYT period and are determined based on the base year performance of the DISCOMs. Once the targets are approved by the Commission, the same are not revisited until the end of the MYT period.

2.121 Police Support including CISF helps in curbing theft and hence, reduction in AT&C losses. Further, any benefit accrued due to such AT&C loss reduction is passed on to the consumer and accordingly, the cost of such Police Support/CISF should also be allowed in the ARR.

BYPL

2.122 The figures at Page 49 (Para 2A.1.3) of the Petition pertains to the actual AT&C loss trued up by the Commission for the respective years. With respect to the AT&C loss target for FY 11-12, the Hon'ble APTEL in its judgment dated 28/11/2014 has directed the Commission to re-fix the loss targets in terms of its letter dated 08/03/2011 which the Petitioner in its petition has sought for.

2.123 BYPL has always focused on the reduction of AT&C losses which is evident from the aggressive loss reduction of more than 50% i.e. from 61.89% in July'03 to less than 10% for FY 2018-19. Despite this, there are still some areas with high losses with volatile law and order situation. BYPL has in place, an internal mechanism to deter theft/pilferage in the sensitive areas. The concerned team conducts inspection on site at the suspected premises, records entire proceedings and finally prepares an inspection report as per the provisions specified under the Regulations/directions by DERC. Reducing electricity theft has always been one of the most aggressively pursued agendas of BYPL. Apart from all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers in its licensed area. Also, theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken into account while determining the ARR and benefits all the consumers.

2.124 As regards the stakeholder's comment on Collection efficiency target to be fixed at 100%, it is submitted that the Collection Efficiency for a particular financial year does not simply represent the revenue billed during the year and revenue collected for the same period as collection happens on a rolling basis across the financial years which includes the impact of the time lag between billing and collection. For example, billing done in March of a Financial Year would be collected in April i.e. in the next Financial Year. Hence, the collection in April of the following financial year is not responsive to the billing done either in the previous financial year or the current financial year. This goes on a rolling basis, year after year. This fact has also been recognized and accepted by the Commission in the Tariff Order dated 31.07.2017 wherein the Commission has stated as under:

> *"There can be over-lapping in the revenue billed and revenue collected. The Distribution Licensees may not be collecting 100% amount of the revenue billed in the respective year. In one particular year, there may be a case that the collection efficiency is 98%, and in another year the collection efficiency can be 101% due to underachievement of collection efficiency in the previous year. Therefore, the underachievement of 2% in a particular year may get reflected in the additional collection in the subsequent year(s). However, the Commission has fixed the target of collection efficiency in Tariff Regulations, 2017 at 99.5%, and any underachievement below 99.5% is to the account of Distribution Licensee in the respective year. "*

Accordingly, the Commission in the Business Plan Regulations, 2019 has specified the collection efficiency target of 99.50% for FY 2020-21. However, considering the impact of lockdown due to out-break of COVID-19, the Petitioner has projected the Collection Efficiency of 92.38% for FY 2020-21.

BRPL

2.125 Electricity Petitioner's enforcement teams are fully equipped and self-sufficient in curbing theft which is one of the reasons why BRPL has been able to bring down AT&C losses from over 50% to around 9% at present. However, Petitioner's enforcement team often have to face violent resistance in several areas and have been physically assaulted on several occasions. In spite of facing such violence, the enforcement officials remain un-deterred in discharging their duties under difficult and hostile conditions.

2.126 The Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees. The Distribution loss target for each distribution licensee for the next control period is tabulated below:

Table 2. 2: Distribution Loss Target

Sr. No.	Distribution Licensee	2020-21	2021-22	2022-23
1	BSES Rajdhani Power Ltd.	8.10%	8.00%	7.90%
2	BSES Yamuna Power Ltd.	9.00%	8.75%	8.50%

3	Tata Power Delhi Distribution Ltd.	7.90%	7.80%	7.70%
4	New Delhi Municipal Council	9.00%	8.75%	8.50%

NDMC

2.127 The issue Did not pertain to NDMC.

COMMISSION'S VIEW

2.128 A detailed methodology for computing the target for distribution losses has been explained in an explanatory memorandum issued by the Commission for the DERC (Business Plan) Regulations 2017 and DERC (Business Plan) Regulations, 2019.

2.129 The Commission is of the view that Distribution loss is an inherent loss in the System which can be minimized up to the technical permissible limit, whereas the losses also include the theft which can be controlled by DISCOMs.

2.130 The DISCOMs are given an incentive if the distribution losses are reduced below the target fixed. If the losses are more than the target fixed, the loss above the target fixed is full to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone and will get reflected in the true-up of ARR of the respective DISCOMS.

2.131 The details of actual incentive/disincentive given to the DISCOMs for over and underachievement of AT&C loss target are available in Chapter A3 (True-up of ARR) of the respective tariff orders which are available at Commission website (*www.derc.gov.in*).

2.132 The Commission is of the view that the DISCOMs should step up their enforcement activities to further reduce theft and control AT&C losses. The Commission is of the view that carrying out more load shedding in high loss/theft area is not an appropriate measure, as the honest consumers in these areas will also suffer without being on fault. The Petitioner should make all efforts to prevent theft/pilferage of electricity by strengthening their enforcement activities without harassing honest consumers.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.133 Network Augmentation for safety issues like Hanging of Poles, tangles of electric wires.

2.134 More than 500 street lights are waiting for energization, and residents have paid Rs. 30000/- to Rs. 1,00,000/- and wait for months as there is no network.

2.135 Govt. should make land available to Tata Power-DDL on lease for installation of transformers and network expansion.

2.136 The Commission is requested to direct MCD to check unauthorized construction as these give rise to increased demand which cannot be easily catered due to lack of space for putting up the electrical infrastructure for supplying electricity.

PETITIONER'S SUBMISSION

TPDDL

2.137 To energise any connection or Street light points, there is a requirement of proper electrical infrastructure. Further, there are timelines for every service and Tata Power-DDL adheres to the guideline/timelines given by the Commission. It is pertinent to mention here that there is an issue of availability of Grid/Substation space as well as a right of way, resulting in a delay in execution of works for electrical infrastructure and is beyond our control.

2.138 Consistent efforts have been made to improve and upgrade the network infrastructure due to increased peak demand and consumer growth, however, the issue of space constraint hinders the expansion of network/transformer capacity. Especially in unauthorized areas as well as owing to vertical growth even in regularized colonies, requisite space is not demarcated / available for the electrical infrastructure.

2.139 Land may be granted on Right to Use basis by the Department of Power (DoP) under the guidance of Commission to the DISCOMs for construction and expansion of power network. However, the Commission may like to decide on the same as it may deem fit.

BYPL

2.140 BYPL's continuous endeavor is to provide quality and reliable supply to its consumers. However, in order to upgrade the distribution infrastructure to carry out necessary network augmentation and ensure system reliability, adequate O&M and capital expenditure is required, which is to be allowed in the ARR of the DISCOM. The huge un-recovered Regulatory asset is severely impacting the financials of the DISCOMs. DISCOMs have so far sustained operations by funding the Regulatory Assets through heavy bank borrowings. Further, this has constrained DISCOMs from making full payment to its suppliers, and to replace old assets &old networks. The Commission allows interest cost such that DISCOMs are able to raise funds to carry out necessary network augmentation & consumers continue to get uninterrupted and quality power supply in future. The Commission determines the ARR for the DISCOMs as per the provisions of the Applicable Regulations.

2.141 BYPL's constant effort is to maintain the quality service, strengthening and modernizing the distribution network. To provide uninterrupted power supply, further network additions and augmentation are required for network assets replacement such as transformers, cables, poles etc. However, due to the space constraint issue in particular areas, it becomes difficult to install or augment network in those areas. The aforementioned issues are already directed towards the Commission. We appreciate your suggestion with respect to space constraints issue for network augmentation and trust that the said issues raised by the stakeholder would be given due cognizance by the Commission.

BRPL

2.142 We appreciate the concern of the stakeholder. Similar problems are being faced by the Petitioner also. Issue of space constraints have been time and again raised by the Petitioner before GoNCTD as well as Commission. The space constraints act as a major hindrance to the Petitioner in ensuring quality supply to the consumers of Delhi and to comply with stringent targets set in Supply Code Regulations. The Petitioner requests the Commission to take up the matter with GoNCTD and issue appropriate statutory advice in this regard.

2.143 In this regard, we would like to submit that this matter pertains to the GoNCTD and the Commission if deem fit may take up with the GoNCTD.

NDMC

2.144 Distribution Infrastructure Issue Did not pertain to NDMC.

COMMISSION'S VIEW

2.145 The Central Electricity Authority (CEA) has notified Measures relating to *Safety and Electric Supply Regulations, 2010* as amended from time to time. The Commission in its *DERC (Supply Code and Performance Standards) Regulations, 2017* has directed the

Distribution Licensee and the consumers to follow the provision of the Safety and Electric Supply Regulations. The bare conductors are being replaced with the cables in a phased manner by the Distribution Licensees on case to case basis.

ISSUE 7: O&M EXPENSES

STAKEHOLDERS' VIEW

2.146 DERC is requested to check the Tata Power-DDL accounts while approving employee expenses. Tata employees are sent to different locations outside Delhi like Mumbai and Odisha where Tata Power got new projects, but their expenses are being booked in Tata Power-DDL.

2.147 In the Rithala plant, Tata Power-DDL employees are working. Their cost cannot be charged twice from Delhi consumers as distribution cost and power plant.

PETITIONER'S SUBMISSION

TPDDL

2.148 The Commission has alwayss done the prudence check at the time of determination of normative O&M Expenses.

2.149 Rithala's employees' expenses do not form part of Distribution employees' expenses. The Commission treats both divisions separately for the purpose of Tariff determination.

BYPL

2.150 Did not pertain to BYPL

BRPL

2.151 Did not pertain to BRPL

NDMC

2.152 Did not pertain to NDMC

COMMISSION'S VIEW

2.153 The Commission conducts prudence check on the issues related to O&M expenses that are submitted by the Utilities for approval of O&M expenses during a control period. O&M expenses are a controllable parameter in terms of DERC (Terms & conditions for Determination of Tariff) Regulations, 2017, and any surplus or deficit on account of O&M expenses shall be to the account of the Licensee and shall not be trued up in the ARR.

2.154 As per DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, O&M expenses are directly related to actual assets installed at the site and its maintenance to provide services to the consumer. O&M Expenses vary as per the consumer mix i.e., Domestic/Non Domestic/Industrial etc. & supply at different voltage levels i.e., LT/11kV/33kV/66kV. The O&M Expenses up to 11kV level majorly vary as per the line length of the network whereas for LT level the Consumer mix plays a vital role. Therefore, the Commission has computed the O&M expenses on the basis of capacity of assets installed at site i.e., per circuit km of the line & per MVA capacity of transformation at various voltage levels.

ISSUE 8: TRUE-UP OF PAST CLAIM UP TO 2017-18

STAKEHOLDERS' VIEW

2.155 Poor quality Assets were procured at higher than market rate and they become defective prematurely. The claim of Rs. 93 crores as given in Table 3B3 may be rejected.

2.156 Commission may not allow connection of line without EIC and create a dangerous precedent which violates the safety code and may result in loss of life and property.

2.157 To allow Capex and Capitalization pertaining to REL purchase: This matter is being agitated unnecessarily since 2008. It is submitted that the Petitioner procured the equipment's from sister concern (now owner) and claimed the price which was 68% over the market rate. The issue may please be rejected. The order of the Hon'ble APTEL in Appeal 246 of 2014 is not relevant in this issue. All the DISCOMs are given fair treatment. The cost of procurement and 5% over that is the best treatment. Hence the extra claim of Rs. 177.2 crore with 14% interest from 2006 totally Rs. 1200 crore is baseless, false and may be rejected.

2.158 The AT&C loss for period 2012-15 was at a very low level of 1.16% annually against the earlier period of over 4% annually and had been achieved easily. Hence the question of revision of AT&C loss level does not arise. There is absolutely no reason to consider the AT&C loss of 2011-12 at 21% when the MYT Extension Regulation May 2011 decided by a detailed exercise of Public response, Public hearing and deliberation by the Commission. The letter dated 8.3.2011 was defective per in curium and bad in Law. The Extension Regulation had not been challenged before the appropriate Court and hence stands firm and AT&C loss of 18% for FY 2011-12 is final. The submission by the Petitioner is manipulative, misinformation and cannot be achieved by trick. The claim of Rs. 812.6 crore is false, bogus and does not have a leg to stand.

2.159 Any increase in consumer base does not call for an increase in Employees expenses because the Employees do not have to do anything once the line is made. There is no necessity of an increase in labour expenses as all expenses are paid. The claim of Rs. 179.9 Cr is manipulative, bogus and has no basis.

2.160 The efficiency factor for FY 2010-11 was 4%. While extending the MYT Extension Regulation May 2011, the Commission maintained the same 4% factor when in fact it should have been 5%. This is a Regulatory decision and is part of the MYT extension Regulation. May 2011 which has not been challenged. Hence the factor of 4% remains and no claim of Rs. 30.1 crore cannot be allowed;

2.161 BYPL showed zero billing of 40.85 MU and BRPL 111.1 MU. Commission, therefore, disallowed the amount of energy from the collection for 2010-11 in the True-up for FY 2010-11. Both the Companies were happy and did not raise any objection because they were caught red-handed for manipulation of sales. Either they collected the amount in cash and did not enter it in collection register or they were showing the extra Energy collection to boost up their AT&C loss reduction programme. The undersigned respondent A.K. Datta, therefore, filed Appeal no. 195 of 2013 before the Hon'ble APTEL that prorate disallowance for the other 11 months i.e. April 2010 to February 2011 @ Rs. 40.85 MU per month should be disallowed for BYPL, 111.10 MU per month for 11 months of 2011 for BRPL. Both the Commission and BYPL responded to the Appeal. APTEL after due adjudication remanded back the matter to the Commission to look into the matter and check month-wise zero billing. Commission disallowed zero bills pro-rata for the other 3 quarters of 2010-11 and Rs. 59.11 Cr. were adjusted in the revenue. The claim of Rs. 162.4 is false and bunkum and may please be rejected. A further similar reduction in revenue for BRPL for the whole year i.e. 1332 MU should be made.

2.162 Tariff is 30% over Power purchase cost. Hence the Petitioner has 1.7 times the Power purchase cost collected through Tariff by 23rd of any month. Hence there is an abundance of cash. There is no valid reason not to pay Power purchase bill by 3rd of the next month to avail 2% rebate. Hence the issue merits no consideration and the claim of Rs. 532.5 crore may be disallowed.

2.163 Commission imposed Street light maintenance cost on MCD for extra revenue. Hence separate Street light maintenance cost cannot be allowed and the amount of Rs. 233.6 crores claimed by the Petitioner may be disallowed.

2.164 The monthly billing rebate for FY 2014-15 and FY 2015-16 has been discontinued due to oversight and hence may please be reintroduced for the interest of the Consumers who have to take the hassle of paying monthly bill instead of a bi-monthly bill.

PETITIONER'S SUBMISSION

TPDDL

2.165 Did not pertain to TPDDL

BYPL

2.166 Timely Implementation of APTEL orders by the Commission is in overall consumer interest as it will prevent additional carrying cost burden on consumers. The Hon'ble APTEL has observed in its judgments that its judgment/ orders are to be implemented promptly, in cases, where its judgments have been passed and no stay order has been granted by Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation. Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, Hon'ble APTEL vide its various judgments has issued specific directions to the Commission which the Commission is legally bound to implement. Accordingly, the Petitioner in its Petition has prayed for implementation of various Judgments passed by the Hon'ble APTEL and allowance of its entitlement in the Tariff Order. Further, the issue wise detailed submissions along with computation of financial impact are provided in Chapter 3B of the ARR/True-up Petition which is not reiterated for the sake of brevity.

BRPL

2.167 Did not pertain to BRPL

NDMC

2.168 Did not pertain to NDMC

COMMISSION'S VIEW

2.169 As per the direction of Hon'ble APTEL in Appeal No.195/2012, the Commission in Tariff Order dated 29/09/2015 had considered an impact of Rs.57.98 Crores on account of zero billing by BYPL for FY 2010-11. For Capitalization related to REL purchases the Commission has detailed this issue in Tariff Order 28/03/2018 in para 3.22 of BRPL. Accordingly, the effect of actual capitalization shall be given to the distribution licensees after submission of report by the Consultants to the Commission and examination/ deliberations thereafter by the Commission. The matter related to AT&C loss is sub-judice before Hon'ble Supreme Court of India (Appeal No.8860-61 of 2015) and the same has also been clarified by Hon'ble APTEL in its judgement dated 31/10/2017. The Commission considers normative rebate for computation of power purchase cost i.e. 1.5% for Central Sector utilities, 2% for State Sector utilities and 2.5% for NPCIL irrespective of the actual rebate earned by DISCOMs. Based on the directions of the Hon'ble APTEL in its judgement dated 31/10/2017 in clarificatory application filed by Commission, the impact of efficiency factor has not been considered by the Commission. Accordingly, the Commission will deal the issue of True-up of Past claim in terms of *DERC (Terms & conditions for Determination of Tariff) Regulations, 2017 along with DERC (Business Plan) Regulations 2017.*

ISSUE 9: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.170 Accumulation of regulatory assets is neither justified nor beneficial for DISCOMs as well as consumers, as it results in bad financial condition for DISCOMs and payment of surcharge by consumers, and consumers end up paying more than the actual cost deferred by the Commission.

2.171 GoNCTD may provide a bail-out package for recovery of regulatory assets of Delhi DISCOMs as is done for other states.

2.172 The commission may press for an extension of central government schemes for Delhi consumers to for bail-out package as in case of State-run DISCOMs.

2.173 The way through which Commission amortize the regulatory assets of BYPL claiming Rs. 15000 Cr. Regulatory Assets.

2.174 The commission should increase the tariff to the extent that Regulatory Assets are liquidated and new ones are not created since the surcharge levied at present is inadequate.

2.175 Consumers are already paying 8% Surcharge and Pension Trust Surcharge. Increasing the surcharges above the existing ones would be unjustifiable. Consumers are also paying for carrying cost. DERC needs to plan for amortization of Regulatory Assets.

PETITIONER'S SUBMISSION

TPDDL

2.176 Need for the timely liquidation of the regulatory assets has also been emphasized in the amendments to the National Tariff Policy. The Commission has brought into effect a mechanism for dealing with Regulatory Assets. Even in past, DISCOMs have been advocating at various Forums for time-bound recovery of regulatory assets.

2.177 Any such funding suggested may be extended to Delhi DISCOMs, would be welcome and in overall consumer interest.

2.178 In the interest of consumer and financial viability of the power sector, the tariff should cost-reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset results in carrying cost burden on the consumers. Further, in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should be factored while deciding the electricity tariff to be charged for next year. Regulatory assets got created due to non-cost reflective tariff for previous years. Thus, in order to fund the said Regulatory assets, Tata Power-DDL is availing loans from the market and also paying interest on the same to the banks/FIs. To overcome the problem of further creation of Regulatory Assets, the Commission has introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from the further accumulation of interest.

BYPL

2.179 BYPL submits that the 8% RA surcharge was allowed by the Commission vide order dated 13.07.2012. However, the said surcharge is not sufficient enough for time-bound recovery of the accumulated RA. Hence, we agree with the concern raised by Stakeholder to provide bailout package in order to recover the Regulatory Assets for past years as being provided to consumers of other State DISCOMs.

We hope that your suggestion will be considered by the Commission and the Commission may suitably advise to the Delhi Government to take up the said matter with the Central Government as any such funding as suggested will be beneficial in the interest of consumers.

2.180 The Yearly Increase in Regulatory Asset of all DISCOMs is recognized by the Commission and vide tariff order dated 13th July 2012 allowed 8% Surcharge for recovery of the accumulated deficit (Regulatory Asset). However, the 8% Surcharge towards the recovery of Regulatory Asset is not even sufficient to recover the carrying cost. We appreciate the concern raised by the Stakeholder and request the Commission to kindly consider this in this Tariff Proceedings.

2.181 It is submitted that the creation of regulatory assets is not beneficial licensee as well as the consumers. The creation of regulatory assets is detrimental to the interest of the sector as it further defies the object and intent behind the Electricity Act and is also against the Tariff Policy. The Commission has brought into effect a mechanism for dealing with regulatory assets. However, the 8% Surcharge approved towards the recovery of Regulatory Asset is not even sufficient to recover the carrying cost. Even in past, DISCOMs have been advocating at various Forums including the Commission for time-bound recovery of Regulatory Assets. It is also relevant to say that uninterrupted power supply, upgraded power system infrastructure and the quality and reliability of power supply hugely depends upon the financial health of the DISCOMs, which can only be ensured with the determination of tariff which is cost-reflective and covers all the legitimate claims of the DISCOMs.

BRPL

2.182 The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost-reflective Tariff, huge Regulatory Assets has been created and has adversely affected the borrowing capacity and the credit rating of the DISCOMs.

2.183 Clause 8.2.2 of the Tariff Policy dated 06.01.2006 provides as under:

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as an exception, and subject to the following guidelines:

i) Carrying cost of Regulatory Asset should be allowed to the utilities;

ii) Recovery of Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within control period;

iii) The use of the facility of Regulatory Asset should not be repetitive;

iv) In cases where Regulatory Asset is proposed to be adopted, it should be ensured that the return on equity should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected."

2.184 Furthermore, the APTEL in its Judgment dated 11.11.2011 in O.P. No. 1 of 2011 has held as under:

"65.

(iv) In the determination of ARR/tariff, the revenue gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid the problem of cash flow to the distribution licensee."

2.185 The Commission vide its Tariff Order dated 13.07.2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap.

2.186 We appreciate your comments on closure of the huge accumulated Regulatory Assets till FY 2018-19 along with carrying cost. Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before Supreme Court of India, the Petitioner has requested the Commission to adjust 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Supreme Court of India. Further, the Petitioner has requested the Commission to allow the carrying cost on Regulatory Assets recognized till FY 2018-19 as per directions given by Tribunal in Appeal 153 of 2009 and O.P. 1 of 2011, through a separate surcharge. Furthermore, we would like to submit that the determination of electricity tariff to be charged from a certain category of a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.187 Regulatory Assets Burden Issue Did not pertain to NDMC.

COMMISSION'S VIEW

2.188 Recovery of accumulated revenue gap, Regulatory Asset as envisaged in clause 8.2.2 of Tariff policy is as under:

> *"Carrying cost of Regulatory Assets should be allowed to the utilities.*
>
> *Recovery of Regulatory Assets to be time-bound and within a period not exceeding three years at the most, preferably within the control period.*
>
> *The use of the facility of Regulatory Assets should not be retrospective.*
>
> *In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of a licensee to borrow is not adversely affected."*

2.189 The Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11/11/2011 (OP 1 of 2011).

2.190 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been revising tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

2.191 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.

2.192 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however, cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the

Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.193 The Commission has submitted before the Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.

2.194 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 along with Business Plan Regulation, 2017 and Business Plan Regulation, 2019. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2020-21, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true-up of FY 2018-19 and carrying cost for the regulatory assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 10: PENSION TRUST

STAKEHOLDERS' VIEW

2.195 Commission to initiate appropriate proceedings to frame the Regulation for DVB pensioners for providing lifetime pensions and terminal benefits liabilities of personnel of DVB.

2.196 Allow recovery of Pension Trust in the ARR of DISCOMs on account of payment for the pensioner.

2.197 The commission may allow in the ARR of three DISCOMs for FY 2020-21 an amount of Rs.936 Crore to pension trust.

2.198 Pension Trust recovery and surcharge are not part of Electricity Tariff.

2.199 Pension Trust surcharge should be discontinued.

2.200 The stakeholder has submitted that pension fund recovery and surcharge are not part of electricity tariff. He has further submitted that as the pension fund is regulated by the Tripartite Agreement and Commission is not the party to it, therefore it recovery through electricity bill is unlawful.

PETITIONER'S SUBMISSION

TPDDL

2.201 Commission has been of the view that it does not have the power, jurisdiction to frame regulation dealing with such kind of issues raised by stakeholder. The pension surcharge has been already Allowed by The Commission for a year on year basis and is recovered as per the directions of Commission for servicing the liabilities, pension of the pension Trust.

2.202 The same is already been recovered in ARR of DISCOMs.

2.203 The commission may like to decide on the same as it may deem fit.

2.204 Determination of Retail Tariff and Surcharges is the sole prerogative of the Commission. However, the Commission may like to decide on the same.

BYPL

2.205 The Pension Surcharge is levied towards the recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD vide its letter dated 26/07/2017. The Commission vide its Tariff Order dated 31.08.2017 has notified a surcharge of 3.70% towards the recovery of Pension Trust Charges which was subsequently modified as a surcharge of 3.80% to vide its Tariff Order dated 28.03.2018. Hence, the Pension Surcharge is billed and collected by the Petitioner as per the directions of the Commission for servicing the liabilities, pension of the Pension Trust.

With respect to the Regulatory Surcharge, it is stated that cost-reflective tariff needs to be approved for the financial sustainability of DISCOMs so that the DISCOMs continue to provide quality services to the consumers of Delhi. Further, it is pertinent to mention that, in the past, in order to avoid tariff shock to the consumers, the Commission did not allow cost reflective tariff which resulted in accumulation of Regulatory Assets. To overcome the problem of further creation of Regulatory Assets, the Commission has introduced Regulatory Surcharge of 8% surcharge to be levied on the tariff in order to recover such Regulatory Assets. Repeated creation of Regulatory Assets and not providing time-bound recovery of the same is not only detrimental to the financial stability of the DISCOMs but it is also not in the overall interest of the consumers as the consumers will be unnecessarily burdened with the carrying cost on this Regulatory Assets.

It is further submitted that we agree with the stakeholder's suggestion that the Commission may suitably advise the Delhi Government or Central Government for providing the subsidy for loans/additional loans to DISCOMs at a cheaper rate and financial restructuring of existing loans in the interest of both the DISCOMs and consumers. Even, the benefits schemes like UDAY or any other financial packages should also be extended to Delhi DISCOMs and the consumers of Delhi should not be deprived of such benefits just because they are being served by private DISCOMs. Also, to overcome the adverse effect on the cash flow of the Petitioner due to COVID-19 impact, the Commission may provide some regulatory guidance and take steps to urgently mitigate the Cash Flow situation of BYPL.

2.206 The stakeholder has submitted that the introduction of pension trust surcharge of 3.70%, over and above the 8% surcharge towards the recovery of an accumulated deficit, have burdened the consumers with the total additional amount of 11.70% above the required tariff. It has been further submitted that such levying of the additional surcharge is unjustifiable and against the principle of natural justice.

2.207 The stakeholder has submitted that the consumers are being burdened by carrying cost along with surcharges. The carrying cost is being allowed to compensate the Petitioner against the interest paid on the loans raised for funding of Regulatory Assets. In this regard, we appreciate the suggestion relating to the subsidy for loans or cheaper rate of interest for an additional loan to DISCOMs or financial restructuring of existing loans. However, we expect that the Commission will give due consideration to your comments while determining the tariffs and will ensure the recovery of Regulatory Assets recognized till FY 2018-19.

Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before Hon'ble Supreme Court of India, the Petitioner requests the Commission to adjust 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Hon'ble Supreme Court of India. Further, the Petitioner requests the Commission to allow the carrying cost on Regulatory Assets recognized till FY 2018-19 as per directions given by Hon'ble Tribunal in Appeal 153 of 2009 and O.P. 1 of 2011, through a separate surcharge.

As regards stakeholder's request for attending the public hearing, we would like to inform that as per public notice available on the website of DERC, the Commission has stated that public hearing shall not be conducted as large gatherings/ congregations have been prohibited as per Order No. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India.

It is trusted that we have been able to clarify the position with regard to the aforestated respondent's comments.

BRPL

2.208 As per the recommendation of the GoNCTD vide its letter dated 26/07/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB employees/Pensioners from September 2017 onwards.

2.209 As far as pension surcharge of 3.70 % is concerned, it is submitted that the Commission vide its tariff order dated 31/08/2017 has notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. It is important to mention here that under Section 45 of the Electricity Act, 2003, determination of electricity tariff is the sole prerogative of the Commission.

2.210 Commission vide its Tariff Order dated 28/03/2018 has notified a surcharge of 3.80% towards the recovery of Pension Trust charges.

2.211 As per the recommendation of the GoNCTD vide its letter dated 26/07/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB employees/Pensioners from September 2017 onwards. As far as pension surcharge of 3.70 % is concerned, it is submitted that the Commission vide its tariff order dated 31/08/2017 has notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. It is important to mention here that under Section 45 of the Electricity Act, 2003, determination of electricity tariff is the sole prerogative of the Commission. Commission vide its Tariff Order dated 28/03/2018 has notified a surcharge of 3.80% towards the recovery of Pension Trust charges. In terms of the directions of the Commission for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY2002-03 to till date to ascertain the actual liability of Pension Trust, the said Audit has not been conducted till date. In terms of the directions of the Commission for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY2002-03 to till date to ascertain the actual liability of Pension Trust, the said Audit has not been conducted till date.

2.212 In this regard, it is submitted that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of the principal component of the Regulatory assets recognized by the Commission. The Regulatory Assets is basically the amount which is a legitimate expense of the Petitioner and is duly recognized by the Commission. However, this amount was not allowed to be recovered from tariff in past years and was funded by the Petitioner on its own. Therefore 8% surcharge is allowed to be levied by the Commission to recover the same. Removal of this surcharge would not only affect the Petitioner's ability to supply uninterrupted and quality power to its consumers but will also increase the tariffs of the consumers due to greater carrying costs.

Further, with regard to the pension trust surcharge, it is submitted that in Tariff Order dated 31/08/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB Employees/Pensioners from September 2017 onwards as per the recommendation of GoNCTD vide its letter dated 26/07/2017. The rationale given by the Commission in its Tariff Order is as under:

> "2.298 The Commission vide letter dated 08/12/2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 693 Crore sought for FY 2017-18 by the Pension Trust on an ad-hoc basis recommended by GoNCTD

vide its letter dated 26/07/2017."

The Commission revised the pension trust surcharge from 3.70% in its Tariff Order dated 31/08/2017 to 3.80% vide Tariff Order dated 28/03/2018. The surcharge percentage of 3.80% was continued in Tariff Order dated 31/07/2019. The Commission also directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account, on a monthly basis. The relevant extract of the directive issued in this regard is extracted below:

"Tariff Schedule

7.The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, load violation surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:

8% towards the recovery of an accumulated deficit, and,

3.80% towards the recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD.

Directives:

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust

1	*A/C No.*	*10021675545*
2	*MICR No.*	*110002103*
3	*Bank*	*State Bank of India*
4	*IFSC Code*	*SBIN0004281*
5	*Name*	*DVB-ETBF-2002*
6	*Branch*	*Rajghat Power House, New Delhi-110002*

.."

The Petitioner has been complying with the above directive of the Commission.

NDMC

2.213 The contention of the stakeholder is not applicable in case of NDMC. NDMC was not a party to the tripartite agreement signed between erstwhile DVB, Government of Delhi and the Private DISCOMs at the time of privatization of DISCOMs in Delhi. Further, NDMC reiterates its submission in its petition that no such liability should be included in the ARR for NDMC and that the consumers in NDMC license area should not be burdened with such liabilities of others DISCOMs.

2.214 DERC has introduced pension surcharge of 3.70% Issue Did not pertain to NDMC. However, it is submitted that no liability of such pension trust should fall on to NDMC since NDMC was not a part of the privatization erstwhile DVB.

COMMISSION'S VIEW

2.215 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by the GoNCTD with unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by the GoNCTD. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in the DTL Tariff orders from FY 2011-12 onwards up to FY 2015-16. Further, in the Tariff Order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of the past practice of routing it through DTL.

2.216 Section 86 of the Electricity Act, 2003, which defines functions of State Commission, does not provide for issuing Regulations of Pension Trust. The fact has also been appreciated by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that "the learned State Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". The Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame Regulations in this regard.

2.217 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11/09/2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the matter before the court and explore other avenues for settlement of the dispute.

2.218 The Commission has already made provision on the ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Cr., Rs. 470 Cr., Rs. 573 Cr., Rs. 573 Cr., Rs. 694 Cr., Rs. 792 Cr. and Rs. 839 Cr. for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 respectively in applicable Tariff Orders for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.

2.219 The Commission vide letter dated 08/12/2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 937 Crore sought for FY 2020-21 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide its letter dated 13/03/2020.

2.220 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgment dated 03/05/2010) had inter alia held that any liability towards DVB employees and existing pensioners are the responsibility and liability of the successor utility or employer.

ISSUE 11: OPEN ACCESS

STAKEHOLDERS' VIEW

2.221 Discourage the consumers from availing open-access power to maintain the balance of cross-subsidization of domestic consumers.

2.222 Cross-subsidy surcharge may not be applicable to DMRC in open access.

2.223 Open access consumer taking Renewable power are exempted from various charges which are paid by non-open access consumers. Hence, renewable power beyond RPO of open access consumer should be considered part of DISCOM's RPO compliance. Also, RPO compliance should be mandatory for open access to consumers. This will reduce the cost of REC purchase and avoid burden on consumers. In COVID-19 situation, relief from spending on purchase of REC can be given to avoid financial stress.

PETITIONER'S SUBMISSION

TPDDL

2.224 Section 42(2) of the Electricity Act, 2003 provides that the State Regulatory Commissions should allow open access subject to the payment of Cross Subsidy Surcharge. The section also states that Cross Subsidy Surcharge shall be progressively reduced in a manner as may be specified by State Commission.

2.225 The commission may like to decide on the same.

BYPL

2.226 With regard to Open Access, it is submitted that Section 42(2) of the Electricity Act, 2003 provides that the state Regulatory Commissions should allow open access subject to the payment of Cross Subsidy Surcharge. The section also states that Cross Subsidy Surcharge shall be progressively reduced in a manner as may be specified by State Commission. Further, determination of Cross Subsidy and surcharge on Open Access consumers is the prerogative of the Commission.

BRPL

2.227 As regards the observation made by the Stakeholder, it is submitted that the determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

Clause 8.5.1 of the Tariff Policy dated 28.01.2016 provides as under:

> "8.5.1 …
>
> A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross-subsidy surcharge.
>
> … While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers."

Furthermore, Clause 6 (2) of the Commission's Order dated 01.06.2017 states:

"6. Quantum of Renewable Purchase Obligation (RPO):

…

(2) Wheeling, Transmission and Additional surcharge shall not be applicable on Open Access Consumers availing energy from all renewable energy sources within or outside Delhi. Open Access consumer receiving electricity from renewable energy sources shall be exempted from the cross-subsidy surcharge to the extent of RPO: Provided that the generators using renewable energy sources shall certify that no REC/RPO claim for this power has been made."

Accordingly, we value your comments in the said matter and trust that the same shall be duly considered by the Commission itself.

NDMC

2.228 Fixation of cross-subsidy surcharge is the prerogative of the Commission. However, the suggestion is worth deliberating.

COMMISSION'S VIEW

2.229 Section 42 of the Electricity Act, 2003 provides for non-discriminatory open access to consumers as per the provisions specified by the Commission. Accordingly, the Commission has already notified Regulations for allowing open access to consumers whose contract demand is 1 MW and above. The Commission has decided to allow Transmission and Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge and other applicable charges under Open Access keeping in view the provisions of the Electricity Act, 2003, National Electricity Policy, National Tariff Policy and the Open Access Regulations of the Commission.

ISSUE 12: TARIFF HIKE

STAKEHOLDERS' VIEW

2.230 The consumer has to pay all charges for 8 months or more even if his demand has reduced as the sanctioned load is not reduced.

2.231 High tariff of small non-domestic consumers up to the load of 10 KW be reduced to Rs. 6 per unit as for consumers up to load of 3KVA.

2.232 Proper Redressal mechanism for the grievance of consumers by the DISCOMs.

2.233 Increasing no. of surcharges, LPSC @ 18% and high-Security Deposit is injustice.

2.234 There should be an automatic reduction of Electricity load and lowering of the fixed charges/commercial charges on vacating of the rented property by the tenant.

2.235 Electricity rate for residential shops, E-rickshaw, commercial should remain the same.

2.236 Reduction or increase in Tariff should be depicted in percentage in the public notice.

2.237 The hike and the Tariff sought by Tata Power-DDL be clarified.

2.238 In these times of slow economic growth, Tariff of Public Utilities should be increased to avoid burdening Industrial and Commercial consumers.

2.239 The commission should increase the tariff to the extent that it is ensured that Regulatory Assets are liquidated and new ones are not created since the surcharge levied at present is inadequate.

PETITIONER'S SUBMISSION

TPDDL

2.240 Tariff If MDI reading exceeds sanctioned load, a surcharge of 30% is levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only as per Tariff Schedule of Tariff Order FY 2019-20. It is pertinent to mention that, DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply, irrespective of the fact whether such load demand is actually used or not. However, DISCOM is required to have such infrastructure in place. Hence the fixed charges correspond to the sanctioned load .

2.241 The sanctioned load is enhanced based on the highest of an average of Maximum Demand readings recorded as per billing cycle covering any four consecutive calendar months in the preceding financial year and not immediately on exceeding the sanctioned load. Hence, the charges on enhanced load are collected only after the completion of the relevant financial year of usage. Further, the load is reduced only after 6 months from date of load enhancement as per Regulation 17 4(vii) of DERC (Supply Code and Performance Standards) Regulations, 2017 subject to the reduction of load limited to the highest of an average of any 4 (four) consecutive months' maximum demand readings of last 12 (twelve) months.

2.242 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.243 The publication of public notice is as approved by the Commission.

2.244 All requisite details/information have been provided in the petition.

2.245 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.246 In the interest of consumer and financial viability of the power sector, the tariff should be cost-reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset results in carrying cost burden on the consumers. Further, in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should be factored while deciding the electricity tariff to be charged for next year.

BYPL

2.247 As regards the comparison of the LPSC rate of 18% with the Interest on Consumer Security Deposit Rate of 6%. It is submitted that the Commission in its Supply code 2017 has changed the rate of interest on consumer Security Deposit from 6% to the MCLR as notified by SBI on 1st April of every Financial Year.

2.248 Further, it is important to mention that the LPSC is levied as a deterrent so that the consumer pays its electricity bill on time and the Security Deposit cannot be compared with the LPSC as the purpose of levying LPSC and Security Deposit is different. In order to avoid the LPSC, the consumer shall pay its electricity bill before the due date. Mostly consumers of petitioner always pay their electricity bill in time and there is no requirement of charging LPSC. It is also important to mention that 18% LPSC is also being levied by the Generating Companies/ Transmission Companies, in case of Petitioner misses the due payment on/or before due date.

2.249 We would like to mention that Sanctioned load has been defined in the DERC (Supply Code & Performance Standards) Regulations, 2017 as the load in KW or KVA which the licensee has agreed to supply from time to time as per the governing terms & conditions. In case, MDI of the consumer comes to higher than the sanctioned load during any billing cycle, the consumer violates the provisions of connection agreement for which the load violation surcharge is levied to the extent of the violation.

2.250 Further, as regards to comments on payment of the fixed charge on sanctioned load when MDI comes to zero, it is important to note that DISCOMS are also paying fixed charges to Generating entities on the basis of the capacity allocated to DISCOM and not on the basis of an actual drawl.

2.251 However, Commission in Regulation 17(3) of DERC (Supply code & Performance Standards) Regulations 2017 has provided that, on request, the consumer can apply for load reduction.

2.252 As regards to the power factor and KVAh Billing, we would like to inform you that Meters of BYPL is compatible to record both KWh and KVAh consumption along with instantaneous power factor. This can also be verified from the meter.

2.253 As per the Tariff Policy (as amended from time to time) the tariff approved by the State Commission shall be within the range of +/- 20% of the average cost of supply. The commission in its tariff order dated 31.07.2019 has approved that the tariff for Domestic consumer is (-) 29% of ACOS and for Non-Domestic consumer is (+) 63%. We request the Commission to kindly approve the tariff for all the categories in line with the provisions of tariff policy so that no Revenue gap or surplus is created.

2.254 The margin for reducing Tariff: While we appreciate your comments/suggestions, we have to say that The Commission determines the tariff after considering the operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network/infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees. The Petitioner has projected the revised ARR & Revenue (Gap)/Surplus for FY 2020-21 as Tabulated below:

Table 2. 3: Projected revised ARR & Revenue (Gap)/Surplus for FY 2020-21

Sr.No.	Particulars	FY 2020-21
A	Net Power Purchase Cost including Transmission and SLDC Charges	7339
B	O&M Expenses	1099
C	Additional O&M Expenses	293
D	Depreciation	340
E	Return on Capital Employed (RoCE)	746

Sr.No.	Particulars	FY 2020-21
F	Less: NTI	158
G	Revised Aggregate Revenue Requirement	9660
H	Revenue available towards ARR	7424
I	Collection Efficiency	91.12%
J	Estimated Revenue Realisation	6765
K	Revenue (Gap)/Surplus	-2895

2.255 Accordingly, the Petitioner projected a Gap of Rs. 2895 Cr. and requested the Commission for determination of electricity tariff to be charged from a category of the consumer as it is the prerogative of the Commission.

BRPL

2.256 As regards levy of LPSC @18% per annum it is submitted that consumers are obligated to pay their bills on time in which case there should not be any LPSC levied. It may further be noted that the amount of LPSC is actually treated as a non-tariff income and is adjusted against the revenue gap which means the same actually reduced the tariff burden of consumers. The only thing which is allowed is the carrying cost of the same which is again determined by the Commission.

2.257 The Maximum Demand does not represent the average load drawn or sanctioned to the consumer. It is only an instantaneous indication of the peak load drawn by the consumer at any moment during the entire billing cycle.

The MDI, therefore, cannot compensate the licensees the fixed cost associated with the network capacity which the consumer has blocked for the entire time, whether or not he is drawing any energy. Therefore, MDI cannot be the basis for levy of Fixed Charges. The Commission has discussed and dealt with this issue in detail in some of its past tariff orders. Relevant excerpt from tariff order 26.06.2003 dated is reproduced as under:

"2.43.15.1 Demand violation surcharge

The Commission is of the opinion that the increase in the demand by any consumer category leads to overloading in the system feeding the point of supply and increases losses in the network. Further, it could also cause stressful conditions on the regional network, thus compromising on the continuity of supply to other consumers availing supply in the region. The Commission is of the view that if the *billing demand is equated to the maximum demand or contract demand, whichever is higher, then there is no incentive for the consumer to manage his load. The imposition of the demand surcharge is, therefore, in order. The Commission has, however, rationalized the levy of demand violation surcharge, which is now leviable @ 30% on excess demand only instead of 30% on total demand plus energy charges."*

2.258 The stakeholder has repeatedly compared the interest provided on SD vis-à-vis the rate of LPSC charged. In this regard, it is humbly submitted that it is necessary to understand the purpose of these two levies. SD is allowed to be retained by the licensee as a safeguard against any potential default in payment by the consumer. The interest on the SD provided is as per the lending rate prescribed by the Central bank and BRPL as a distribution licensee has no control of over the same. The late payment surcharge (LPSC) actually collected, as described above is not retained by the licensee and is actually treated as an NTI. Only the carrying cost of LPSC is allowed in the tariff of the petitioner that too at a rate which is far below the actual carrying cost incurred by the Petitioner.

2.259 Power factor entirely depends on the type of load connected in the consumer's premises. Every consumer's load profile and equipment connected with the load is unique which is the reason, across the entire country the responsibility of maintaining a healthy power factor has been entrusted on the consumer. This practice is not something unique to the Petitioner in the case of Delhi. DISCOM cannot be held responsible for poor power factor caused by the consumer's load profile. The Commission has discussed and dealt with this issue in detail in some of its past tariff orders. Relevant excerpt from tariff order 26.06.2003 dated is reproduced as under:

"2.43.19 Low Power Factor (LPF) surcharge

The LPF surcharge for low power factor is currently applicable for the categories, which do not have kVAh tariffs and are, by and large, metered using electro-mechanical meters. These existing meters cannot read the power factor or kVAh consumption. The Commission is of the opinion that the LPF surcharge should be levied as a deterrent so that consumers maintain the required level of power factor (PF). However, the methodology usually adopted by the utility staff for checking *the PF is not appropriate. The Commission is of the view that the levy of LPF surcharge should be linked to the actual PF of the consumer as recorded by the electronic meter/measuring equipment. The Commission has, therefore, decided that henceforth LPF surcharge shall be levied only when it is established by measurement with equipment/meter that the power factor is lower than the requisite level. Moreover, the DISCOM should ensure that the consumer is made fully aware of the consequences of having a lower PF and the need to maintain the capacitor banks in a working condition. This will ensure that consumers do not have to face any harassment."*

2.260 As regards levy of surcharges it may kindly be noted that determination of the tariff is the sole prerogative of the Commission. All surcharges are also deemed an integral part of the tariff so determined and are binding on all distribution licensees including the Petitioner.

2.261 Determination of the tariff is the sole prerogative of the Commission. We are certain that the Commission would consider the suggestion made by the Stakeholder in this regard.

2.262 With regards to grievance redressal, the Petitioner would like to highlight that the consumers in Delhi have access to multiple avenues/institutions for redressal of and is not restricted to the Electricity Ombudsman only. Effective, transparent and well-defined institutions for redressal of consumer grievances are already in place and these intuitions are presently well equipped to sort out grievances of consumers. The Petitioner, on its part, has instituted the Consumer Grievance Cell at its Corporate Office at Nehru Place. The customers in the licensee's area of supply also have a 24 x 7 access to a dedicated "No Supply" call centre - manned by trained personnel (phone number 39999707). The licensee has conducted special training programs for all personnel manning the call centres.

Alternatively, consumers can also register their grievance by sending an email at brpl.customercare@relainceada.com. Consumers can also visit the conveniently located customer care centres and contact the customer care officials / Business District Manager in person. All complaints lodged are monitored internally for faster resolution of complaints. In addition, there are dedicated helpline numbers for Billing and Metering.

The Petitioner since Jul '02 has undertaken several initiatives towards enhancing customer care/awareness. Some of them are:

(i) Customer care centres within an average range of 2-3 km. 24X7 "No supply" call centre - Aapke dwar.

(ii) "One visit" Weekly RWA meeting. Synergy Newsletter Sale of CFL / LED lamps at a subsidized rate for promoting Energy Conservation.

(iii) Viewing/payment of individual energy bill online through internet.

(iv) Barcoded bills for consumers. SMS alerts to Key consumers.

If any consumer is not satisfied with the response towards his/her grievance by the internal Consumer Grievance Cell of the Petitioner, he/she may approach the Consumer Grievance Redressal Forum (CGRF) which is a statutory body under the Electricity Act, 2003, put in place for adjudication of disputes between Consumers and their distribution licensee. The consumers may also approach the Office of the Electricity Ombudsman, situated at B-53, Paschimi Marg, Vasant Vihar, New Delhi – 110 057 for redressal of their grievance. Periodic reports of the Electricity Ombudsman are assessing the performance of the DISCOMs in Delhi has noted significant improvement of BRPL in redressing consumer grievances and the number of complaints has gradually declined. In case the consumer is not satisfied with the order of the Ombudsman, he/she may approach the higher courts of law. In addition to the above, consumers may also approach the Delhi Electricity Regulatory Commission for adjudicating complaints relating to non-compliance of Regulations / Orders under Section 142. Consumers can also approach the Hon'ble Appellate Tribunal for Electricity (ATE) in case they are aggrieved by any Regulation / Order / Directive issued by the Commission. It is noteworthy that BRPL also conducts Public Lok Adalats in association with the Delhi State Legal Services Authority under the aegis of the Delhi High Court for speedy settlement/redressal of grievances. Yet another forum available to consumers is The Public Grievance Cell of the Dept. of Power, Delhi Secretariat, I.P Estate, GoNCTD. The Public Grievance Cell is chaired by a retired High Court judge and a technical member. Consumers can either lodge a complaint personally or through the website. The Public Grievance Commission of the Delhi Government also entertains complaints relating to electricity. Consumers can register their grievance through the website of the Commission i.e. http://delhi.gov.in/wps/wcm/connect/pgc1/public+grievances+commission/our+services1/lodge+complain Apart from the above, consumers can also approach the Consumer Dispute Redressal Forum established under the Consumer Protection Act for speedy and transparent redressal of their grievances.

2.263 The stakeholder has requested to provide the details of tariff hike and clarity on tariff sought by TPDDL in the public notice. It is submitted that the comment of the stakeholder pertains to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

2.264 The Petitioner has submitted its ARR Petition in accordance with the Business Plan Regulations. In its Petition, the petitioner has clearly indicated the accumulated revenue gap for FY 2020-21. However, the stakeholder may be aware that the determination of tariff is the sole prerogative of the Commission. Therefore, it is up to the Commission to decide on matters pertaining to the creation of regulatory asset or allowing a cost-reflective tariff.

NDMC

2.265 The LPSC rate, as fixed by the Commission, is provided to ensure the consumers pay the bill in time and in case of any delay, the additional requirement of working capital can be recovered from such surcharge.

2.266 Sanctioned load helps the utilities plan the overall power requirement of its consumers in the license area. this ensures that there is the adequacy of power which can be supplied in a reliable manner. Further, the DISCOMs have to pay capacity charges (fixed charges) for procurement of power and accordingly a fixed charge is recovered from the consumers towards the same. Therefore, in the current regime, it may not be possible to remove the concept.

2.267 Application of reduction of sanctioned load consumer falls under BSES area. The issue Did not pertain to NDMC.

2.268 Surcharge Hike Issue Did not pertain to NDMC.

COMMISSION'S VIEW

2.269 The Commission determines the ARR for the DISCOMs as per the provisions of the relevant Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2020-21, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true up to FY 2018-19 and carrying cost for the regulatory assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.270 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

> *"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."*

2.271 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 13: CAG AUDIT

STAKEHOLDERS' VIEW

2.272 Audit condition for claiming subsidy by GHS should be eliminated or Commission may fix a panel of CAG empanelled with the nominal monthly fee. The commission may also arrange a joint meter reading with any of Govt. Agency or DISCOM'S Representative.

PETITIONER'S SUBMISSION

TPDDL

2.273 The commission may like to decide on the same

BYPL

2.274 Did not provide any Comment.

BRPL

2.275 Did not provide any Comment.

NDMC

2.276 Did not provide any Comment.

COMMISSION'S VIEW

2.277 The matter of CAG Audit is sub-Judice before the Hon'ble Supreme Court of India.

2.278 The audit is crucial for preventing misstatements in the company's records and reports. The DISCOMs get their accounts audited by internal and external statutory auditors conducted under the Companies Act 2013, which forms the basis for financial submission in Tariff Petition of the Commission. The provision of financial reporting may vary from the regulatory reporting as specified by the Commission from time to time. Therefore, the Commission conducts the regulatory audit in order to refine the prudence check methodology adopted with the help of an independent CAG empanelled auditor.

ISSUE 14: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.279 Meter Reading methodology should be changed from KW to KVA and DISCOMs to fix shunt capacitors at the cost of consumers.

2.280 PGs, Room on Rent, Private Hostels are charging commercial rates for Domestic/non-Domestic electricity.

2.281 Maximum Tariff slab for high consumption Domestic consumers without benefits of lower slabs be implemented.

2.282 Regulator to facilitate the introduction of the uniform tariff.

2.283 The commission is requested to include the activities of the processing of fruits and vegetables under Agricultural Tariff.

2.284 Chambers of the Advocates in court complex or outside may be kept under domestic tariff or a separate category for Advocates/Professionals may be created and tariff is kept lower than Non-domestic tariff.

2.285 The commission is requested to direct the DISCOMs to provide power purchase costs at each voltage level after considering losses at corresponding voltage levels. DMRC does not contribute to distribution losses of DISCOM at 220 KV/66KV. Hence this is necessary for fixing of DMRC Tariff.

2.286 The Consumer categorization was to support agriculture by cross-subsidy, however, such categorization is not applicable in Delhi as the Agriculture consumers are barely 2% of the total consumers whereas commercial & industrial consumers are approx.. 40% of the total consumers, therefore there should be an accounting of the collection received by DISCOM beyond the average tariff. Thus, the Commission may devise a uniform rate for electricity supply by DICOM as power purchase is done at a uniform rate.

2.287 Fixation of the tariff as per agreed principle – In view of the role of DMRC as a public utility service, BYPL have special consideration of maintaining the quality of power supply. BYPL endeavors to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure an uninterrupted and better quality of service to consumers including DMRC. To maintain this level of quality power supply, associated costs (i.e. other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored in tariff determination for supply to DMRC and other consumers.

In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BYPL has entered into long term Power Purchase Agreements (PPA's) with various Central Govt./State Govt. owned Generating station & IPP's. In addition to this, the Petitioner also purchases from other sources such as Energy

Exchanges, Bilateral & Banking etc. to meet the energy demand/rate variations. Thus the cumulative cost of power procurement from all these sources is applicable to all consumers of BYPL including DMRC. However, the Tariff determination and tariff design for all consumer categories including DMRC is the sole prerogative of Commission. The load curve of the Petitioner is not uniform, majorly due to the presence of the Non-Domestic consumers and other public utilities including DMRC, since the demand from the said categories of consumers becomes nil/negligible during night hours as compared to the day time. On the other hand, DISCOMs have to arrange power on RTC basis to serve 24x7 uninterrupted power supply. The concept of time of day tariff aims at shifting time of peak demand, thereby flattening the load curve for which the Utility provides incentives to shift consumption to off-peak hours and offers dis-incentives for consumption during peak hours.

2.288 Non Applicability of distribution loss to DMRC for availing power through Open access - The issue of drawing power at higher voltage and rebate thereon has already been addressed appropriately in the Tariff Order. An additional rebate of 4% for Supply at 33/66 kV has already been allowed to DMRC.

2.289 Non Applicability of fixed charges to DMRC–Any exemption in the tariff to any category of the consumer is the prerogative of Commission. However, as per DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, the fixed cost component of ARR of the Distribution licensee is required to be recovered from fixed charges and variable cost from energy charge.

PETITIONER'S SUBMISSION

TPDDL

2.290 For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA or part thereof as per Tariff Schedule of Tariff Order FY 2019-20. Fixed charges as part of the tariff are levied so as to be able to cover the expenses/costs of DISCOMs. Same ARR is to be recovered from the consumers. In any case, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission. DISCOMs have installed shunt capacitors at their grids to maintain the required power factor. However, maintaining the power factor at the consumer end is the sole responsibility of the consumer.

2.291 As per Tariff Order for FY 2019-20, at present, all the consumers under domestic categories having sanctioned load up to 5kW and providing paying guest facility from their own premises are being charged as per domestic tariff. However, Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

2.292 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.293 Fixation of tariffs for any Consumer category is the sole prerogative of the Commission.

2.294 The issue of drawing power at higher voltage and rebate thereof has been in-built in the Tariff design. It may also be noted that Power Purchase Cost for DISCOMs is a pooled cost from all sources at ex generator bus and is not differentiable at voltage levels.

BYPL

2.295 Tariff applied to paying guest accommodation PGs room on rent Pvt. Boys & Pvt. Girls hostels are decided by Commission and in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.296 With regards to the 18.94% additional surcharge, at present the additional surcharges being levied on the consumers are 8% Regulatory Assets surcharge, 3.80% Pension surcharge, and PPAC. The 8% RA surcharge is levied to recover the recognized accumulated deficit which is due to the under-approved tariff in the past by the Commission. The 3.80% Pension trust surcharge is not retained by the Distribution Licensee and is being directly paid to the pension trust on a collection basis. PPAC on the other hand is the variation of Power purchase cost approved by the Commission while determining the tariff and the actual Power Purchase Cost to the distribution licensees.

2.297 At present Commission has provided slab wise tariff for Domestic category of consumers, thus provision for paying higher tariff by the consumers, who are consuming more energy is already in place.

2.298 As regard to the stakeholder comment regarding the exclusion of slab benefit for high consumption domestic consumers, Petitioner would like to submit that, determination of tariff of any class and category of the consumer is the sole prerogative of Commission. We would further like to request the Commission to kindly approve the tariff in line with the provision of Tariff policy of +/- 20% cost of supply so that the approved tariff would be able to meet the average cost of supply of the petitioner.

2.299 We would like to humbly submit that the stakeholder Comments on activities of the processing of fruits and vegetables under Agricultural Tariff Did not pertain to M/s BYPL.

2.300 In terms of the regulations, 121 of the DERC (Terms and conditions for determination of tariff) Regulations, 2017, the Commission has power to reassigning the allocation of power amongst the distribution licensees. Further, we would like to submit that Adverse consumer mix has resulted in lower revenue from Tariff over the power cost at the hands of BYPL as compared to its peers, where there is more high tariff paying industrial consumers; BYPL has large scale low end domestic / Non-domestic consumers and almost nil industrial load. Also, BYPL is hugely effected due to reduction in fixed cost/Tariff of the low end domestic and non-domestic consumers in the previous year, hence in order to balance the interest of BYPL consumers in uniform tariff regime cheaper allocation of power is required to be given to BYPL.

BRPL

2.301 Determination of electricity tariff to be charged from a category of the consumer is the prerogative of the Commission. We trust that the Commission will consider your comments/suggestions while finalizing tariff for Wheeling of Electricity and Retail Supply.

2.302 As per Terms and conditions of Tariff order dated 31.07.2019, Agriculture connection is available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti- cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra. A mushroom connection is available for load up to 100 kW for mushroom growing/cultivation. We would like to submit that determination of tariff and tariff categories is the sole prerogative of the Commission. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.303 The stakeholder has stated that TPDDL from the year 2013, has suo-motu re-categorized the Chambers of Advocate at Tis Hazari Courts, Delhi from Domestic Category to Non-

Domestic Category. It has been further requested to keep the category of advocates and the Chambers of Advocates in the Court complexes or outside the complex under the Domestic Category or lower than Non-Domestic Category as the lawyer's profession is not a commercial activity. In this regard, we would like to submit that the objection raised by the stakeholder pertains to TPDDL licensed area and thus, the Petitioner does not know the facts of the case and is not in a position to reply on the issue. However, the Petitioner would like to clarify that the DISCOMS are required to charge the consumer categories as per the tariff schedule specified by the Commission. It is further submitted that determination of electricity tariff and classification of various types of consumers under different categories is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.304 As regards consumer category-wise tariff, it is submitted that the determination of electricity tariff is the prerogative of the Commission under Section 62 of the Electricity Act, 2003. Further, as per Clause-8.3 of Tariff Policy 2016, Cross-subsidy is to be determined as under:

"8.3 Tariff design: Linkage of tariffs to cost of service

…

Accordingly, the following principles would be adopted:

1. *Consumers below the poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive special support through cross-subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.*
2. *For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross-subsidy.*

…"

Thus the Petitioner requests the Commission to determine consumer category tariffs in accordance with the aforesaid principle.

NDMC

2.305 The Private Hostels and PG Tariff category is Determination of tariff is propagative of Commission.

2.306 NDMC understands that the Commission has been considering DMRC tariff under special service company category and accordingly its tariff is lower than other HT categories in NDMC license area.

It is further submitted that DMRC is actually a subsidizing category and therefore as per National Tariff Policy, the tariff of such categories can be as high as +20% of the average cost to serve for all the consumers. In 2018-19, the average billing rate for DMRC had been lower than the average cost to serve by ~30%. Therefore, no additional consideration should be given for DMRC.

COMMISSION'S VIEW

2.307 The details of applicable electricity tariff for various categories of consumers have been dealt in Other Terms and Conditions of Tariff Schedule of this Tariff Order.

2.308 Providing subsidy is the prerogative of the State Government.

ISSUE 15: COST OF FINANCE

STAKEHOLDER'S VIEW

2.309 DTL has to pay dues of Rs. 100.44 crores as a refund to short term open access charges to TPDDL. This leads to DISCOM taking loans on high-interest rates from banks, which in turn is borne by consumers in terms of tariff hike. DTL should be directed to immediately refund the same.

2.310 DERC needs to advice Delhi Govt. or Central Govt. to provide cheaper loans and arrange financial restructuring of existing loans of DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.311 Any such cheaper loans, as suggested, may be extended to Delhi DISCOMs, would be welcome and in overall consumer interest.

2.312 Records for income and expenses related to other business income are kept separately. Further, the Commission always does prudence check at the time of True-Up.

2.313 Tata Power-DDL agrees with the suggestion that DTL should pay the short term open access charges to Tata Power-DDL and it is in overall consumer interest.

2.314 Tata Power-DDL agrees with the suggestion and it is in overall consumer interest on DTL refund.

BYPL

2.315 Did not pertain to BYPL.

BRPL

2.316 As regards the observation made by the Stakeholder, it is observed that the same pertains to a Distribution Licensee namely Tata Power Delhi Distribution Limited (TPDDL).

NDMC

2.317 Did not pertain to NDMC.

COMMISSION'S VIEW

2.318 The Commission vide its order dated 31/07/2020 had directed DTL to reimburse the STOA charges to the Discoms within a week of its order . The STOA charges have since been remitted by the DTL to the Discoms.

ISSUE 16: FIXED CHARGE

STAKEHOLDER'S VIEW

2.319 Fixed charges per KW is higher for GHS society even they had installed transformers etc.

2.320 Why the low or no consumption members are paying the same fixed charges as the higher load members.

2.321 The fixed charges are made adjustable in consumption for HT consumers.

2.322 That fixed charges should be reduced and uniform for all category. Since fixed investment is the same across the category according to load.

2.323 HT consumers are given more rebate to compensate seven percent losses due to transfer possess and fixed charges be reduced

2.324 Due to the prevailing Covid-19 pandemic, no fixed charges should be paid to state generating companies as the return from these companies is only for the State Government.

2.325 In the case of commercial consumers, the Fixed charges much more than the actual power useful operation of the commercial establishments since the lock-down period

2.326 Fixed charges should be made Rs. 20/- per KW as in 2013.

2.327 DMRC has paid a huge amount as fixed charges, without any metro services, relief may be given in Tariff Order.

2.328 Direct State GENCOs to reduce their cost and no fixed charges should be paid as return from these companies are for State Govt. only.

2.329 The stakeholder has submitted that the consumer bills comprise of charges such as Fixed Charge, Energy Charge, PPAC, Pension Fund and Surcharges thereof, due to which the cost per unit is higher. Further, the Stakeholder has submitted that the Public Notice of DISCOMs reflects "Revenue available at existing tariffs". Hence, the ARR format should reflect all charges and utilization separately.

2.330 Fixed charges to be calculated on MDI and not on sanctioned load.

PETITIONER'S SUBMISSION

TPDDL

2.331 Fixed charges as part of the tariff are levied so as to be able to cover the fixed expenses/costs of DISCOMs. DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not but the DISCOM is required to have such infrastructure in place.

It is also pertinent to mention that if fixed charges are rolled back, the energy charge would increase correspondingly as these form a part of the total revenue of the utility. Therefore, whether only energy charge is levied or energy charge, as well as a fixed charge, is levied, the same ARR would have to be recovered from the consumers.

In any case, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.332 Fixed charges are part of total tariff and being part of tariff is again based on the recovery of cost concept. Further, the levy of Fixed charges is in line with section 45(3) of the Electricity Act, 2003.

2.333 The commission is requested to take up the matter with GoNCTD in the interest of consumers.

BYPL

2.334 The Stakeholder has also submitted that due to prevailing Covid-19 situation no Fixed charges to be paid to State Generation companies. In this regard, we would like to submit that the Petitioner through its various communications to Commission, GoNCTD and MoP requesting for Moratorium period for Genco bill payments, Fixed Charge waiver etc.

2.335 With respect to the fixed and energy charges we would like to submit in terms of regulation 2017, costs (fixed and variable) of the ARR is to be recovered from Fixed charges and energy charges, accordingly, the tariff is designed by the Commission. However, currently fixed charges in tariff schedule as per the regulation is already lower from the fixed charges of the previous years. At the end for cost-reflective tariff, energy charges and fixed charges shall be the composite of the total Aggregate revenue requirement.

2.336 Regarding interest on the security deposit, we would like to refer to the DERC Supply code, Regulations, 2017, it been credited to the consumers therefore the same reflects on consumer accounts on 31st March.

BRPL

2.337 We would like to submit that determination of tariff (a fixed charge, energy charge, pension surcharge etc.) is the sole prerogative of the Commission.

2.338 In this regard, we would like to submit that various charges are being levied as per the tariff and related components determined by the Commission in Tariff Orders/ Regulations. The details of these charges also form a part of ARR Petition which is available on the Commission's website and the Petitioner's website.

2.339 We would like to submit that determination of tariff (a fixed charge, energy charge, pension surcharge etc.) is the sole prerogative of the Commission.

NDMC

2.340 Any rebate offered by such generating companies will be passed on to the consumers. However, there should not be any under-recovery of the fixed charges paid by NDMC.

2.341 Any rebate offered by such generating companies will be passed on to the consumers. However, there should not be any under-recovery of the fixed charges paid by NDMC.

2.342 NDMC has entered into PPA on the basis of peak demand of DMRC so that adequate power can be supplied in a highly reliable manner. Therefore, even though DMRC is not using the power during the Lockdown period, NDMC has to bear the fixed charges of generators and transmission companies on the basis of such PPA and BPTA. Accordingly, fixed charges needs to be levied on a mandatory basis to DMRC.

COMMISSION'S VIEW

2.343 The recovery of Annual Revenue Requirement (ARR) for the supply of electricity consists of fixed charges and variable charges. Accordingly, the tariff of a distribution company for recovering the said ARR is also divided into two parts i.e. Fixed Cost and Variable Cost which it bills to the end consumers. Ideally, the fixed cost incurred by the distribution company should be recovered through fixed cost part of its tariff and similarly for variable cost. Accordingly, the tariff structure should be rational enough. Setting Fixed Costs lower than the appropriate results in issues like irrational cash inflows (more recovery during summer months because of higher variable charges and higher consumption). As the distribution company needs to pay the fixed cost to Generating Stations and Transmission Companies uniformly during the year, this erratic cash inflow makes it difficult to make timely payments to Generation Companies and Transmission Companies which derails the entire system. The Commission in its DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 has specified the components which are part of fixed charges and the variable charges separately. The Commission increased the fixed charges and appropriately decreased the variable charges while designing the tariff for FY 2018-19.

2.344 The Commission has determined the fixed charges and energy charges for different category of consumers as specified in Tariff Schedule for FY 2020-21.

2.345 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 17: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.346 DTL has highlighted the wrong figures of transmission charges and losses mentioned in the petition by DISCOMs. DTL has further highlighted the dues pending on DISCOMs.

2.347 In earlier Tariff Petition submission, TPDDL, has projected an amount of Rs. 269 Crore as

DTL and SLDC Charges for FY 2020-21. Now, TPDDL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 937.81 Crore as Total Transmission Charges (excluding Pension Trust), however, no bifurcation has been given for Intra-State Transmission Charges and Inter-State Transmission Charges. Similarly, ARR for FY 2020-21, has projected total Transmission Loss @3 % for PGCIL and DTL i.e. 368.54 MU. Now, in Revised Tariff Petition, the Transmission Losses Units has been revised to 278.74 MU keeping the percentage as 3% for FY 2020-21, however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20.

2.348 In earlier Tariff Petition submission, BRPL has projected an amount of Rs. 1104 Crore as Transmission Charges for FY 2020-21, however, no bifurcation for Intra-State Transmission Charges and Inter-State Transmission Charges were given. Now, BRPL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 1,087 Crore as Transmission Charges, however, the bifurcation is again not given for Intra-State Transmission Charges and Inter-State Transmission Charges. Earlier, BRPL ARR for FY 2020-21, has projected Intra-State Transmission Losses as 0.92% i.e. 133 MU. Now, in Revised Tariff Petition, the Intra-State Transmission Losses Units has been revised to 112 MU keeping the percentage as 0.92% for FY 2020-21 (Table No. 4-12). However, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20. BRPL had stopped payment to DTL since October 2010.

2.349 In earlier Tariff Petition submission, BYPL in its Tariff Petition has projected only an amount of Rs. 211 Crore for FY 2020-21 as Intra-State Transmission Charges (including SLDC) and Contribution towards Pension Fund, to which DTL has submitted its comments that the same is lesser than that the amount actually billed i.e. Rs. 259.40 Crore by DTL for FY 2018-19. Now, BYPL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 215 Crore (Table No. 2.20 & 2.24) as Intra-State Transmission Charges (including SLDC), which is again lesser than the amount actually billed by DTL for FY 2018-19. Earlier, BYPL ARR for FY 2020-21, has projected Intra-State Transmission Losses as 0.92% i.e. 81 MU. Now, the same has been revised to 71 MU (Table No. 2.20 & 2.24) for FY 2020-21 in Revised Tariff Petition, however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019¬-20. BYPL has stopped payment to DTL since October 2010.

2.350 In earlier Tariff Petition submission, NDMC in its Tariff Petition has projected an amount of Rs. 57.04 Crore as Intra-State Transmission Charges including SLDC Charges for FY 2020-21, and the same amount i.e. Rs. 57.04 Crore (Table No. 54) has been continued as projections in Revised Tariff Petition as Intra-State Transmission Charges including SLDC Charges for FY 2020-21. Earlier, NDMC ARR for FY 2020-21, has projected Intra-State Transmission Losses as 13.93 MU. Now, in Revised Tariff Petition, the Intra-State Transmission Losses Units have been revised to 12.90 MU (Table No. 46), however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20 for NDMC.

PETITIONER'S SUBMISSION

TPDDL

2.351 Bifurcation of Transmission Charges considered by Tata Power-DDL for Projections of FY 2021 is as below:

Table 2. 4: Transmission Charges (Rs. Cr.)

Source	Amount	Remarks
PGCIL Charges	540.00	Average of PGCIL April and May 2020 Invoice to Tata Power-DDL amounting to ~ 45 Cr. was used for extrapolating charges for the Year
DTL Charges	300.00	Average of DTL April and May 2020 Invoice to Tata Power-DDL amounting to ~ 24 Cr. was used for extrapolating the DTL charges for the Year with approximately 4-5% escalation.
Others including STOA	97.81	
Total	**937.81**	

**STOA charges of Rs. 0.50/unit has been factored as a part of transmission cost.*

2.352 Tata Power-DDL computes the losses as difference of the actual power scheduled and energy received at Tata Power-DDL periphery and the losses are prorated under Intra state and Interstate losses as follows:

i) For Intra State Losses: DTL losses have been factored in as per the data shown on the Delhi Website i.e. 0.92% approx. (Delhi STU Loss).

ii) For Inter State Losses: Remaining difference is booked under Interstate head.

BYPL

2.353 Intra-state Transmission Charges: For FY 20-21, the Petitioner has considered the Intra-State Transmission Charges on the basis of actual data for FY 2019-20 and the same is mentioned in the ARR petition filed by the petitioner.

2.354 Intra-state Transmission losses: The intra-state Transmission Loss during FY 2020-21 has been considered as provided in Tariff Order dated 31.07.2019 i.e. 0.92%.

2.355 Outstanding dues towards BYPL: BYPL is looking at all possible options/solutions to sort out the payment issues with DTL at the earliest. However, BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of timely and adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to make timely payments to generation and transmission utilities including DTL

Further, the matter regarding payment to DTL is pending before the Hon'ble Supreme Court. There are several disputes pending before Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by Delhi Government/DTL.

BRPL

2.356 Did not provide any comment.

NDMC

2.357 NDMC has considered actual transmission losses of 0.92% in FY 2018-19 for projection in FY 2020-21 as the actual loss percentage of DTL for FY 2019-20 were not available at the time of filing the Petition. As per submission of DTL, the losses in its network for FY 2019-20 are 0.90%. Accordingly, the same may be considered by the Commission.

2.358 Intra-state transmission charges: NDMC has considered the intra-state transmission charges based on the actual payments done during the year.

2.359 Intra-state transmission Loss: NDMC has already submitted that it has considered the intra-state loss percentage as 0.92% in its petition (clause no. 2.5.2) as well as tariff formats based on the details provided by SLDC.

COMMISSION'S VIEW

2.360 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulations. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected including

Transmission Charges and Transmission Losses in the petitions with due analysis and ensuring proper justification.

2.361 The Commission determines the transmission charges of DTL as per Regulations. Further, the transmission losses and availability are being considered as provided by Delhi SLDC. With regards to the dues to DTL by DISCOMs, it is pertinent to state that in case DISCOM do not pay State Genco and DTL as per timelines mandated in the Tariff Regulations, 2017 then they are liable for LPSC as stipulated in the said Regulations. LPSC paid by DISCOMs to State Genco and DTL is not passed through in their ARR.

ISSUE 18: GROUP HOUSING SOCIETY TARIFF CHARGES

STAKEHOLDER'S VIEW

2.362 Rates for Central Group Housing Society (CGHS) and its members should be the same. Group Housing Society is being charged as per Tariff Schedule 1.2, and its members as per Tariff Schedule 1.1. This is totally unfair as, within normal domestic LT supply, the distribution system/ sub-station (including transformers, switches and meters, etc.) are installed and maintained by DISCOMS. However, in GHS, members have installed and are maintaining all the systems and bearing all the expenses.

2.363 Public Awareness Bulletin No. 11 & 12 with respect to our connection are not helpful as there is no method to calculate the individual load in GHS connection and the charging of fixed charges from an individual is very difficult.

2.364 Commission had abolished the fixed charges for GHS (11kV) w.e.f. 01/10/2015, but these charges continued for the individual members, and w.e.f. 01/09/2017 again imposed the fixed charges on the GHS. The charging of fixed charges in GHS is totally unjustified.

2.365 Audit condition for claiming subsidy by GHS should be eliminated or Commission may fix a panel of CAG empanelled with a nominal monthly fee. The commission may also arrange a joint meter reading with any of Govt. Agency or DISCOM'S Representative.

2.366 The Commission is requested to kindly fix the tariff for the GHS only and not pass any further order for the individual member's tariff (as before 01-10-2015).

2.367 Direct the DISCOMS to mention the MDI reading in each bill.

2.368 Direct the DISCOMs to prepare the monthly bill at least for the GHS according to the calendar month i.e., reading from 1st day to last day of the same month, instead of 14th day to 13th day of next month. This will help in the easier calculation of bills, as the tariff changes are made effective from 1st day of a month. This will also help GHS in easier distribution and collection of maintenance and electricity bills.

2.369 Display all the comments received for the formation of Tariff order on its website, as the Delhi Development Authority (DDA) did in case of the suggestions for MPD 2021.

2.370 The Commission is requested to kindly accord an opportunity of personal hearing in this matter.

2.371 As there is no method to calculate the individual load like a total common load of the GHS, in this connection, then how will the GHS charge fixed charges from its individual members?

2.372 GHS have installed and are maintaining all the systems and bearing all the expenses but still, the GHS is paying fixed charges at three times of normal domestic consumer, which is totally unjustified. Fixed charges should be abolished.

2.373 Members of CGHS are paying energy charges as per Schedule 1.1 of Tariff Order but are not receiving the subsidy. Hence, the order for charging individual members as per Schedule 1.1 of Tariff Order be discontinued.

PETITIONER'S SUBMISSION

TPDDL

2.374 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission. The GHS availing supply at 11 KV is being given a rebate of 3 % on energy charges for maintaining the system and bearing expenses as per prevailing Tariff Orders.

2.375 SPD connections to GHS are sanctioned in compliance with prevailing regulations. DISCOM charges fixed charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating a load of individual members as well as that of common services for charging fixed charges is the preview of SPD.

2.376 There is a separate category for Single Point Delivery Supply for GHS in the tariff order and billing is done strictly in compliance to that only. However, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.377 Tata Power-DDL is billing all its consumers as per Tariff Order FY 2019-20. Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.378 The commission may like to decide on the same as it may deem fit.

2.379 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.380 The commission may like to decide on the same.

2.381 Commission has already stipulated modalities for claiming subsidy benefit by individual consumers in Group Housing Societies (GHS). These were duly informed to each of the GHS falling in the Tata Power-DDL licensed area. The same needs to be complied with by the GHS for claiming the subsidy.

2.382 MDI is not reflected on this society bills due to multimeter case, however, we are arranging the same.

2.383 Bills are issued as per Billing Cycle or Billing period approved by the Commission.

2.384 SPD connections to GHS are sanctioned in compliance with prevailing Regulations. DISCOM charges fixed charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating a load of individual members as well as that of common services for charging fixed charges is the purview of SPD.

2.385 Tata Power-DDL is billing all its consumers as per Tariff Order FY 2019-20. Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.386 Commission has recognized that many GHS was charging high rates of electricity from its members and tried to resolve this issue by ordering GHS to bill its members as per domestic tariff with certain conditions. Further, the Commission also passed an order to allow subsidy approved by GoNCTD to individual domestic consumers to the member residents of GHS. Petitioner would like to mention here that members of GHS connections in our area are getting GoNCTD subsidy. When the individual GHS members are getting all the benefits of individual domestic consumers like subsidy and Domestic tariff, there is no point to shift from HT supply to LT supply.

2.387 The stakeholder has quoted tariff approved for individual domestic connections and GHS connections. This is for purpose of record and reference and hence, no comment is required.

2.388 The tariff is approved for GHS connections. After receiving the complaints and queries from many individual GHS members about the high rate of electricity being charged by the Group Housing Societies, the Commission directed the GHS consumers to charge rates of electricity from its members as per Domestic connections as mentioned in S. No 1.1 of the tariff schedule. This was only a mechanism to recover the cost of electricity by the Group Housing Societies from its members

2.389 We request the Commission to kindly approve a methodology for GHS to calculate the individual load for charging of fixed charges by the GHS from its individual members.

2.390 We would like to mention here that as per Regulation 130 of DERC (Terms and conditions for Determinations of Tariff) Regulations 2017, fixed charges to be levied by distribution licensee shall consist of the following:

i) Capacity charges of generating stations as approved/ adopted by the appropriate Commission.
ii) Capacity charges of transmission licensee including load dispatch charges stations as approved/ adopted by appropriate Commission.
iii) Fixed cost of distribution licensee such as ROCE, Depreciation and O&M Expenses.

2.391 It is pertinent to note that presently the fixed charges being levied are not sufficient enough to recover these costs of Distribution licensees. However, recognizing the low cost of operation at a higher voltage level, the Commission has approved a rebate of 3%, 4% and 5% to the consumers availing supply at 11 KV, 33/66KV and 220 KV voltage level respectively.

2.392 As per the Tariff Policy (as amended from time to time) the tariff approved by the State Commission shall be within the range of +/- 20% of the average cost of supply. Presently, the tariff approved under 1.1 and 1.2 of tariff schedule is (-) 48% and (-) 40% of the average cost of supply respectively for the petitioner. The other consumer categories like Non-Domestic and Industrial consumers are cross-subsidizing the gap of tariff and the average cost of supply of tariff for categories on S. No 1.1 and 1.2 of tariff schedule @ (+) 56% and (+) 24% of the average cost of supply respectively. There is no point of raising query of charging high tariff from GHS or its individual members by GHS. We would like to mention that in the petitioner's area many GHS connections are getting subsidy approved by the GoNCTD and adhering to the formalities approved by the Commission for claiming of subsidy for its members.

2.393 The MDI is being shown to the consumer in the bill raised by the petitioner.

2.394 We would like to mention that in case no activity related to electricity is done on any premises, the consumption recorded in the meter will be zero irrespective of KWh or KVAh billing. In the lockdown, for many consumers being billed on KVAh billing the recorded consumption came to be zero and billed accordingly. The stakeholder is requested to kindly check its premises.

BRPL

2.395 It may be noted that fixed charges as part of the tariff are levied so as to be able to cover the fixed expenses/costs of DISCOMs. DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not but the DISCOM is required to have such infrastructure in place.

2.396 The comparison of individual domestic connection to CGHS connection is tabulated below:

Table 2. 5: Comparison for a 4 kW consumer consuming 800 units in a month

Tariff	Domestic Tariff	CGHS Tariff	Domestic Bill (Rs.)	CGHS Bill (Rs.)
Fixed charges	50.00	150.00	200	600
Energy Charges				
0-200	3.00	4.50	600	900
201-400	4.50	4.50	900	900
401-800	6.50	4.50	2,600	1,800
801-1200	7.00	4.50	-	-
1200+	8.00	4.50	-	-
RA Surcharge	8.00%	8.00%	344.00	336.00
PT Surcharge	3.80%	3.80%	163.40	159.60
E Tax	5.00%	5.00%	205.00	180.00

Tariff	Domestic Tariff	CGHS Tariff	Domestic Bill (Rs.)	CGHS Bill (Rs.)
Voltage Rebate	0.00%	-3.00%	-	-108.00
Total Bill			**5,012**	**4,768**
Average Billing Rate			**6.27**	**5.96**

It may be noted that despite higher fixed charges for a CGHS connection the total bill for a CGHS connection is lower than domestic connection. Various benefits such as a flat rate of Rs. 4.50 per unit is applicable to CGHS which is applicable for 201-400 consumption per month domestic consumer and voltage rebate of 3% is also applicable to CGHS. We would also like to bring to your kind notice that DISCOMs charge consumer categories on the electricity consumed in accordance with the tariff determined by the Commission and that the DISCOMs cannot get involved into what CGHS charges from its consumers.

2.397 Recovery of Fixed Charges by Society from individual members: The Petitioner would like to clarify that levy and recovery of any / all component of electricity tariff by the society management from its individual members is totally a prerogative and internal matter of such society and its management / RWA. The Petitioner, as a distribution licensee has no role to play in this regard. Since such society is on single-point delivery on HT, the Petitioner's responsibility does not go beyond this HT meter. We, however, trust that the submissions made by the stakeholder are duly considered by the Commission.

2.398 It appears that the respected stakeholder is a consumer of TPDDL (another distribution licensee) and not the consumer of the Petitioner. We are confident that the observations expressed by the stakeholder will be duly addressed by TPDDL.

However, very briefly we are addressing the concerns raised by the stakeholder with regard to the following two issues:

2.398.1. Fixed charges levied on individual consumers in a CGHS society, and

2.398.2. The claim of subsidy by individual consumers of CGHS society.

In this regard, the stakeholder may kindly note that the Commission has already stated in its Tariff order dated 28.03.2018 that tariff of Group Housing Society (GHS) will be charged as per the tariff prescribed by the Commission. The relevant para directing the

CGHS is stated as under:

Para 9 of tariff schedule "The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non-Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro-rata basis of consumption."

Further, regarding subsidy for individual members under GHS connection, the Commission has described clause for subsidy in the above said Tariff order which is reproduced below:

Para 10 of tariff schedule *"Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs."*

In view of the above clauses, it is clearly defined that any individual domestic consumer availing the GHS supply can claim subsidy as approved by GoNCTD.

NDMC

2.399 Fixation of tariff on Single point delivery supplier is the prerogative of the Commission. The suggestions on tariffs may be considered by the Commission.

COMMISSION'S VIEW

2.400 The details of applicable electricity tariff for various categories of consumers have been dealt in Other Terms and Conditions of Tariff schedule of this Tariff Order.

2.401 Aggregate Revenue Requirement (ARR) of DISCOMs recoverable through Electricity Tariff has two parts i.e., Fixed Cost and Variable Cost. The Fixed Cost raised to DISCOMs from Generating Companies/ Transmission Companies includes Capacity Charges to Generating Companies/ Transmission Companies, Depreciation, O&M Expenses, Interest on Loan Expenses related to Infrastructure Cost of DISCOMs based on

Sanctioned Load of consumers etc. and Variable Cost raised to DISCOMs from Generating Companies mainly includes Fuel cost of Generating Companies.

2.402 The Fixed Charges, as determined by the Commission mandated under Section 45 of the Electricity Act, 2003, are levied by DISCOMs so as to recover their abovementioned Fixed Costs. These Fixed Costs have to be paid uniformly to Generating Companies and Transmission Companies irrespective of electricity consumption. Any under-recovery on account of these Fixed Charges shall have severe impact on cash inflows of DISCOMs and may disturb timely payments to Generation Companies and Transmission Companies.

2.403 Further, the non-payments of Fixed Charges by consumers leads to non-payment of Fixed Cost to Generation Companies and Transmission Companies by DISCOMs. It results into creation of vicious circle and disturbs the equilibrium of the Power Sector which may lead to non-availability of 24X7 uninterrupted power supply.

2.404 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

> *"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."*

2.405 If Fixed Charges are not paid by consumers, then DISCOMs will default in paying Fixed Cost to Generating & Transmission Companies and DISCOMs will also be burdened with LPSC.

2.406 Subsidy is the prerogative of the State Government. However, it is observed that

GoNCTD provides subsidy to Domestic consumers and Group Housing Societies also. Individual members of the Society are billed at par with other Domestic consumers as per Schedule 1.1 of Tariff Order.

ISSUE 19: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.407 Some stakeholders are unable to procure a copy of DERC (Business Plan) Regulations or Tariff Petitions filed by the licenses for filing a proper response.

2.408 Supply of Un-interrupted and quality of power.

2.409 Maximum height of building be increased to 20 meters with stilt parking and up to 18 meters without stilt parking for installation of new domestic connections. If the above-mentioned suggestion is not immediately acceptable, Commission may kindly allow installation of new domestic connection to at least middle floor with roof height up to the permissible limit in already constructed buildings.

2.410 Connections of the meter should be made faster and restrictions like building completion certificate should be removed.

2.411 Generation capacity does not include solar power like DMRC bulk against Rewa (MP);

2.412 Generation capacity excluding BTPS 22510 MW against a demand of 7016 MW. Excessive power import put system reliability at stake;

2.413 Energy billing should be made simpler.

2.414 Timely payment rebate should be given to consumers.

2.415 Levy of Various charges defeats the claim that Delhi has the lowest Tariff.

2.416 Allow collection of any amount of electricity bill through both digital modes of payment and cash payment at designated scheduled commercial bank branches only.

2.417 Cash counters at DISCOMs should be closed.

2.418 No processing fee should be charged from consumers for payment, irrespective of the bill amount.

2.419 Consumers having sanctioned load above 11 KW and/or electricity bill value more than Rs. 20000/- should mandatorily make online payments.

2.420 Consumers engaged in Theft of electricity or payment defaulters be disallowed the benefits of lower slabs in Domestic category and be charged only on the highest tariff. No rebates, subsidy or Security deposit interest be allowed to them and LPSC is charged on monthly basis.

2.421 Features like Billing Details, Service Request, Important Information Request like - Know Your Tariff and Total Energy Charges, Know Your Meter – video explaining the meter, Consumer Profile - Display Email & Contact Number of Consumer, Billing Analysis – Last 6 months' details of Billed Amount, Payment History, Consumption Pattern, Payment Centers & Schemes/ Offers Section can be configured in the E-Bill

2.422 Direct DISCOMs to take Aadhaar and PAN details at the time of giving new connection to avoid harassment of honest applicants from the recovery of dues left on the premises where a new connection is applied and also help in recovery suits filed against the actual defaulters.

2.423 The mechanism should be made by which low power factor consumers should be penalized and consumers are mandated to maintain power factor between 0.95 lag and 0.95 lead in the interest of the consumers and the overall power system. Any power factor below that should be penalized. This will encourage consumers to install capacitors of appropriate capacity and will reduce their load and consequently their bills. The whole power system will also be benefited.

2.424 Provide incentives to DISCOMs to motivate them to provide quality and reliable power.

2.425 Administrative expenditure should not be included in ARR.

2.426 6% interest against Security paid to the consumer must be shown in March bill.

2.427 High Tension light must be free.

2.428 Private PGs as well as Men and Women Hostels to be charged at Domestic Tariff like Government-run Hostels.

2.429 DISCOMs are charging higher LPSC while in return they provide only 6% interest on security deposit and that to be adjusted in future bills, which is injustice to consumers.

2.430 The Tariff of 2010-11 was finalized and agreed in the official note sheet by a majority and was to be announced on 3.5.2010. Unfortunately, both the Members declined to sign the Tariff order. Govt. of NCT Delhi sought statutory advice on DISCOM Finance on 2.5.2010.

2.431 Bad debts, incentive towards streetlight and commission on electricity duty shall be considered as non-tariff income.

2.432 Legal expenses cannot be allowed.

2.433 Timely payment to Central and State Generating Stations and Transmission Utilities.

2.434 To maintain Toll-free number for registration of grievances.

2.435 In view of 200 units free provided by Government of NCT of Delhi and half Tariff up to 400 units, this should be totally abolished and brought to General category of Consumer. Hence 20 MU sale @ Rs. 1/unit to old DVB Staff should be disallowed.

PETITIONER'S SUBMISSION

TPDDL

2.436 Tariff determination and Tariff design for all consumer categories are the sole propagative of The Commission.

2.437 Administrative and General expenses are part of the O&M expenses of Annual Revenue Requirement (ARR) of DISCOMs

2.438 The Commission in its Public notice already mentioned that they shall hold a public hearing with the stakeholders and date of hearing shall be notified separately.

2.439 Commission had clarified this issue on 31st May 2019 after due consideration of Master Plan for Delhi (MPD) 2021, the Unified Building Bye-laws for Delhi, 2016 and the judgement of High Court of Delhi dated 29th May 2003 in CWP 2710/1998 and CM 4780/2003. However, the Commission may like to decide on the same as it may deem fit.

2.440 We appreciate the suggestions given by stakeholders in the overall interest of Delhi power sector. Further, we request the Commission to consider these suggestions and to take steps to incentivize DISCOMs based on performance parameters in addition to the existing incentive mechanism.

2.441 Bill format is same as decided by the Commission.

2.442 As per guidelines of Commission, all cheques/DDs and Cash up to ₹50000 are accepted at designated scheduled commercial bank branches. All digital modes of payment are already available to the consumer and they can use any channel for making the digital payment from anywhere, without visiting collection centres/Banks. The flexibility of making payments anytime-anywhere is the basic principle of digital payments.

2.443 Many consumers prefer to make payments at DISCOMs' collection centres especially small consumers having earnings and spending in cash. Still approx. 30% consumers pay the electriricy bill through cash at collection centres, therefore it is not possible to close collection centres. However, on the basis of concentration of footfalls at the collection centre, optimization of the same is being done by us from time to time.

2.444 As per guidelines of Commission for Credit / Debit card payments above ₹5000, (Rs. 10,000 under Covid-19 period from 24th Mar to 30th Jun 20) convenience charges charged by Payment Gateways are being passed on to consumers. Since this expense is being charged by Banks/Payment Gateway on the basis of bill amount, the higher the bill amount the higher the convenience charges, therefore capping of Rs. 5000 has been kept. However, the Commission may re-consider it; whether to keep charging the convenience fee from consumer or pass on these expenses through ARR. In all other payment modes and channels, no such fee is being charged from consumers.

2.445 Suggestion on consumers engaged in Theft of electricity or payment defaulters would be welcome and in overall consumer interest.

2.446 Any suggestion like connecting consumer information with Aadhaar and pan card would be welcome and in overall consumer interest.

2.447 kVAh billing in lag as well lead mode can be introduced i.e. kVARh consumption in the leading power factor mode has to be taken into account as consumption. Introduction of kVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises. To ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on kVAh basis so that the injection by high-end consumers (More than 30 KVA) is as per their actual requirement and proper voltage is maintained for all the consumers. It will not only be helpful and beneficial for Tata Power-DDL but also for the concerned consumers.

2.448 According to DERC (Supply Code and Performance Standards) Regulations, 2017 the interest accrued during the year is reflected and adjusted in the bill for the first billing cycle of the ensuing financial year.

2.449 High Mast lights are billed as per tariff provision in the Tariff Order.

2.450 Any such suggestion would be welcome and in overall consumer interest on Aadhaar and pan card addition.

BYPL

2.451 BYPL continuous endeavour is to provide quality and reliable supply to its consumers. However, in order to upgrade the distribution infrastructure and ensure system reliability adequate O&M and capital expenditure is required, which is to be allowed in the ARR of the DISCOM. Additionally, in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.452 With respect to the stakeholder issue, we would like to submit that matter regarding the height of the building is sub-jaundice therefore not being commented by the answering petitioner. Further, we request the Commission to deal the same matter as per its regulations.

We would like to submit that, BYPL has always focused on the reduction of AT&C losses which is evident from the aggressive loss reduction of more than 50% i.e.; from 61.89% in July'03 to below 9% as of current year. Despite this, there are still some areas with high losses and disturbing law and order situation. BYPL has its internal mechanism to deter theft/pilferage in these sensitive areas. The concerned team conducts inspection on suspected premises, videos entire proceedings and prepares the inspection report as per the provisions under the Regulations/directions by DERC. Regardless of the area's sensitivity, electricity theft has always been one of the most aggressively pursued agendas of BYPL. Apart from all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers in the theft-prone areas. Also, theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken into account while determining the ARR and benefits all the consumers.

2.453 The stakeholder has provided the numbers of BRPL for Power Purchase price and ABR.

However, we wish to inform you that Power purchase cost is one of the components of ARR. Others being O&M expense, Depreciation, ROCE Interest on loan and carrying cost on Regulatory Assets. Therefore, it is not appropriate to compare only Power Purchase cost with the Revenue available at the existing tariff.

2.454 The commission in previous Tariff Orders has directed that in case the bill for the consumption of electricity is more than Rs 4,000/- payment for the bill shall only be accepted by the DISCOM by means of an Account Payee cheque/ DD. BYPL has been complying with the said directive of the Commission; however, considerable resistance has been faced by divisional offices/collection centres from low-income consumer groups. Further, we appreciated the concern of the stakeholder as in the current scenario of the coronavirus pandemic as well, the Government is encouraging us to go for the digitization. In view of the ground realities and current scenario, we are again requesting the Commission to enhance the limit of acceptance of cash payment for convenience of the consumers and avoid revenue loss in the ARR. In view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.455 We would like to appreciate the concern raised by the esteemed stakeholder on the environmental friendly suggestion. We would like to mention that the facility of Electronic-bill is already in place to the consumers whose Email id and Phone number is registered in the Petitioner database. Further, in view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.456 We appraise the concern of the stakeholder regarding other options for payments. Further, in view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.457 Its tariff petition, Petitioner has also requested the Commission for the exclusion of dishonest consumer for GoNCTD subsidy. We appreciate the concerns raised by the esteemed stakeholder. Further, the determination of tariff of any class and category of the consumer is the sole prerogative of Commission.

BYPL agrees with the contention that honest consumers should not be burdened on account of dishonest consumers who are defaulting their bill payments and would like to apprise that in the event a consumer does not pay its electricity bill in full within the due date specified on the bill, a late payment surcharge (LPSC) @ 18% per annum is being levied. The LPSC is charged for the number of days of delay in receiving payment from that particular consumer until the payment is made in full. Hence, there is already a deterrent in place for such dishonest consumers. Further, BYPL is committed to ensuring that all consumers are served electricity through meters and that there are no events of theft/pilferages in its license area. To protect the interest of the honest paying consumer, we would like to inform that theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken into account while determining the ARR of the DISCOMs. BYPL would like to submit that new connection are released as per the provisions of the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2018 and on submission/availability of documents as specified.

Further, it is submitted that the suggestion of the stakeholder relates to the Supply Code Regulations and shall be dealt with appropriately by the Commission.

2.458 BYPL would like to submit that the in Delhi, there is KVAh billing for all categories of consumer other than Domestic. Hence, the provision of incentive/penalty on maintaining power factor is already inbuilt in the Tariff approved by the Commission.

2.459 Tariff applied to paying guest accommodation PGs room on rent Pvt. Boys & Pvt. Girls hostels are decided by Commission and in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.460 The Petitioner in its Petition has simply listed the fact that there was no Tariff Order for FY 2010-11 due to the stay imposed by the Hon’ble Delhi High Court.

2.461 The distribution business is a regulated business under the aegis of the Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, all prudently incurred legal expenses without any distinction should be allowed as an expense in the ARR.

Further, the Commission while determining the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 has not considered legal expenses as the same shall be allowed based on prudence check at the time of true of ARR.

2.462 As regards the stakeholder's view for consideration of bad debt recovered as Non-Tariff Income, it is submitted that any amount recovered as bad debts is an energy income and have been rightly considered by the Commission as part of the revenue collected during the year. Since such income has already been considered as revenue available towards ARR, treating it as Non-Tariff Income would tantamount to double accounting of income. Therefore, the income on account of bad debts recovered is allowed to be reduced from Non-tariff income of the relevant year.

2.463 The Commission in its Order dated 05.03.2004 and 22.09.2009 while stipulating the incentive/disincentive mechanism for maintaining streetlights has stated that the incentive or disincentive would not be a pass-through in the calculation of the ARR. Further, the Commission in the Tariff Order dated 23.07.2014 had clarified that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner if the same is indicated separately in the audited financial statement.

2.464 The collection of electricity duty by the Petitioner is neither related nor incidental to the licensed business, hence any charges recovered against such activity cannot be considered as NTI in the ARR of the Petitioner. The responsibility for collection of electricity duty does not fall upon the Petitioner either under the Act dealing with Distribution or under the license granted to the Petitioner by the Commission. It is an activity carried out by the Petitioner as a part of the legacy inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye-laws 1962 ("Bye-Laws"). Hence, the activity of collection of electricity duty has nothing whatsoever to do with the functions of a distribution licensee under the Act.

2.465 Further, if the revenue realization from the collection of electricity duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

BRPL

2.466 Determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.467 As regards observation made by the Stakeholder, it has been decided by High Court of Delhi in its judgment dated 29.05.2003 in CWP 2710/1998 and CM 4780/2003 in the matter of Dr B.L. Wadhera vs. Govt. of NCT of Delhi & Ors. has directed that in all high rise building in Delhi and New Delhi, fire safety measures are to be adhered to. In all high rise buildings in Delhi and New Delhi, the safety measures are to be provided.

2.468 Apart from DERC Guidelines, the building height are governed under Master Plan Delhi 2021 and unified building bye-laws of Delhi 2016.

2.469 We would like to inform you that DMRC is an Open Access consumer. Hence, DMRC's procurement from its solar power details is not part of Petitioner's ARR.

2.470 The information contained in the bills is as per formats specified by the Commission.

2.471 As regards observation made by the Stakeholder, Regarding the issue of cash limit up to Rs. 4000, the Petitioner would like to submit that the same has already been deliberated upon in the various ARR Petition.

The Commission has directed that there will be a cash limit of Rs.4000/- while accepting billing dues from consumers. This limit is also applicable in case of recovery of all types of dues including LPSC, Misuse charges, theft charges etc. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-

No authority in the DISCOM is permitted to waive this condition pertaining to cash collection. We expect that the Commission will give due consideration to the comments.

2.472 The stakeholder has submitted that there are already many surcharges and, therefore, any additional further surcharge is unjustified.

In this regard, it is submitted that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of the principal component of the huge accumulated regulatory assets. The Petitioner is financially distressed due to accumulation of regulatory assets. The Commission vide its Tariff Order dated 13.07.2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap. However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.

Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before Hon'ble Supreme Court of India, the Petitioner requests the Commission to adjust 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Hon'ble Supreme Court of India. Further, the Petitioner requests the Commission to allow the carrying cost on Regulatory Assets recognized till FY 2018-19 as per directions given by Hon'ble Tribunal in Appeal 153 of 2009 and O.P. 1 of 2011, through a separate surcharge.

2.473 As per Terms and conditions of Domestic Category in Tariff order dated 31.07.2019.

The consumers running small commercial establishments including Paying Guest from their households having sanctioned load up to 5kW under the domestic category shall be charged domestic tariff. We would like to submit that determination of tariff and tariff categories is the sole prerogative of the Commission. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.474 As per the provisions of Supply Code 2017, the interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.475 Generation Capacity of BTPS put system reliability at stake: We would like to inform you that the Petitioner is committed to providing 24X7 Electricity supply to its consumers. Hence, there would not be any issue to any consumer, as far as the distribution of power is concerned. Further, we would like to inform the stakeholder that the Petitioner has been making consistent efforts to ensure quality and reliable supply of power by adhering to the performance standards as specified by the Commission. The Petitioner has been submitting reports on the Standards of Performance and Overall Performance Standards respectively to the Commission. The Petitioner endeavour has been not only to adhere to the Standards of Performance stipulated but also excel the Standards. Since Jul '02, the failure rates of distribution transformers have reduced to 0.01% (from 15% in FY 2001-02). The petitioner has also installed capacitors in its own network for reactive compensation and for better voltage profile. The faults in the sub-distribution system have reduced considerably. The Reliability Indices SAIFI, SAIDI and MAIFI are 1.63, 1.45 and 10.27 respectively in FY 2018-19.

2.476 In this regard, we respectfully wish to highlight that the stakeholder's observation is not entirely correct. The commission in its last tariff order dated 31.07.2019 has allowed small commercial establishments including Paying Guests being run from the owner's household having load up to 5 KW to be charged at domestic tariff. The relevant para from the said tariff order is reproduced below:

> *"5.24 The consumers running small commercial establishments including Paying Guest from their households having sanctioned load up to 5kW under the domestic category, shall be charged as per the domestic category."*

It may also kindly be noted that determination of tariff is the sole prerogative of the Commission. We are confident that the stakeholder's plea would be duly considered by the Commission.

2.477 Benefits and concessions only for honest consumers: respondent has not elaborated exactly what kind of benefits and concessions are being referred to here. However, we agree that dis-honest consumers like those not paying their dues on time or those who resort to the unauthorized use of electricity pose an undue burden on honest consumers. This is the reason why the Petitioner has commissioned a dedicated team of enforcement professionals whose sole aim is to reduce and arrest loss occurring due to theft / unauthorized use of electricity. The Petitioner prides itself in claiming that both technical, as well as commercial losses, have been drastically reduced from over 50% at the time privatization to about 8% at present. Needless to mention, the benefit of such a drastic reduction in losses has directly benefited honest consumers by way of reduced tariff burden.

2.478 In this regard, we wish to highlight that set of identification documents/address proofs that the Petitioner can collect/demand from consumers are mandated by the provisions of the DERC Supply Code Regulations. As per the prevailing norms, both PAN and Aadhaar card are accepted but are not mandatory. The Petitioner is not at the liberty to decide which documents may be sought from consumers applying for new connections. However, we trust your suggestions in this regard will be duly considered by the Commission.

2.479 Stakeholder has highlighted the need to penalize consumers who do not maintain optimum power factor. In this regard, the Petitioner craves to highlight that such a mechanism is already in place for all three-phase consumers who are billed on kVAh tariff. A lower power factor translates to a higher unit's consumption which in turn leads to a higher bill amount. This mechanism itself tries to ensure that such consumers adopt methods to optimize the power factor in their premises.

2.480 In this regard, we wish to submit that as a responsible corporate entity, the Petitioner is well aware of the benefits (both environmental and commercial) of sending e-bills. In this regard, the Petitioner has also made a written representation before the Commission in the past. At present, any consumer of the Petitioner can request to opt for e-bill and discontinue their physical bills or may decide to continue with both formats. In this regard, it may also be noted that lakhs of consumers have already opted for e-bills and have decided to stop their physical bills. However, this is still optional for all consumers. We trust your suggestion will be duly considered by the Commission. However, while considering to make e-bills mandatory, it may also need to be considered that there may be lakhs of consumers especially in the lower economic strata who may still lack the technical resources to access e-bills.

NDMC

2.481 Quality of supply Issue Did not pertain to NDMC.

2.482 Extension of the maximum height of building Issue Did not pertain to NDMC.

2.483 Performance Standards of DISCOMs has already specified by Commission the standards of performance of the DISCOMs. DISCOMs in Delhi are already adhering to such prescribed standards of operations.

2.484 Generation capacity Issues of various stakeholders Did not pertain to NDMC.

2.485 NDMC has opened its own collection centres of Billing amount in NDMC area. However, any decision of Commission on this issue shall be acceptable.

2.486 NDMC is providing the facility to make payments as per choice of the consumers. Online payment is one of them. Due to internet related issues, consumers desire offline payment and therefore online payment cannot be made mandatory. However, in case, the Commission make it mandatory, NDMC will follow it.

COMMISSION'S VIEW

2.487 The Commission is of the view that the Consumers Security Deposits are meant for funding the working capital requirements of the Petitioner. Accordingly, the Commission is considering the notional interest earned on consumer's security deposits at the cost of Working Capital considered by the Commission for RoCE. The difference in the rate of interest for working capital & the interest on security deposit is considered as Non-tariff income of the Petitioner and the same is reduced from Aggregate Revenue Requirement (ARR) of the relevant year. Therefore, the benefit of difference in interest rates is already being passed on to the consumers in the area of Licensee.

2.488 The net LPSC (i.e., LPSC amount collected after deducting the financing cost of LPSC) forms part of Non-Tariff Income and accordingly the Commission reduces the same from ARR. Therefore, the benefit of difference in LPSC amount collected and financing cost of LPSC is being passed on to the consumers in the area of Licensee.

2.489 The Commission had followed the approach of allowing rebate based on numbers of bills raised by the distribution licensee due to continuation of a uniform provision in the tariff by retaining the existing provision of working capital. Now the Commission in its DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 has determined the requirement of the working capital based on the billing cycle. Therefore, the impact of the rebate has already been accounted for by reducing the requirement of the working capital.

A3: TRUE UP UPTO FY 2018-19

BACKGROUND

3.1 The True up of FY 2018-19 shall be considered in accordance with the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017.

3.2 The Commission appointed C&AG empanelled Consultant M/s ADROIT & Co. for Regulatory Audit of the books of Account of the Petitioner for FY 2018-19. M/s ADROIT & Co. (hereinafter referred to as "Consultant") has submitted the report based on the detailed scope of work specified in the Award. Major areas of reconciliation under the scope of work are as follows:

I. Reconciliation of Power purchase quantum, cost through:

(a) Long Term (Inter-state Generating Stations & State Generating stations)

a. Fixed Cost

b. Variable Cost

c. Arrears

(b) Short Term (Bilateral, Exchange, Intra DISCOM, UI etc.)

(c) Tender wise Banking transactions (opening balance, during the year, closing balance)

II. Reconciliation of Transmission Charges

(a) Central Transmission Utility

(b) State Transmission Utility

(c) Open Access

III. Reconciliation of Renewable Purchase Obligation vis-à-vis Actual Renewable Power with cost and quantum of Renewable Energy Certificates procured

IV. Monthly Reconciliation of company wise Power Purchase and Transmission Charges' payment

V. Violation of Merit Order Dispatch Principle

VI. Overlapping in Banking and Bilateral transactions

VII. Contingency limit under UI

VIII. Incentive for bulk sale of Power

IX. Violation of cash receipt from consumers exceeding the limit

X. Reconciliation of Category-wise Revenue Billed on account of

a) Fixed charges

b) Energy charges

c) Theft / Misuse / Enforcement

d) PPAC

e) 8% Surcharge

f) Load violation surcharge (Maximum Demand)

g) ToD Surcharge/ Rebate

h) Electricity Duty / Tax

i) Late Payment Surcharge (LPSC)

j) Voltage Discount, etc.

XI. Reconciliation of Category-wise Revenue Collected

a) 8% Surcharge

b) Electricity Duty / Tax

c) Late Payment Surcharge (LPSC)

d) Street Light Maintenance charges

e) Incentive on Street Light Maintenance charges

f) Theft / Misuse / Enforcement

g) Net Revenue

XII. Quarterly Reconciliation of Subsidy- Actual released / adjusted by GoNCTD and passed to consumers in their electricity bills

XIII. Monthly Reconciliation of Pension trust- Billed to DISCOMs, Paid by DISCOMs to DTL,

XIV. Direct expenses of other business,

XV. Revenue billed on account of Own Consumption,

XVI. Adjustment in category wise units and amount billed with reasons for adjustment

XVII. Reconciliation of actual details of capitalization for each quarter of the year vis-à-vis the date of in-principle approval of such capitalization by the Commission

XVIII. Related party transactions

XIX. Inter DISCOM fund transfer

XX. Means of Financing for Capitalization, Working capital & Accumulated Revenue Gap through:

(a) Equity

(b) Debt

(c) Consumer Contribution

(d) Grant etc.

XXI. Prudency of Cost of Debt Financing

XXII. Hedging policy and Hedging Cost incurred

XXIII. Computation of Weighted Average Rate of Interest excluding penal interest, if any, on Loans availed for:

(a) Capitalisation

(b) Working Capital

(c) Accumulated revenue Gap

XXIV. Reconciliation of Net-worth as per Regulatory provisions and as per audited financial statement

XXV. Reconciliation of Debtors and Computation of Collection Efficiency

XXVI. Actual O&M expenses:

(a) Employee

(b) Administrative & General

(c) Repair & Maintenance

XXVII. Actual Other expenses

XXVIII. Reconciliation of Non Tariff Income as per regulatory provisions and other income including open access charges billed and collected from the consumers as per audited financial statement

XXIX. Compliance of all directives issued by the Commission from time to time

3.3 The report of the Consultant has been considered appropriately by the Commission for True up of various parameters of ARR for FY 2020-21 submitted in the Petition by the Petitioner in accordance with the applicable principles laid down under the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, DERC (Business Plan) Regulations, 2017 and books of accounts maintained as per Companies Act.

TRUE UP OF EXPENSES UPTO FY 2017-18

PETITIONER'S SUBMISSION

3.4 The petitioner has sought

a. Allowance of Impact of Judgment pronounced by the Hon'ble APTEL in Appeal no 246 of 2014

b. Allowance of Impact of Rithala Tariff Order pronounced by the Hon'ble Commission for True up upto FY 2017-18

c. Allowance of Impact of Judgment pronounced by the Hon'ble Commission in Petition no 10/2014

d. Allowance of Impact of Judgment pronounced by the Hon'ble APTEL in Appeal no 82 of 2015, Appeal 136 of 2015, Appeal 274 of 2015, Appeal 285 of 2015 and Appeal 58 of 2015

e. True up for Rithala for FY 18-19

f. True up of FY 2018-19

g. A realistic and time bound amortization plan to liquidate provisionally trued up Revenue Gap upto FY 2018-19

3.5 The Petitioner has submitted its claim on account of prior period expenses true up as follows:

Table 3. 1: Claim on account of prior period expenses true up

Particulars	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Appeal Impact 246 of 2014														
Non implementation of direction of Hon'ble Tribunal in relation to notional loans	-	-	0.64	-	-	-	-	-	-	-	-	-	-	-
Double deduction of additional misuse units from trued up sales of FY 11	-	-	-	-	-	-	5.35	-	-	-	-	-	-	-
Re-determination of AT&C loss trajectory	-	-	-	-	-	-	-	-	50.62	31.83	33.18	35.68	36.81	-
Particulars	**FY 05**	**FY 06**	**FY 07**	**FY 08**	**FY 09**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**	**FY 15**	**FY 16**	**FY 17**	**FY 18**
Wrongful re-opening of tariff orders FY 04-05 to FY 2009-10	10.41	8.73	7.42	5.76	3.03	3.47	-	-	-	-	-	-	-	-

Disallowance of Other Expenses	-	-	-	-	-	-	-	-	3.60	6.11	4.40	9.37	11.83	0.00
Rithala Tariff Order impact														
Differential claim	-	-	-	-	-	-	8.73	65.22	68.76	56.92	49.54	50.47	50.17	45.05
Incentive refinancing loans	-	-	-	-	-	-		-	-	-	-	-	-	0.62
Reversal of Merit order disallowance	-	-	-	-	-	-	-	-	-	45.80	0.04	-	1.56	-
Street Light Material	-	-	-	-	-	1.97	-	-	-	-	-	-	-	-
Total Addition	**10.41**	**8.73**	**8.06**	**5.76**	**3.03**	**5.44**	**14.08**	**65.22**	**122.98**	**140.66**	**87.16**	**95.52**	**100.37**	**45.67**
Carrying cost rate (%)	9.00%	9.00%	9.00%	10.61%	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.98%	12.08%	12.08%	10.33%
Opening Balance		10.41	20.08	29.94	39.18	46.82	57.30	78.07	156.80	305.49	490.81	641.99	820.84	1,026.42
Addition	10.41	8.73	8.06	5.76	3.03	5.44	14.08	65.22	122.98	140.66	87.16	95.52	100.37	45.67
Carrying Cost	-	0.94	1.81	3.48	4.61	5.04	6.70	13.50	25.71	44.66	64.02	83.32	105.22	108.39
Closing Balance	10.41	20.08	29.94	39.18	46.82	57.30	78.07	156.80	305.49	490.81	641.99	820.84	1,026.42	1,180.48

COMMISSION ANALYSIS

3.6 In view of the judgement in Appeal no. 246 of 2014, the Commission has filed a Civil Appeal 1762 of 2020 before Hon'ble Supreme Court. Accordingly, the effect of the issues related to AT&C Loss trajectories, disallowance of CAPEX and means of financing of assets capitalized same shall be considered appropriately as deemed fit by the Commission after the outcome of the appeal. Further, with regards to issue related to double deduction of misuse units from the trued up sales of FY 2010-11, since, the matter is very old and the Commission has already conducted prudence check for FY 2010-11, therefore, in line with directions of the Hon'ble APTEL, the Petitioner is directed to establish the actual category wise misused units from their billing dump as claimed by them. Further, in the matter of notional loan interest rate for FY 2006-07, the Commission has already allowed the interest rate as per then prevailing rate of interest of the market at that point of time. However, complying with the directions of the Hon'ble APTEL, the Petitioner is directed to provide the actual loan portfolio held by in the immediately preceeding year. Other issues are realted to capitalisation, the same will be considered appropriately as deemed fit by the Commission after completion of physical verification of assets.

3.7 With regards to Rithala Combined Cycle Power Plant, TPDDL (erstwhile "NDPL") vide its letter dated 11/06/2007 had submitted a proposal for temporarily setting up of a Generation Power Plant in Rithala to Government of National Capital Territory of Delhi (GoNCTD). Subsequently, GoNCTD vide its letter dated 16/07/2007 recommended TPDDL's proposal for installation of Rithala Power Plant on temporary basis for five to six years, so that then present exigency and future power needs of Delhi could be met efficiently based on projected deficit in Delhi. Further, TPDDL vide its letter dated 24/07/2007 to DDA has also sought approval to use available land to temporarily set up 90 MW generation facility at Rohini. DDA vide its letter dated 23/11/2007 granted NOC to TPDDL to temporarily set up 90 MW generation facility at Rohini.

3.8 As indicated above, the permission to setup Rithala Power Plant was granted by GoNCTD for a period of 5-6 years only. Accordingly, the Commission restricted the depreciation of the plant for this period only as there was no need of the plant beyond this period. Further, TPDDL had procured 2nd hand power plant from China for installation at Rithala site through negotiation without following transparent, competitive, fair and reasonable procedure of inviting tenders for procurement of equipment as specified in Clause No. 10.5 of the Licence condition and further, no trial run was conducted in China before importing the same to India and no Guarantee Clause has been incorporated in the Contract for performance after it is installed in India. Accordingly, after benchmarking the cost from similarly placed plant, the Commission vide its Order dated 31/08/2017 determined the fixed cost of the Rithala plant as Rs. 197.70 Crore after considering the certain site specific expenses.

3.9 Based on the above facts, the Commission in its Order dated 11.11.2019 disposed off the Petition 51 of 2017 relating to true up of expenses for FY 2010-11 to FY 2016-17 and ARR for FY 2017-18 for 94.8 MW Rithala Combined Cycle Power Plant. However, the Petitioner has filed an appeal before Hon'ble APTEL against this Order of the Commission. As the matter is subjudice in the said appeal, the claim of the Petitioner shall be considered appropriately as deemed fit by the Commission, subject to outcome of the said Appeal.

ERROR IN CONSIDERATION OF IMPACT ON ACCOUNT OF MERIT ORDER DISPATCH FOR FY 2013-14

3.10 The Commission while issuing the *DERC, Distribution Tariff Regulations, 2011* in

December, 2011, first time introduced the Regulation on the principle of Merit Order Despatch (MOD). The said Regulations were applicable from April 1st, 2012. The relevant Clause is reproduced as follows:

> *"5.25 While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased from various sources in accordance with the principles of merit order schedule and despatch based on a ranking of all approved sources of supply in the order of their variable cost of power purchase. All power purchase costs shall be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates or the power procurement guidelines as laid down by the Commission from time to time has not been followed."*

3.11 The Commission while truing up of FY 2013-14, scrutinized the adherence of MOD principle by Delhi DISCOMs and thereby computed the avoided power purchase cost due to scheduling of power without MOD principle based on slot wise and plant wise energy details from SLDC considering the stations wise actual average variable rates for FY 2013-14 and disallowed the same from the power purchase cost of the DISCOMs. The costs disallowed for the Petitioner for FY 2013-14 was Rs. 49.11 Cr.

3.12 The above disallowance did not include power from Anta, Auraiya and Dadri Stations of NTPC as the power from the said stations was considered at Short Term Power due to the violation in License condition by DISCOMs by not obtaining the consent prior to renewal of PPAs of the said stations with NTPC. Subsequently, BRPL, BYPL and TPDDL moved to Hon'ble ATE challenging the disallowance of Power Purchase Cost based on MOD Violation including force scheduling, transmission constraints and technical constraints. In its reply to the Hon'ble ATE, the Commission submitted that in case the DISCOM submits details of such transmission constraints and technical constraints duly certified by the SLDC for any specific period for the stations in question with supporting documents, the same shall be reviewed by the Commission.

3.13 The Commission while truing up the Prior Period Expenses in the Tariff Order for FY 2018-19, revised the disallowance on account of avoided power purchase cost due to

MOD Violation from Rs. 49.11 Cr to Rs. 45.80 Cr. by not considering various Stations under MOD violations which have must run status of Stations like Nuclear & Hydro, State GENCOs which are considered in the Islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.14 The Commission, exercising Regulations 12.7 (Enquiry and Investigation) of DERC Distribution Tariff Regulation 2011, sent a letter dated 07/12/2018 to the SLDC seeking detailed reasons as to why MOD principle was not followed in Delhi in FY 2013-14 as was mandated under DERC Distribution Tariff Regulation 2011. Further, a reminder was also on 08/01/2019. In response, SLDC vide letter dated 22/01/2019 certified that MOD principle was adhered to during FY 2013-14 while preparing the schedule during FY 2013-14. The relevant extract is as follows:

> *"In this regard, it is submitted that the Merit Order Despatch Principle was adhered to by Delhi SLDC while preparing the schedule during the year 2013-14. The Scheduling was done by Delhi SLDC of Delhi as a whole on MoD basis while considering Grid security and system constraints in line with Section 32 of the Electricity Act."*
>
> *It has been verified from the available records with SLDC that MoD principle was adhered to during the FY 2013-14.*

3.15 The Petitioner filed Review Petitions against the treatment of MOD Violation in Tariff Order for FY 2018-19 issued by the Commission.

3.16 The Commission vide its Order dated 13/12/2019 in the matter of Review Petition against the Tariff Order for FY 2018-19 issued on 28/03/2018, analysed the issue of MOD Violation as follows:

> *"3.7.3 To deliberate on the issue, discussions were held by the officers of the Commission with SLDC and the Petitioner. During the discussion it was observed that SLDC had identified the slots, which were shared with the Petitioner. The Petitioner has sold surplus power in the Exchange while the Power plants under MOD were already operating above the Minimum Technical Limit in said slots. The Petitioner has furnished the details about the*

Revenue earned by selling such surplus power in the slots identified by the SLDC to arrive at the final impact of non-adherence of MOD. The additional information/statement as submitted by the Petitioner is not counter signed/certified by SLDC, Delhi.

3.7.4 In view of the above, during the subsequent Tariff determination exercise, on the basis of verification by SLDC regarding MOD/ DSCOM-wise scheduling, the claim of the petitioner shall be considered."

3.17 The Commission vide Orders of July 2018 and September 2018 reinstated Anta, Auraiya and Dadri Gas Stations of NTPC to the approved Power Purchase portfolio of the DISCOMs. The availability of power from the said stations during FY 2013-14 also needed to be considered for computation of MOD violation for FY 2013-14.

3.18 Accordingly, the Commission vide its letter dated 01/07/2020 sought plant-wise and month-wise Merit Order Despatch (MOD) violation for FY 2013-14 from SLDC. In response, SLDC vide its letter dated 24/07/2020 submitted the details wherein it is observed that from the date of implementation of DISCOM wise scheduling i.e. 21/02/2014 till 31/03/2014 for Anta, Auraiya and Dadri Gas Stations of NTPC there was sale of power in Exchange during the slots where power was scheduled above Minimum Technical Limit (MTL) from these stations by BRPL, BYPL and TPDDL.

3.19 Further, the Commission directed SLDC to include all of the generating stations and not just Anta, Auraiya and Dadri Gas Stations of NTPC. In response, SLDC vide its email dated 30/07/2020 submitted the data indicating the slot-wise details of DISCOM's (i.e. BRPL, BYPL, TPDDL & NDMC) power sale in Exchange when power is scheduled more than MTL.

3.20 The Commission takes into consideration the following facts/submissions by SLDC & DISCOMs and MOD violations post implementation of DISCOM-wise scheduling:

a) BRPL, BYPL and TPDDL have submitted copy of affidavit which is submitted before Hon'ble APTEL wherein they have indicated that they have conditionally withdrawn the issue related to disallowance of MOD during FY 2013-14 subject to its reversal by the Commission.

b) **Prior to 21/02/2014** - The requisition submitted by DISCOMs to SLDC is on lump sum basis i.e. it is not generator wise and slot wise.

c) **Post 21/02/2014** - The requisition submitted by DISCOMs to SLDC is generator wise and slot wise.

d) SLDC vide its letter dated 22/01/2019 has certified that the Merit Order Despatch was adhered to by Delhi SLDC during FY 2013-14. However, it was observed that based on the data submitted by SLDC that after implementation of DISCOM wise schedule for few stations during some slots, the power scheduled was more than the MTL and in the same time slot the power was sold to exchange. Therefore, for period from 21/02/2014 till 31/03/2014 i.e., post implementation of DISCOM-wise scheduling, the violations on account of MOD for Delhi DISCOMs is as follows:

Table 3. 2:Merit Order Despatch violations for FY 2013-14 post implementation of DISCOM-wise

Feb 2014 (From 21/02/2014 to 28/02/2014)														
Particulars	**ANTA**	**AURAIYA**	**DADRI**	**JHAJJAR**	**RIHAND-1**	**RIHAND-2**	**RIHAND-3**	**SASAN**	**SINGRAULI**	**UNCHAHAR-1**	**UNCHAHAR-2**	**UNCHAHAR-3**	**DADRI-1**	**DADRI-2**	**TOTAL**
BRPL (MU)	0.23	0.00	0.30	-	1.01	1.45	0.78	1.60	1.76	0.20	0.51	0.26	3.43	5.37	16.91
BYPL (MU)	0.10	0.01	0.10	-	0.29	0.44	0.24	0.48	0.69	0.06	0.06	0.07	1.13	1.75	5.41
TPDDL (MU)	0.19	0.01	0.23	0.22	-	0.81	1.13	0.60	1.19	1.41	0.18	0.46	1.54	3.10	11.08
NDMC (MU)	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-	1.60
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.07	0.00	0.10	-	0.14	0.20	0.10	0.09	0.21	0.06	0.15	0.08	1.13	1.68	4.01
MOD Dis BYPL (Rs. Cr)	0.03	0.00	0.03	-	0.04	0.06	0.03	0.03	0.08	0.02	0.02	0.02	0.37	0.54	1.28
MOD Dis TPDDL (Rs. Cr)	0.05	0.00	0.08	0.08	-	0.11	0.15	0.03	0.14	0.41	0.05	0.13	0.50	0.97	2.73
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.53	-	0.53
Mar 2014 (From 01/03/2014 to 31/03/2014)															
Particulars	**ANTA**	**AURAIYA**	**DADRI**	**JHAJJAR**	**RIHAND-1**	**RIHAND-2**	**RIHAND-3**	**SASAN**	**SINGRAULI**	**UNCHAHAR-1**	**UNCHAHAR-2**	**UNCHAHAR-3**	**DADRI-1**	**DADRI-2**	**TOTAL**
BRPL (MUs)	0.28	0.03	0.21	-	2.29	3.62	2.17	3.65	4.00	0.52	1.15	0.40	0.46	2.10	20.87
BYPL (MUs)	0.07	0.02	0.07	-	0.81	1.26	1.26	1.61	1.78	0.19	0.36	0.16	0.81	2.01	10.40
TPDDL (MUs)	0.24	-	0.19	-	-	2.47	3.60	1.87	2.76	3.36	0.64	1.29	0.53	5.12	22.07
NDMC (MUs)	-	-	-	-	-	-	-	-	-	-	-	-	2.23		2.23
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.08	0.01	0.07	-	0.32	0.51	0.29	0.21	0.48	0.15	0.33	0.11	0.15	0.65	3.38
MOD Dis BYPL (Rs. Cr)	0.02	0.01	0.02	-	0.11	0.18	0.17	0.09	0.21	0.06	0.10	0.05	0.27	0.63	1.91
MOD Dis TPDDL (Rs. Cr)	0.07	-	0.06	-	-	0.35	0.48	0.11	0.33	0.98	0.19	0.37	0.17	1.60	4.71
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.73	-	0.73
MOD Dis BRPL (Rs. Cr)															7.38
MOD Dis BYPL (Rs. Cr)															3.19
MOD Dis TPDDL (Rs. Cr)															7.44
MOD Dis NDMC (Rs. Cr)															1.26
TOTAL															19.28

3.21 The Commission has also sought Plant-wise, month-wise and day-wise violations for FY 2012-13 and for FY 2013-14 prior to implementation of DISCOM wise from SLDC which is still awaited. Therefore, penalty of Rs.45.80 Cr. for FY 2013-14 has been provisionally reversed by 50%.

ADVANCE FROM CONSUMERS

3.22 The advance from consumers in the hands of the Petitioner is available over and above the working capital requirement of the Petitioner. The advance from consumers consisting of advances related to advance collected, deposit against capital works, security deposit towards supply of electricity, prepaid consumers and others with regard to advance payment due to pre-paid meter as per *DERC (Supply Code and Performance Standards) Regulations, 2017.*

3.23 As per DERC (Supply Code and Performance Standards) Regulations, 2017, prepaid meters are required to be installed in case of tenant and temporary supply.

3.24 As the name suggests the payment received from prepaid connections would always be in advance. Further, Tariff schedule provides for payment of 1% rebate to the prepaid consumers. The extract of same is reproduced below:

> *"8. For prepaid consumers, the additional rebate of 1% shall be applicable on the basic energy charges, fixed charges and all other charges on the tariff applicable."*

3.25 Hence, the benefit of advance payment to prepaid consumers is already inbuilt in the Tariff Schedule by the Commission.

3.26 Further, deposit against capital works which is reflected in the last month of the financial yearand any unspent amount on account of such deposit is refunded by distribution licensees as per the methodology indicated in *DERC (Tariff and Conditions for Determination of Tariff) Regulations, 2017* as follows:

> *"40. Principles for treatment of the expenses on such capital expenditure shall be as follows:*
>
> *(1) Any unspent amount on account of deposit work and consumer contribution shall have to be refunded by the Utility:*

Provided that no interest shall be levied on the unspent amount, if the unspent amount is refunded by the utility within 30 (thirty) days after CoD;

Provided further that interest at the rate of Bank Rate plus margin shall be levied on the unspent amount, if the unspent amount is refunded by the utility after 30 (thirty) days and upto 1 (one) year after CoD for the period between 31st day after CoD till date of refund;"

3.27 Accordingly, the Commission has decided to consider the financing cost of such advance from consumers except advance related to Prepaid metering (operational in nature) and Deposit against Capital works (last month of FY & interest related) in the hand of the Petitioner at the rate of working capital to be included in the Non-Tariff Income. The Commission further observed that such advances are generally high at the opening and closing of the financial year due to annual adjustments. The Commission considered the financing cost of such advance from consumers on a monthly average balance as held by the Petitioner. The Petitioner was given ample opportunity to provide the advance balance available on a monthly basis for FY 2017-18. The Petitioner however did not submit the same. For FY 2018-19, the Commission observed that the balance for advance from consumers as available every month was averaging to 50% of the opening and closing balance. Keeping in view the similar trend, the Commission considered Rs. 1.47 Cr towards financing cost of such advances from consumers for FY 2017-18.

Table 3. 3: Commission Approved: Impact of APTEL Judgement, Review Order and prior period issues (Rs Cr)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening Balance	-	23.58	24.99	26.50	28.10
Advance from Consumers with the DISCOM					(1.47)
REVISION IN DISALLOWANCE OF MERT ORDER DISPATCH PRINCIPLE FOR FY 2013-14	22.90				
Total	22.90	23.58	24.99	26.50	26.63
Rate of Carrying Cost	11.88%	11.98%	12.08%	12.08%	10.33%
Carrying Cost	0.68	1.41	1.51	1.60	1.41
Closing amount	23.58	24.99	26.50	28.10	28.05

TRUE UP OF FY 2018-19

ENERGY SALES

PETITIONER'S SUBMISSION

3.28 The Petitioner has submitted the actual billed 8,867 MU as sale of energy including normative own consumption of 12.27 MU against the projected billed sale of energy of 8,870 MU for the FY 2018-19. The Petitioner has submitted the summary of the category wise projected energy sale and actual energy billed as follows:

Table 3. 4:Petitioner Submission: Category wise energy sale (Projected vis-à-vis Actual) for FY 2018-19

Sr.No.	Category	Projected Billed sale of Energy	Total Number of consumers and sanctioned load		Actual Billed sale of Energy
		MU	MW	No.	MU
1	Domestic	4,169	3,007	14,05,149	4,068
2	Non-Domestic	1,552	1,291	2,27,936	1,541
3	Industrial	2,437	1,430	31,768	2,539
4	Agriculture	12	29	4,203	14
5	Public Lighting	156	179	5,529	615
6	Delhi Jal Board	256	1.00	262	
7	Railway Traction	0	3	380	
8	DMRC	163	17	361	
9	Others	125	49	20,314	91
	Grand Total	8,870	6,006	16,95,902	8,867

3.29 Own consumption: The Petitioner has submitted actual consumption of 12.27 MU towards own consumption against the normative own consumption of 22.14 MU for the purpose of truing up of FY 2018-19.

COMMISSION ANALYSIS

3.30 The Commission during the prudence check and based on the verification of the category-wise sales data from the Petitioner's SAP system with the books of accounts for FY 2018-19 by the Consultant, validated the billing database. The Commission observed as follows:

OWN CONSUMPTION

3.31 Regulations 23(2) and 23(3) of (Business Plan) Regulation, 2017 state as under;

"23(2) The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year."

"23(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and revenue collected for the same year."

3.32 The Commission observed that the Petitioner has reported self-consumption of energy at 12.27 MU. While reviewing the form 2.1(a), it was observed that the Petitioner had reported its consumption of 12.27 MU after positive adjustment of 0.09 MU. The Commissionat directive 6.8 in its Tariff Order dated August 2017, directed the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.Further, such events may not arise in case of self-consumption as the premises belong to the Petitioner and that there may not be any delay in meter reading or raising of long duration provisional bills.

3.33 The issue was discussed during the Prudence check and the Commission feels that in case of own premises, such eventuality is not expected to occur and thus the Commission has considered own consumption at 12.18 MU for FY 2018-19.

ENFORCEMENT SALES

3.34 Regulation 5(10) of DERC (Terms and Conditions for Determination of Tariff Regulations) 2017 states that *"any units assessed and billed on account of theft shall only be considered in the year of its realization as specified in Section 126(6) of the Act."*

3.35 Section 126(6) of Electricity Act 2003 states that "*the assessment shall be made at a rate equal to twice the tariff rates applicable for relevant category of services*".

3.36 The Commission has observed that the enforcement units as captured in form 2.1(a) have been considered category wise and with twice the tariffs rates applicable for relevant category of services. Accordingly, the Commission considers the enforcement units at 10.27 MU as follows:

Table 3. 5:Enforcement Units (MU)

Category	Revenue Collected (Rs. Cr.)	Category wise ABR (Rs./Unit)	ABR x 2 (Rs./Unit)	Units (MU)
Domestic	8.03	6.36	12.72	6.31
Non-Domestic	4.32	12.93	25.87	1.67
Industrial	4.44	11.07	22.13	2.01
Agriculture & Mushroom Cultivation	0.19	5.61	11.23	0.17
Public Utilities	-	8.28	16.57	-
Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point	0.15	6.79	13.58	0.11
Total	17.13			10.27

ADJUSTMENT IN BILLING BY MORE THAN 1%

3.37 TheCommission issued a directive 6.8 in Tariff Order dated 31/08/2017 which states:

"6.8. The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed."

3.38 The Commission conducted prudence check session with the Petitioner and sought reply related to the compliance of the above mentioned directive. The Petitioner was directed to submit information related to adjustments, split into Contra Entries/invoices reversals, adjustments due to provisional billing (split into 1 month, 2 month, quarterly more than quarter, one year more than one year) and adjustments related to Open Access.

3.39 Further, the Petitioner vide its email dated 10/08/2020 replied to the queries raised by the Commission. Further, the Commission sought from the Petitioner details relating invoices reversal in their system. The Petitioner has submitted as follows:

a) Sometime due to Human Error or Consumer Site Condition, the Invoice served to consumer get generated wrong mainly due to incorrect reading. Tata Power-DDL has system based checks to prevent wrong cases and such case are stopped before issuing the Invoice however minuscule number of cases get released and wrong invoice is served to the consumer.

b) Such wrong served invoice are identified either on next reading cycle or through Customer Complaint. In any case, reading is re-verified from the consumer site for Authentication.

c) Once it is established that invoice served to consumer is wrong, then that wrong invoice is reversed and a new invoice is generated on correct reading.

d) Any Payment received from the consumer if any is adjusted against the consumer new correct invoice.

e) Such incorrect Invoice, which are reversed, are called invoice reversal. The billed amount and units against such reversal invoice are subtracted from the from Gross Units /Amount of Form 2.1 (a) to give correct reflection.

3.40 Further, the Petitioner has submitted that these invoices pertain to billing and they were served to consumers. Further, there were instances where consumer had paid, but such payments are adjusted in the revised invoices generated. Accordingly, the Commission considered such invoice reversal amounting to around 59 MU for computation of adjustments.

3.41 In view of above and based on the submission by the Petitioner, the Commission has considered invoices in reversal, provisional billing less than 2 months as adjustment in unit billed and other adjustments submitted by the Petitioner. Accordingly, the Commission observed that the adjustments in the case of Petitioner works out to 0.94% which is less than 1% as follows:

Table 3. 6:Adjustment Sales in Units for FY 2018-19 (MU)

Particulars	Gross Sales	2.1a (Total Adjustment)	Contra Entry	Provisional to Actual Billing					Open Access	Other Adjustments			% Adj (Total)	% Adj adding + & - both(excluding Contra, Open Access & 2 month Provisional)
				Within a month	Within 2 months	Within a Quarter	More than Quarter but within a Year	More than a Year						
	A	B	C	D	E	F	G	H	I	+	-	J (Net)	B/A	
Quarter-1	2,395.58	(24.42)	(19.82)	(0.02)	(0.28)	(1.90)	(1.30)	(0.38)	-	-	(0.71)	(0.71)	-1.02%	-1.01%
Quarter-2	2,772.98	(24.71)	(19.57)	(0.00)	(0.08)	(0.83)	(3.11)	(0.43)	-	-	(0.69)	(0.69)	-0.89%	-0.89%
Quarter-3	1,948.63	(18.71)	(11.10)	(0.00)	(0.15)	(1.85)	(4.40)	(0.35)	-	-	(0.85)	(0.85)	-0.96%	-0.95%
Quarter-4	1,737.12	(15.62)	(8.86)	(0.01)	(0.06)	(1.13)	(4.12)	(0.48)	-	-	(0.98)	(0.98)	-0.90%	-0.90%
Annual	8,854.31	(83.46)	(59.35)	(0.03)	(0.57)	(5.71)	(12.92)	(1.64)	-	-	(3.23)	(3.23)	-0.94%	-0.94%

3.42 Accordingly, the Commission considers the Trued up sales for FY 2018-19 as follows:

Table 3. 7:Commission Approved: Trued Up sales FY 2018-19 (MU)

Sr .No.	Category	Petitioner Submission	Commission Approved
1	Domestic	4,068	4,068.23
2	Non-Domestic	1,541	1,540.87
3	Industrial	2,539	2,538.52
4	Agriculture	14	13.76
5	Public Utilities	615	614.74
6	Advertisement & Hoardings	91	0.42
7	Temporary Supply		58.96
8	E Charging Stations		6.71
9	Enforcement		10.27
10	Own Consumption		12.18
11	Others (incl Staff, Misuse, prepaid and other adjustments)		2.63
	Grand Total	**8,867**	**8,867.27**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2018-19

PETITIONER'S SUBMISSION

3.43 The Petitioner has submitted to have achieved actual Distribution loss level of 7.93% for FY 2018-19 as under:

Table 3. 8:Petitioner Submission: Distribution Loss & Overachievement for FY 2018-19

Sr. No.	Particulars	MU
A	Input	9,631.15
B	Billed Units	8,867.37
C	Actual Distribution Loss Level	7.93%
D	Target Distribution Loss Level	8.19%
E	Overachievement/(Underachievement)	0.26%

3.44 The Petitioner has considered previous year loss target at 8.38% for the purpose of computation of sharing of incentive as follows:

Table 3. 9:Petitioner Submission: Actual Distribution loss level for FY 2018-19

Sr. No.	Particulars	MU
A	Previous year target	8.38%
B	Target Distribution Loss Level	8.19%
C	Actual Distribution Loss Level	7.93%

3.45 Accordingly, the Petitioner has considered the incentive on account of reduction in Distribution Loss level as follows:

Table 3. 10: Petitioner Submission: Incentive on account of reduction in Distribution Loss Level

Sr. No.	Particulars	MU
A	Billed Sales	8,867.37
B	Actual Distribution Loss Level	7.93%
C	Target Distribution Loss Level	8.19%
D	Actual Input @ actual distribution loss level	9,631.15
E	Desired Input @ Target distribution loss level	9656.16
F	Saving in Input (MU) due to lower distribution loss level	25.01
G	Average Power Purchase Cost (Rs/ kWh)	5.98
H	Total over achievement Incentive (Rs Cr)	14.95
I	TPDDL Share (Rs Cr)	8.05

COLLECTION EFFICIENCY AND OVERACHIEVEMENT INCENTIVE FOR FY 2018-19

3.46 The Petitioner has referred the Regulation 10 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and submitted the Collection efficiency as follows:

Table 3. 11: Petitioner Submission: Revenue Billed for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Amount
A	Total Revenue Billed as per Form2.1a	7,973.31
B	Less- Electricity Tax	287.15
C	Less- 8% Deficit Revenue Recovery Surcharge	539.30
D	Less- Pension Trust Surcharge	255.63
E	Net Revenue Billed	6,891.24

3.47 The Petitioner has submitted revenue realized at an amount of Rs. 7,973.91 Cr. against the total revenue billed of Rs. 7,973.31 Cr. The Revenue collected is computed as follows:

Table 3. 12: Petitioner Submission: Revenue collected for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Amount
A	Total Revenue Realized	7973.91
B	Less: Electricity Tax	281.10
C	Less: 8% Deficit Revenue Recovery Surcharge	540.29
D	Less: Pension Trust Surcharge	255.47
E	Revenue Collected for Collection Efficiency	6,897.04

3.48 Accordingly, computation of collection efficiency and corresponding incentive has been submitted by the Petitioner as follows:

Table 3. 13: Petitioner Submission: Collection Efficiency and Incentive for FY 2018-19

Sr. No.	Particular	UoM	Amount
A	Amount Billed	(Rs Cr)	6,891.24
B	Amount Collected	(Rs Cr)	6,897.04

Sr. No.	Particular	UoM	Amount
C	Collection Efficiency	%	100.08%
D	Target collection efficiency	%	99.50%
E	Amount of Collection over and above 99.50% target	(Rs Cr)	40.25
F	Sharing of Incentive		
	Discoms (50% upto 100% and 100% beyond 100% collection)	(Rs Cr)	23.03
	Consumers (50% upto 100% collection)	(Rs Cr)	17.23

COMMISSION ANALYSIS

ENERGY INPUT

3.49 The Petitioner submitted its Energy Input at DISCOMs periphery at 9631.15 MU. During prudence check, the Commission verified the details with SLDC Delhi who submitted that the Energy Input to the Petitioner was 9,650.49 MU. Out of this, 22.43 MU were on account of Open Access Consumers. The statement of energy input to the Petitioner periphery was jointly signed by the Petitioner and SLDC Delhi.

3.50 In case of net metering, the Petitioner submitted net injection at 0.29 MU. The Commission observed that the energy from net metering is for embedded generation and that there shall be no distribution loss on account of such energy. Accordingly, the same is not being considered as part of the Energy Input for the purpose of computation of Distribution Loss of the Petitioner.

3.51 The Petitioner has indicated provisional adjustment in UI bills. This has not been indicated separately by SLDC as the reporting of SLDC has been done based on the energy available to the Petitioner. Accordingly, the Energy Input of the Petitioner is as follows:

Table 3. 14: Commission Approved: Energy Input for FY 2018-19 (MU)

Sr.No.	Particulars	Petitioner submission	As approved
A	Actual demand of FY 17-18 as per SLDC Delhi	8,950.42	9,648.48
B	Less: Open Access consumer	19.41	22.43
C	Add: Solar Generation	2.08	2.01
D	Add: Provisional adjustment in UI Bills	697.77	-
E	Add: Net Metering Bills	0.29	0
F	Total Input Available for consumption by TPDDL Consumers	9,631.15	9,628.06

DISTRIBUTION LOSS

3.52 Regulation 25(1) of DERC (Business Plan) Regulations 2017 specifies the Distribution Loss Targets for FY 2018-19 as follows:

Table 3. 15: Distribution Loss target for FY 2018-19 as per DERC (Business Plan) Regulations, 2017

DISTRIBUTION LICENSEE	FY 2018-19
TPDDL	8.19%

3.53 Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states,

"159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:

Incentive or penalty = Q1(L1-L2)*P*10^6*
Where,
Q1 = Actual Quantum of energy Purchased at Distribution periphery.
L1 = Distribution Loss Target in %
L2 = Actual Distribution Loss in %
P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."

3.54 Regulation 25(2) of DERC (Business Plan) Regulations 2017, states "*The amount for Overachievement/Underachievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee."*

3.55 Accordingly, the financial impact of over achievement or under achievement on account of distribution loss target has been determined in accordance with the Regulation 159 of DERC (Terms and condition for Determination of tariff) Regulations, 2017 is as follows:

Table 3. 16: Commission Approved: Distribution Loss and its financial impact for FY 2018-19

Sr.No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Energy Input	MU	9,631.15	9,628.06	Table 3. 14
B	Billed Units	MU	8,867.4	8,867.27	Table 3. 7
C	Actual Distribution Loss Level	%	7.93%	7.90%	(1-B/A)
D	Target Distribution Loss Level	%	8.19%	8.19%	
E	Average Power Purchase Cost	Rs./Unit	5.91	5.80	Table 3.29

Sr.No.	Particulars	UoM	Petitioner submission	As approved	Ref.
F	Financial Impact of Overachievement or Underachievement	Rs. Cr.	14.79	16.10	A*(D-C)*E/10

3.56 Regulation 25(4) of DERC (Business Plan) Regulations 2017 states,

"Any financial impact due to Overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:

i. in case actual Distribution Loss is between the loss target and loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*

ii. in case actual Distribution Loss is less than loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee."*

3.57 In accordance with the Regulation25(4) of DERC (Business Plan) Regulations 2017, the sharing of the financial impact of over achievement or under achievement of distribution los target has been computed as follows:

Table 3. 17: Commission Approved: Incentive/ Dis-incentive for Distribution Loss

Sr.No.	Particulars	UoM	Petitioner Submission	Approved	Ref.
A	Input	MU	9,631.15	9,628.06	Table 3. 14
B	Billed Units	MU	8,867.4	8,867.37	
C	Actual Distribution Loss Level	%	7.93	7.90	(1-B/A)
D	Target Distribution Loss Level	%	8.19	8.19	
E	Average Power Purchase Cost	Rs./Unit	5.91	5.80	**Table 3.29**
F	Financial impact of Overachievement or Underachievement	Rs. Cr.	14.79	16.10	
G	Target in Previous Year	%		8.38	Para 3.29 of TO 18-19/ Table 121 of TO 17-18

Sr.No.	Particulars	UoM	Petitioner Submission	Approved	Ref.
H	50% of (previous year target-Current Year target)	%		0.09	0.5*(G-D)
I	Loss target-50% of (previous year target- Current Year target)	%		8.10	D-H
J	Petitioner share of incentive	Rs. Cr.	7.96	5.37	F*1/3
K	Consumer Share of incentive	Rs. Cr.		10.74	F*2/3

REVENUE BILLED

3.58 The Consultant verified the Revenue billed by the Petitioner. The billing for open access consumers has been reduced as income from Open access and is considered as part of non-tariff income. Accordingly, the Revenue Billed as approved by the Commission is as follows:

Table 3. 18: Commission Approved: Revenue Billed for FY 2018-19 (Rs. Cr.)

Sr. No.	Category	Petitioner Submission	As Approved
A	Domestic	2,235.92	2,235.92
B	Non-Domestic	1,724.82	1,724.82
C	Industrial	2,423.88	2,423.88
D	Agriculture	6.82	6.82
E	Public Utilities	441.85	441.85
I	Advertisement & Hoardings	0.56	0.56
J	E-Rickshaw	3.90	3.90
K	Own Consumption	-	-
L	Others (incl. Enforcement)	61.90	61.90
M	(-)Open Access Charges	(8.42)	(8.42)
N	**Net Billing**	**6,891.24**	**6,891.24**
O	Electricity Duty	287.15	287.15
P	RA Surcharge	539.30	539.30
Q	PT Surcharge	255.63	255.63
R	**Gross Amount Billed**	**7,973.31**	**7,973.31**

REVENUE COLLECTED

3.59 During the prudence check and based on the report submitted by the Consultant, the Commission has verified the revenue collected from the audited financial statements of the Petitioner. Accordingly, the revenue collected as approved by the Commission is as follows:

Table 3.19: Commission Approved: Revenue Collected for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	Petitioner submission	As approved
A	Actual Revenue realized including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	7,973.91	7,973.91
B	Less:		
a	Electricity Duty	281.10	281.10
b	Regulatory Surcharge	540.39	540.29
c	Pension Trust Surcharge	255.47	255.47
C	Actual Revenue realized excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	6,897.04	6,897.04

COLLECTION EFFICIENCY

3.60 Regulation 163 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

> *"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-*
>
> *Incentive or penalty = (C1 – C2) * Ab*
>
> *Where,*
>
> *C1 = Actual Collection Efficiency in % =[Ar/Ab]*100*
>
> *Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;*
>
> *Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.*
>
> *C2 = Target Collection Efficiency in %*

3.61 Regulation 164 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

> *"Any financial impact on account of underachievement less than the target and overachievement above 100%with respect to Collection Efficiency targets shall be to the Licensee's account:*

Provided that any financial impact on account of over achievement over and above the target and limited to100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."

3.62 Regulation 26 of DERC (Business Plan) Regulations 2017 states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."

3.63 Based on the above Regulations, the financial impact of over achievement or under achievement on account of collection efficiency is as follows:

Table 3. 20: Commission Approved: Collection Efficiency for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Revenue Billed	Rs. Cr.	6,891.24	6,891.24	Table 3. 18
B	Revenue Collected	Rs. Cr.	6,897.04	6,897.04	Table 3.19
C	Collection Efficiency	%	100.08%	100.08%	B/A
D	Target Collection Efficiency	%	99.50%	99.50%	BPR, 2017
E	Collection over and above the target	Rs. Cr.	40.25	40.25	A*(C-D)
F	Discoms (50% upto 100% and 100% beyond 100% collection)	Rs. Cr.	23.03	23.03	A*(100%-D)/2+A*(C-100%)
G	Consumers (50% upto 100% collection)	Rs. Cr.	17.23	17.23	A*(100%-D)/2

PENSION TRUST SURCHARGE of 3.80%

PETITIONER'S SUBMISSION

3.64 The Petitioner has submitted that the Commission in its Tariff Order for FY 2018-19, has increased Pension Trust surcharge of 3.70% to 3.80% which was applicable w.e.f. 01st Apr, 2018 over the approved retail supply tariff to meet the Pension Trust liability of erstwhile DVB employees/ Pensioners as recommended by GoNCTD. In order to comply with the above requirement, the Commission had issued directive 6.2.

3.65 The Petitioner has further submitted that during the FY 2018-19, they have billed an amount of Rs.256.22 Cr as Pension Trust Surcharge and collected an amount of Rs 256.07 Cr. The recovery made in FY 2018-19 includes outstanding recovery of billed amount at the end of FY 2018-19.

3.66 The Petition has submitted the summary of Pension Trust Billed and collected during the FY 2018-19 as given below:

Table 3. 21: Petitioner Submission: Pension Trust amount billed and collected for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Other than Open Access	From Open Access	Total Amount
1	Amount billed on account of Pension Trust Surcharge	255.63	0.60	256.22
2	Amount Collected in FY 2018-19*	255.47	0.60	256.07

**Entire amount of collected PT surcharge was directly deposited in Pension Trust Account as specified by the Commission on monthly basis.*

3.67 It is worth to mention that in the last Tariff Order dated July 31, 2019, for the purpose of computation of Deficit amount as per the directive 6.2 of Tariff Order 31.08.2017, the Commission had considered entire amount of billed PT surcharge of Rs 113.78 Cr. instead of considering collection of Rs. 109.90 Cr, therefore, resulting into lower allowance of deficit of Rs 3.38 Cr. The Petitioner aggrieved by this methodology has challenged the issue vide Review Petition filed against the Tariff order 31.07.2019 before this Commission and it is prayed to the Commission to consider the collection amount in place of billed amount and allow deficit of Rs. 3.38 Cr for FY 2017-18 along with carrying cost. It is further submitted that if the Commission decides to keep the status quo, then it is requested to the Commission to adjust the aforesaid deficit of of Rs. 3.38 Cr along with carrying cost form the total collected amount of PT surcharge for FY 2018-19.

COMMISSION ANALYSIS

3.68 The above issue is placed before the Hon'ble Commission in the Review Petition filed against the Tariff order dated 31.07.2019 and shall be decided by the Commission accordingly.

CASH COLLETION BEYOND 4000/-

3.69 During prudence check, the Commission observed collection of cash beyond 4000/- amounting to Rs. 2.78 Cr. in contravention to the directive of the Commission. The Commission accordingly penalised the Petitioner by levying 10% of such collection as penalty in the Revenue available towards ARR of the Petitioner.

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.70 The Petitioner has submitted that it has purchased 12,074.79 MU during FY 2018-19, out of which 2,086.36 MU of surplus energy was sold as short term sale of surplus power.

3.71 Deducting the Inter-State transmission loss of 257.38 MU and Intra-State transmission loss of 99.88 MU, the Petitioner has submitted a net power purchase quantum of 9,631.15 MU (excluding open access quantum consumed by open access consumers) delivered at its distribution periphery.

3.72 The summary of power purchase quantum for FY 2018-19 as per Auditor certificate is given below:

Table 3. 22: Petitioner Submission: Power Purchase Quantum for FY 2018-19 (MU)

Sr. No.	Particulars	Actual Power Purchase	Remarks /Ref
A	Power Purchase:		
I	Power Purchase Quantum	10,980.05	
Ii	Short Term Power Purchase quantum	1,094.74	
iii	Short term sale of Power	(2,086.36)	
	Sub-total Power Purchase	9,988.42	(i+ii+iii)
B	Transmission Loss:		
I	Inter-State Transmission Loss	(257.38)	

Sr. No.	Particulars	Actual Power Purchase	Remarks /Ref
ii	Intra-State Transmission Loss	(99.88)	
	Sub-total Total Transmission Loss	(357.26)	(i+ii)
C	Net Power Available after Transmission Loss	9,631.15	(A+B)

LONG TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.73 The Petitioner has submitted that the Commission has projected energy purchase of 10558.24 MU for FY 2018-19. During the year, the Petitioner has purchased 10980.05 MU from long term sources.

Table 3. 23: Petitioner Submission: Energy Purchased (MU) from Long Term Sources during FY 2018-19

Sr. No.	Particulars	Energy (MU) Projected	Energy (MU) Actual	Difference
A	**NTPC**			
	Anta Gas Power Station	54.50	5.70	(48.80)
	Auraiya Gas Power Station	40.20	4.17	(36.03)
	Dadri Gas Power Station	86.38	25.98	(60.40)
	FARAKKA	31.00	41.12	10.12
	KAHALGAON_I	106.00	98.67	(7.33)
	NCPP_DADRI	33.48	47.96	14.48
	RIHAND_I	211.00	213.57	2.57
	RIHAND_II	271.00	286.48	15.48
	SINGRAULI	319.00	319.90	0.90
	UNCHAHAR_I	32.00	42.96	10.96
	UNCHAHAR_II	63.00	82.51	19.51
	UNCHAHAR_III	39.00	48.31	9.31
	KAHALGAON_II	339.00	325.10	(13.90)
	DADRI EXTENSION	37.68	48.90	11.22
	ARAVALI	2,932.00	2,752.92	(179.08)
	Sub-Total NTPC	**4,595.24**	**4,344.24**	**(251.00)**
B	**NHPC**			
	BAIRA SIUL	26.00	11.52	(14.48)
	CHAMERA_I	40.00	58.78	18.78
	CHAMERA_II	61.00	59.80	(1.20)
	CHAMERA_III	42.00	39.23	(2.77)
	DHAULIGANGA	46.00	43.11	(2.89)
	DULHASTI	75.00	86.78	11.78

Sr. No.	Particulars	Energy (MU) Projected	Energy (MU) Actual	Difference
	Parbati_III	37.00	23.55	(13.45)
	SEWA_II	22.00	19.86	(2.14)
	TANAKPUR	18.00	13.27	(4.73)
	URI	88.00	98.74	10.74
	Uri_II	46.00	63.48	17.48
	Sub-Total NHPC	**501.00**	**518.12**	**17.12**
C	**NCPP**			
	RAPS_5 & 6	75.00	92.94	17.94
	NPCIL_NAPS	97.00	129.05	32.05
	Sub-Total Nuclear	**172.00**	**222.00**	**50.00**
D	**Other Stations**			
	MPL	2,089.00	1,934.66	(154.34)
	Haryana CLP Jhajjar (LT-5)	570.00	574.65	4.65
	DVC Chandrapur (Ext. 7 & 8)	651.00	601.74	(49.26)
	Mejia unit_6	217.00	119.11	(97.89)
	Sasan UMPP	400.00	433.68	33.68
	KOTESHWAR	35.00	36.42	1.42
	TEHRI HEP	51.00	60.58	9.58
	SJVNL	175.00	185.77	10.77
	Tala HEP	30.00	19.59	(10.41)
	Others Total	**4,218.00**	**3,966.20**	**(251.80)**
E	**State Generating Stations**			
	BTPS	197.00	305.86	108.86
	GTPS	53.00	186.49	133.49
	Pragati_I	159.00	286.11	127.11
	Pragati_III	368.00	941.24	573.24
	Rajghat Power House	-	-1.69	(1.69)
	SGS Total	**777.00**	**1,718.01**	**941.01**
F	**RENEWABLE ENERGY**			
	Net metering		0.29	0.29
	SOLAR (SECI)	40.00	41.50	1.50
	Own Solar	2.00	2.08	0.08
	DMSWSL	43.00	32.32	(10.68)
	EDWPCL		3.70	
	TOWMCL	50.00	50.23	0.23
	Renewable Total	**135.00**	**130.12**	**(4.88)**
G	**Other Generating Stations**			
	NHPPL	160.00	37.78	(122.22)
	SHEPL	-	41.05	41.05

Sr. No.	Particulars	Energy (MU) Projected	Energy (MU) Actual	Difference
	Singrauli and Small Hydro	-	2.53	2.53
	Sub total	160.00	81.35	(78.65)
	Grand Total	**10,558.24**	**10,980.05**	**421.81**

** MU scheduled to the petitioner in FY 18-19 as per invoices. Figures fetched from Audited Power Purchase Certificate Annexure A-3*

SHORT TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.74 The Petitioner has submitted that 1094.74 MU have been purchased through bilateral/exchange/UI/Intrastate/Banking as short-term power purchase. Out of 1094.74 MU the Petitioner has received back 852.65 MU of banking and purchased 68.36 MU through UI, 34.75 MU through intra state purchase and balance 138.98 MU through Exchange mode. A summary of source wise short term power purchase from various sources from FY 2018-19 onwards is submitted as follows:

Table 3. 24: Petitioner Submission: Details of Short term Power Purchase

Sr. No.	Particulars	FY 16-17		FY 17-18		FY 18-19	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	-	-	-	-	-	-
B	Banking	1387.53	94%	449.02	70%	852.65	78%
C	Exchange	44.16	3%	133.98	21%	138.98	13%
D	Intra state	6.41	0%	3.85	1%	34.75	3%
E	UI	35.39	2%	50.43	8%	68.36	6%
F	Total	1,473.49	100%	637.28	100%	1,094.74	100%

SHORT TERM POWER SALES QUANTUM

PETITIONER'S SUBMISSION

3.75 The Petitioner has submitted to have sold 2086.36 MU of surplus energy against the project sale of surplus power at 645.28 MU for the FY 2018-19.

3.76 The Petitioner has submitted to execute such sale of surplus power as follows:

Table 3.25: Petitioner Submission: Details of Short term Power Sales

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	15.93	1%	18.48	1%	201.97	10%
B	Banking	440.58	24%	904.17	55%	701.39	34%
C	Exchange	888.23	49%	609.76	37%	1081.87	52%
D	Intra state	336.89	18%	44.03	3%	43.80	2%
E	UI	148.14	8%	71.59	4%	57.34	3%
F	**Total**	**1,829.77**	100%	**1,648.03**	100%	**2,086.36**	100%

COMMISSION ANALYSIS

3.77 The Commission directed DISCOMs and SLDC Delhi to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a joint report to the Commission. A jointly signed statement was submitted for source wise Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs.

3.78 The Commission observed that there still exist deviation in the Power Purchase Quantum submitted by Delhi DISCOMs and that submitted by SLDC to the Commission due to peripheral mismatches i.e., for few plants. The Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. During Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.

3.79 The Consultant observed that there was no overlapping in case of banking transactions. With respect to the contingency limit of UI sale, it is observed that such UI sale have been within the limits of contingency of 5% of Net Power Purchase. Accordingly, the Power Purchase Quantum of the Petitioner is trued up for FY 2018-19 as follows:

Table 3.26: Commission Approved: Power Purchase Quantum (MU)

Sr. No.	Particulars	Petitioner Submission	As Approved
A	Long Term Sources (Other than Renewables)	10768.58	10768.58
B	Renewables Sources (long Term)	211.47	211.47
C	Short Term Sources	1094.74	1094.74
E	Gross Power Purchased	12074.79	12074.79
F	Less: Power sold to other sources	2086.36	2086.36
G	Net Power Purchased	9988.42	9988.42

POWER PURCHASE COST

PETITIONER'S SUBMISSION

3.80 The Petitioner referred the Commission's previous Tariff Order dated 31st July, 2019 wherein the Commission had approved arrears of Rs. 27.04 Cr (related to FY 2016-17). The said power purchase cost was accounted for in books of accounts in FY 2018-19. As this amount has already been allowed by the Commission in its previous tariff order, therefore, the same amount is reduced from the power purchase cost of FY 2018-19.

3.81 Based on all above submissions, the net energy balance for FY 2018-19 submitted by the Petitioner is as under:

Table 3.27: Petitioner Submission: Power Purchase Cost for FY 2018-19

Particulars	Approved in ARR			Sought for Trued up		
	MU	(Rs Cr)	Rs/kWh	MU	(Rs Cr)	Rs/kWh
Power Purchase from CSGS	9,486.24	3,711.81	3.91	9,050.56	3,948.53	4.36
Short Term Power Purchase				1,094.74	429.44	3.92
Power Purchase – Delhi Gencos (including BTPS)	777.00	490.84	6.32	1718.01	997.11	5.80
RPO Obligations	295.00	134.27	4.55	211.47	115.75	5.47
Provision for purchase of REC certificate – towards RPO		179.47			217.44	
Gross Power Purchase Cost	10,558.24	4,516.39	4.28	12,074.79	5,708.26	4.73
Add: Transmission Charges						
PGCIL charges	156.52	467.76		357.26	443.65	
DTL charges	95.61	327.85			392.27	
Other transmission charges					139.59	
Less: Sale of Surplus Power	645.28	193.59	3.00	2086.36	773.61	3.71
Power Purchase Cost (Audited)	9,660.83	5,118.41	5.30	9,631.15	5,910.15	6.14
Adjusted for below						
Net Normative Rebate on power purchase		86.74			(99.06)	
Normative Rebate on account of Transmission charges		15.85			(16.05)	
Rithala Impact					49.33	
REC purchased during CY but pertains to PY					(81.18)	
Impact of Anta, Auriya & Dadri allowed in PY but account for in books in CY					(27.04)	
Provisions created for RECs but RCEs not yet purchased;					(45.97)	
Incentive on Sale of Surplus Power					63.50	

Particulars	Approved in ARR			Sought for Trued up		
	MU	(Rs Cr)	Rs/kWh	MU	(Rs Cr)	Rs/kWh
Normative additional units of power Banking @ 4/unit					4.99	
Net Power Purchase Cost	9,660.83	5,015.82	5.19	9,631.15	5,758.68	5.98

3.82 The Petitioner has submitted to incur gross power purchase cost of Rs. 5708.26 Cr (including cost of RE Certificates) for the gross power purchase quantum of 12,074.79 MU in FY 2018-19 from all sources including intra-state, bilateral, UI and exchange. The Petitioner has submitted that the revenue of Rs.773.61 Cr on account of sale of 2086.36 MU of surplus energy through bilateral, intra-state, UI and exchange has been adjusted against the gross power purchase cost.

3.83 The Petitioner has submitted to incur transmission charges of Rs. 975.50 Cr. Thus, arrived at total audited power purchase cost of Rs. 5,910.15 Cr for FY 2018-19.

3.84 Plant wise energy procured and its corresponding cost for the year is shown as follows:

Table 3.28: Petitioner Submission: Power Purchase Cost - Central Generating Station wise for FY 2018-19

Sr. No.	Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Avg. Rate (Rs./kWh)	Energy (MU)	Fixed Charges (Rs. Cr.)	Varriable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Avg. Rate (Rs. /kWh)
		Approved In ARR			Sought for Trued up					
A	**NTPC**									
	ANTA	54.5	21	3.85	5.70	6.48	2.15	12.51	21.13	37.10
	AURIYA	40.2	22.96	5.71	4.17	9.00	1.91	20.27	31.19	74.87
	DADRI	86.38	37.98	4.40	25.98	10.90	10.84	11.57	33.31	12.82
	FARAKKA	31	11.71	3.78	41.12	3.81	9.68	-0.16	13.33	3.24
	UNCHAHAR_I	32	13.75	4.30	42.96	5.51	12.35	0.05	17.91	4.17
	UNCHAHAR_II	63	26.18	4.16	82.51	9.77	23.74	0.33	33.84	4.10
	UNCHAHAR_III	39	18.28	4.69	48.31	8.01	13.98	0.09	22.08	4.57
	FEROZE GANDHI TPS 4				-	-0.32	0.00	0.00	-0.31	
	KAHALGAON_I	106	36.3	3.42	98.67	10.74	22.26	0.16	33.15	3.36
	KAHALGAON_II	339	114.15	3.37	325.10	35.94	70.13	0.18	106.25	3.27
	KOLDAM HYDRO				-	1.97	2.09	1.49	5.54	
	NCPP_DADRI	33.48	17.01	5.08	47.96	3.48	18.21	2.19	23.89	4.98
	DADRI EXTENSION	37.68	20.66	5.48	48.90	4.58	17.35	-0.22	21.71	4.44
	RIHAND_I	211	45.08	2.14	213.57	18.21	28.09	0.03	46.33	2.17
	RIHAND_II	271	54.05	1.99	286.48	20.11	37.38	0.32	57.81	2.02
	RIHAND_III					0.76	-0.24	0.24	0.76	
	SINGRAULI	319	63.99	2.01	319.90	20.08	44.38	0.05	64.51	2.02
	ARAVALI	2,932.00	1,573.21	5.37	2,752.92	604.00	935.96	26.72	1,566.68	5.69

Sr. No.	Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Avg. Rate (Rs./ kWh)	Energy (MU)	Fixed Charges (Rs. Cr.)	Varriable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Avg. Rate (Rs. /kWh)
		Approved In ARR			Sought for Trued up					
	Sub-Total NTPC	**4,595.24**	**2,076.31**	**4.52**	**4,344.24**	**773.02**	**1,250.26**	**75.81**	**2,099.09**	4.83
B	**NHPC**									
	BAIRA SIUL	26	6.3	2.42	11.52	1.20	1.18	0.14	2.52	2.19
	CHAMERR_I	40	12.24	3.06	58.78	5.04	6.28	0.66	11.98	2.04
	CHAMERA_II	61	16.76	2.75	59.80	6.41	6.05	1.04	13.50	2.26
	CHAMERA_III	42	18.35	4.37	39.23	9.72	8.33	0.01	18.05	4.60
	DHAULIGANGA	46	16.66	3.62	43.11	5.64	5.26	2.80	13.70	3.18
	DULHASTI	75	55.17	7.36	86.78	20.41	21.67	5.68	47.77	5.50
	PARBHATI_III	37	18.04	4.88	23.55	5.64	6.45	0.01	12.10	5.14
	SALAL					0.01	0.02	0.22	0.25	
	SEWA_II	22	11.32	5.15	19.86	5.68	4.30	0.19	10.17	5.12
	TANAKPUR	18	7.93	4.41	13.27	3.32	2.19	0.20	5.71	4.30
	URI	88	19.64	2.23	98.74	9.13	8.17	4.27	21.58	2.19
	Uri_II	46	30.03	6.53	63.48	17.90	12.52	3.23	33.65	5.30
	WATER CESS				-	-	-	10.00	10.00	
	Sub-Total NHPC	**501**	**212.43**	**4.24**	**518.12**	**90.12**	**82.40**	**28.46**	**200.97**	**3.88**
C	**NCPP**									
	RAPS_5 & 6	75	25.56	3.41	92.94	-	27.57	2.61	30.19	3.25
	NPCIL_NAPS	97	22.98	2.37	129.05	-	50.55	2.59	53.14	4.12
	Sub-Total Nuclear	**172**	**48.54**	**2.82**	**222.00**	**-**	**78.12**	**5.20**	**83.32**	**3.75**
D	**Other Stations**									
	MAITHON POWER	2,089.00	740.92	3.55	1,934.66	307.27	499.96	8.07	815.29	4.21
	Haryana CLP JHAJJAR	570	257.14	4.51	574.65	89.84	198.19	5.76	293.79	5.11
	DVC CHANDRAPUR (Ext. 7 & 8)	651	158.56	2.44	601.74	95.85	111.26	0.29	207.40	3.45
	MEJIA UNIT_6	217	68.1	3.14	119.11	20.18	34.21	1.33	55.72	4.68
	SASAN UMPP	400	51.61	1.29	433.68	6.39	49.86	3.99	60.24	1.39
	KOTESHWAR	35	13.22	3.78	36.42	7.49	7.42	32.33	47.24	12.97
	TEHRI HEP	51	38.69	7.59	60.58	15.57	14.83	0.36	30.77	5.08
	SJVNL	175	39.81	2.27	185.77	26.34	22.70	0.70	49.74	2.68
	TALA HEP	30	6.48	2.16	19.59	-	4.95	-	4.95	2.53
	Sub-Total Others	**4,218.00**	**1,374.53**	**3.26**	**3,966.20**	**568.93**	**943.39**	**52.82**	**1,565.14**	**3.95**
	Grand Total (A to D)	**9,486.24**	**3,711.81**	**3.91**	**9,050.56**	**1,432.08**	**2,354.17**	**162.29**	**3,948.53**	**4.36**

Table 3.29: Petitioner Submission: Details of Power Purchase Cost - Delhi State generating station wise for FY 2018-19

Sr. No.	Particulars	Energy (MU)	Total Charges (Rs. Cr.)	Avg. Rate (Rs./ kWh)	Energy (MU)	Fixed Charges	Variable Charges	Other Charges	Total cost including PY arrears	Avg. Rate (Rs. /kWh)
A	**State Generating Stations**									
	BTPS	197	93.97	4.77	305.86	44.91	121.56	2.53	169.00	5.53
	GTPS	53	57.99	10.94	186.49	36.75	91.70	-	128.45	6.89
	IP Station				-	14.97	-0.01	-	14.96	
	PRAGATI_I	159	101.14	6.36	286.11	33.71	141.26	-	174.97	6.12
	PRAGATI_III	368	237.74	6.46	941.24	199.50	360.27	-	559.78	5.95
	RAJGHAT POWER HOUSE				-1.69	-	-0.72	-	-0.72	4.29
	RITHALA CCPP				-	-49.33	-	-	-49.33	
	Total SGS	**777.00**	**490.84**	**6.32**	**1,718.01**	**280.51**	**714.07**	**2.53**	**997.11**	**5.80**

IMPACT OF OTHER ADJUSTMENTS REQUIRED TO BE DONE

PETITIONER'S SUBMISSION

A) Impact of RE Certificate clubbed as a part of auditor certificate for FY 2018-19, but pertains to FY 2017-18 Rs 81.18 Cr.

3.85 In FY 2018-19, the Petitioner had recorded an amount of Rs. 81.18 Cr. towards purchase of RE certificates pertaining to FY 2017-18. Therefore, in order to comply the RPO obligation of FY 2017-18, the Commission had considered the said amount as a trued up cost for FY 2017-18 in its previous tariff order dated 31st July, 2019, Consequently, the Petitioner is now reducing the current year Power Purchase cost by Rs. 81.18 Cr.

B) Negative Power Purchase cost of Rithala Power Plant for FY 2018-19 of Rs 49.33 Cr.

3.86 The Petitioner has also mentioned that in FY 2018-19, an adjustment entry related to previous years for Rs. (49.33) Cr. has been passed in its books of accounts. The said amount already forms part of Audited Power Purchase Cost for FY 2018-19.

3.87 The Petitioner submitted that the Commission had already issued separate True up Tariff Order for Rithala on 11th Nov, 2019, hence, for the purpose of Truing up of FY 2018-19, the said amount is excluded from the total power purchase cost of FY 2018-19.

C) Power Purchase cost of Anta, Auriya and Dadri booked in FY 2018-19 of Rs. 27.04 Cr.

3.88 The Petitioner referred the Commission's previous Tariff Order dated 31st July, 2019 wherein the Commission had approved arrears of Rs. 27.04 Cr (related to FY 2016-17). The said power purchase cost was accounted for in books of accounts in FY 2018-19. As this amount has already been allowed by the Commission in its previous tariff order, therefore, the same amount is reduced from the power purchase cost of FY 2018-19.

3.89 Based on all above submissions, the net energy balance for FY 2018-19 submitted by the Petitioner is as under:

Table 3.30: Petitioner Submission: Power Purchase Cost for FY 2018-19

Particulars	Approved in ARR for FY 2018-19			Sought for Trued up		
	MU	(Rs Cr)	Rs/kWh	MU	(Rs Cr)	Rs/kWh
Power Purchase from CSGS	9,486.24	3,711.81	3.91	9,050.56	3,948.53	4.36
Short Term Power Purchase				1,094.74	429.44	3.92
Power Purchase – Delhi Gencos (including BTPS)	777.00	490.84	6.32	1718.01	997.11	5.80
RPO Obligations	295.00	134.27	4.55	211.47	115.75	5.47
Provision for purchase of REC certificate – towards RPO		179.47			217.44	
Gross Power Purchase Cost	10,558.24	4,516.39	4.28	12,074.79	5,708.26	4.73
Add: Transmission Charges						
PGCIL charges	156.52	467.76		357.26	443.65	
DTL charges	95.61	327.85			392.27	
Other transmission charges					139.59	
Less: Sale of Surplus Power	645.28	193.59	3.00	2086.36	773.61	3.71
Power Purchase Cost (Audited)	9,660.83	5,118.41	5.30	9,631.15	5,910.15	6.14
Adjusted for below						
Net Normative Rebate on power purchase		86.74			(99.06)	
Normative Rebate on account of Transmission charges		15.85			(16.05)	
Rithala Impact					49.33	
REC purchased during CY but pertains to PY					(81.18)	
Impact of Anta, Auriya & Dadri allowed in PY but account for in books in CY					(27.04)	
Provisions created for RECs but RCEs not yet purchased;					(45.97)	
Incentive on Sale of Surplus Power					63.50	
Normative additional units of power Banking @ 4/unit					4.99	
Net Power Purchase Cost	**9,660.83**	**5,015.82**	**5.19**	**9,631.15**	**5,758.68**	**5.98**

COMMISSION ANALYSIS

3.90 The Consultant in their Regulatory Audit report has submitted to verify the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2018-19 as submitted in the Petition and audited power purchase certificate. The Consultant has observed that for few stations of NTPC, the Annual Fixed Cost that was billed by the Generating Stations was higher than that approved in CERC Orders in earlier years.

3.91 The Commission in its earlier Tariff Orders dated 28/03/2018 and 31/07/2019 had provisionally allowed such annual fixed charges (AFC) as billed by NTPC subject to filing of Petition by the Petitioner within a month of the issuance of the respective Tariff Order and its outcome with CERC. The Consultant in their Regulatory Audit Report has submitted that CERC in its order dated 28th August 2019 stated that the Annual Fixed Charges as billed by NTPC is justified and CERC has approved the said cost in the tariff of the Generator, and accordingly, the AFC as billed by NTPC is approved as part of the Power purchase cost. The relevant extract of the said CERC order is as follows:

" 12. During the course of hearing, the Commission directed the Respondent, NTPC to clarify whether it was revising the IWC on month to month basis by applying the correction factor/formulae approved by the Commission. NTPC has clarified that IWC, once frozen by applying moisture correction formulae to the "as billed" GCV for January-March 2014 period, is not revised on month to month basis. The Petitioner may, if they so wish, verify it from the bills submitted by the Respondent. We observe that in the similar issue, the Commission in its order dated 11.7.2018 in Petition No. 93/MP/2017 had observed as under:

"34. It is noticed that the Commission in its various orders for the period 2014-19 has arrived at the IWC on "as billed GCV" of the coal. It was left to the generator to revise the IWC based on the moisture content of coal received during the preceding three month by applying the moisture correction formulae. However, interest on working capital once fixed based on the landed price of fuel during preceding three months and by application of inherent moisture correction factor as finalized by the Commission, is not to be revised every month based on the moisture content of the fuel received during month of billing. Revising GCV based on moisture content of the fuel is allowed for calculation of "Energy Charge Rate" on month to month basis only for billing of

monthly variable charges. 35. NTPC, vide Record of proceedings for the hearing dated 28.9.2017, was directed to clarify whether NTPC is revising the IWC on month to month basis by applying the correction factor/formula approved by the Commission. NTPC vide its affidavit dated 9.11.2017 has clarified that NTPC is not revising the IWC on month to month basis and the adjustment has been taken into account by NTPC in IWC calculation on normative basis only once to arrive at the fixed charges for the period 2014-19. 36. 36. Considering the submission of the NTPC that it is not revising the IWC on month to month basis, in our view, it is not claiming AFC over and above that approved by the Commission."

13. In view of the above, the prayer of the Petitioner to direct NTPC for refund of excess capacity charges is not sustainable."

3.92 The Commission examined the adjustments as offered by the Petitioner in its tariff petition from the audited power purchase certificate and allows the same to be adjusted from the power purchase cost of the Petitioner as shown in the approved power purchase cost table in subsequent section.

SHORT TERM POWER PURCHASE

DETAILS OF SHORT TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.93 The Petitioner has submitted to have procured 1094.74 MU through Exchange/UI/Intrastate/Banking under short-term power purchase as follows:

Table 3.31: Petitioner Submission: Short term Power Purchase

Sr. No.	Short Term Purchase	Units (MU)	Rate per Unit	Amount (Rs Cr)
A	Banking Purchase	852.65	3.94	336.06
B	DSM Purchase	68.36	3.46	23.66
C	IDT Purchase	34.75	4.45	15.46
D	IEX Purchase	138.98	3.90	54.25
E	**Total Short Term Purchase**	**1094.74**	**3.92**	**429.44**

3.94 **Banking Transactions:** The Petitioner submitted that while banking the units with the other utility, the transaction is recorded at normative cost say Rs 4/unit. At the time of return of the said banked units along with extra unit if any, the transactions equal to the value recorded at the time on inception of transaction are recorded, thus, not considering the impact of additional units. For example: If the utility has banked 100 MU then for the purpose of recording the transaction in books of accounts, it has considered notional value of Rs. 40 Cr. (i.e. 100 MU * Rs 4/unit). At the time of return of those banked units the other utility has returned 104 Mus. However in order to nullify the said transaction for accounting purpose the original utility has kept the value Rs 40 Cr. by reducing the notional rate of Rs. 4/unit to Rs. 3.84/unit in its books of account. As the statutory auditor has certified the power purchase cost based on books of account, hence, has certified return of banked units of 449.02 MU @ reducing cost of Rs 3.91/unit against the notional cost of Rs. 4 /unit.

3.95 Therefore, for the purpose of truing up of banking transaction, the Petitioner has sought return of banking transaction at notional rate of Rs. 4 per unit. Impact of the same is shown as under:

Table 3.32: Petitioner Submission: Details of Short term Power Purchase through banking

Short Term Purchase	MOU	Units (MU)	Amount (Rs Cr)
Banking Purchase/refund	MUs	852.65	336.06
Rate Considered	Rs./unit		3.94
Notional Rate to be considered	Rs./unit		4.00
Additional Impact to be computed for the purpose of ARR	Rs Cr.		4.99

COMMISSION ANALYSIS

3.96 The Commission in its Tariff Order dated 28.03.2018 has directed the Petitioner as follows:

> *"6.10k. The Distribution licensee is directed to take necessary steps to restrict the cost of power procured through Short Term contracts at Rs.5 per kWh. Further in case of Short Term power purchase at a rate higher than the above ceiling rate (of Rs.5 per kWh), the impact of such purchase on total Short Term power purchase shall not exceed 10 Paise /kWh during the financial year. In case the cost of power proposed to be procured exceeds the above limits, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. The Commission reserves the right to restrict allowance to the permissible limit if proper justification is not provided."*

3.97 The Consultant examined the short term power purchase transactions where the rate per unit was more than Rs. 5/KWh. It was observed that the impact of such purchases on total Short Term power purchase did not exceed 10 paise/kWh at its periphery.

3.98 **Banking transactions:** The Consultant observed that there was no overlapping in case of banking transactions. The Commission has been considering the purchase of power through banking as revenue neutral in its earlier tariff orders. Thus, additional cost as claimed by the petitioner on account of banking is not allowed.

DETAILS OF SHORT TERM SURPLUS POWER SALE

PETITIONER'S SUBMISSION

3.99 The Petitioner has sold 2086.36 MUs at the average rate of Rs 3.71 per unit during the year. The source wise summary of sale of surplus power during the FY 2018-19 is as under:

Table 3.33: Petitioner Submission: Details of Short term Power Sales

Sr. No.	Particulars	FY 2018-19		
		Units (MU)	Rate per Unit	Amount (Rs Cr)
A	Banking Sale	701.39	2.89	202.85
B	Bilateral sale	201.97	4.19	84.63
C	DSM Sale	57.34	1.32	7.59
D	IDT Sale	43.80	4.39	19.23
E	IEX Sale	1081.87	4.25	459.31
F	**Total Short Term Sale of surplus power**	**2,086.36**	**3.71**	**773.61**

COMMISSION ANALYSIS

3.100 Realisation on account of sale of surplus power amounting to Rs. 773.61 Cr is being considered to reduce the power purchase cost of the Petitioner.

TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.101 The Petitioner has submitted to incur the transmission charges of Rs. 975.50 Cr. The party wise breakup of the transmission charges is given in the table below:

Table 3.34: Petitioner Submission Transmission charges for FY 2018-19

Sr. No.	Name of Station-Particulars / Party Name	Amount Rs Cr
A	PGCIL TRANSMISSION CHARGES	
	PGCIL POC BILL-Power Grid Corporation of India Ltd.	374.90
	PGCIL POC BILL 3	68.75

Sr. No.	Name of Station-Particulars / Party Name	Amount Rs Cr
	PGCIL Non PoC	-0.01
B	DTL/ SLDC TRANSMISSION CHARGES	
	DTL-Wheeling Charges	383.38
	DTL-NRLDC Charges	0.93
	DTL-Congestion Charges	-0.11
	DTL-Reactive Energy Charges	5.33
	DTL-SLDC Charges	2.74
C	OTHER TRANSMISSION CHARGES	
	BBMB Charges	0.43
	Chandrapura Thermal Power Station Tx Charges-DVC-Transmission Charges	1.52
	CLP Jhajjhar Tx charges-Tata Power Trading Company Ltd.	10.49
	Maithon Power Tx Charges	0.28
	Mejia Thermal Power Station - Unit 6 Tx Charges	0.13
	NHPPL - SLDC-Nanti Hydro Power Pvt. Ltd.	0.18
	NHPPL- Transmission	4.73
	NTPC TRANSMISSION Charges-NTPC TRANSMISSION Charges	0.24
	SECI- SLDC-Solar Energy Corporation of India	0.03
	SECI- Transmission	1.88
	SHEPL- SLDC-Suryakanta Hydro Energies Pvt. Ltd.	0.11
	SHEPL- Transmission	6.43
	THEP (Koteshwar)- NRLDC Charges-THDC India Ltd.	0.01
	THEP (Tehri)-NRLDC Charges	0.01
	STOA Charges	113.12
	NAPS Unit 1 & 2 NRLDC	0.00
	Total of Transmission charges (A+B+C)	975.50

COMMISSION ANALYSIS

3.102 The consultant has verified the transmission charges incurred during FY 2018-19 from the books of accounts and bills raised to the Petitioner. Accordingly, the Commission has considered the transmission charges at Rs. 975.50 Cr..

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.103 The Petitioner has submitted that the Commission in its Tariff Determination Regulations, 2017 has specified that

> *"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the Commission,*

assuming maximum normative rebate available from each source, for supply to consumers."

3.104 The Commission in its Tariff Order FY 2018-19 has considered 2% normative rebate and approved power purchase cost net of rebate. Following the same principle of normative rebate of 2%, the Petitioner has computed net normative rebate of Rs.115.11 Cr. as follows:

Table 3.35: Petitioner Submission: Normative Rebate for FY 2018-19 (Rs. Cr.)

Sr. No.	Vendor	Maximum Normative Rebate (in %)	Rebate able Amt (Rs Cr)	Amount offered as normative rebate (Rs Cr)
A	**Towards Power Purchase**			
1	APCPL	2.00%	1598.57	31.97
2	DTL (LT)	2.00%	339.27	6.79
3	DVC	2.00%	264.37	5.29
4	DMSWSL	2.00%	22.72	0.45
5	EDWPCL	2.00%	1.92	0.04
6	IPGCL	2.00%	134.78	2.70
7	NHPC	2.00%	181.89	3.64
8	NHPPL	2.00%	16.21	0.32
9	NPCIL	2.50%	82.36	2.06
10	NTPC	2.00%	647.72	12.95
11	PGCIL	2.00%	463.37	9.27
12	PPCL	2.00%	734.75	14.69
13	PTC	0.01 paisa/KWh for energy from tala & Other's 2%	4.95	0.02
14	SASAN	2.00%	56.61	1.13
15	SJVNL	2.00%	49.74	0.99
16	SHEPL	2.00%	15.60	0.31
17	THDC	2.00%	78.19	1.56
18	TOWMCL	2.00%	32.33	0.65
19	TPTCL	2.00%	1098.18	21.96
	Total (i)		**5823.54**	**116.81**
	Towards Sale of Power			
1	PTC	2.00%	5.66	0.11
2	APPCPL	2.00%	40.96	0.82
3	TPTCL	2.00%	15.32	0.31
4	GMR	2.00%	4.97	0.10
5	NVVNL	2.00%	17.72	0.35
	Total (ii)		**46.61**	**1.69**
	Grand Total (i)-(ii)		**5776.93**	**115.11**

COMMISSION ANALYSIS

3.105 Regulation 119 of DERC (Terms and conditions for Determination of Tariff) Regulations, 2017, specifies that

> *"Distribution Licensee shall be allowed to recover the net cost of power purchase from the long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers"*.

3.106 The Commission noted from power purchase agreement that the normative rebate in case of NPCIL is 2.5% and 2% for other CGS, SGS and Transmission Companies. Accordingly, the Commission has considered the maximum normative rebate on Rebatable amount, which is as follows:

Table 3.36: Commission Approved: Rebate on PPC and Transmission Charges for FY 2018-19

Sr No.	Generator	Maximum Normative Rebate (in %)	Rebatable Amt (Rs Cr)	Amount offered as normative rebate (Rs Cr)
1	APCPL	2.00%	1598.57	31.97
2	DTL (LT)	2.00%	339.27	6.79
3	DVC	2.00%	264.37	5.29
4	DMSWSL	2.00%	22.72	0.45
5	EDWPCL	2.00%	1.92	0.04
6	IPGCL	2.00%	134.78	2.70
7	NHPC	2.00%	181.89	3.64
8	NHPPL	2.00%	16.21	0.32
9	NPCIL	2.50%	82.36	2.06
10	NTPC	2.00%	647.72	12.95
11	PGCIL	2.00%	463.37	9.27
12	PPCL	2.00%	734.75	14.69
13	PTC	0.01paisa/KWh for energy from tala & Other's 2%	4.95	0.02
14	SASAN	2.00%	56.61	1.13
15	SJVNL	2.00%	49.74	0.99
16	SHEPL	2.00%	15.60	0.31
17	THDC	2.00%	78.19	1.56

Sr No.	Generator	Maximum Normative Rebate (in %)	Rebatable Amt (Rs Cr)	Amount offered as normative rebate (Rs Cr)
18	TOWMCL	2.00%	32.33	0.65
19	TPTCL	2.00%	1098.18	21.96
	Total (i)		5823.54	116.81
	Towards Sale of Power			
1	PTC	2.00%	5.66	0.11
2	APPCPL	2.00%	40.96	0.82
3	TPTCL	2.00%	15.32	0.31
4	GMR	2.00%	4.97	0.10
5	NVVNL	2.00%	17.72	0.35
	Total (ii)		46.61	1.69
	Grand Total (i)-(ii)		5776.93	115.11

INCENTIVE ON SALE OF SURPLUS POWER

PETITIONER'S SUBMISSION

3.107 The Petitioner has referred the Commission's Business Plan Regulations, 2017 on the Incentive on Sale of surplus Power as under:

"29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold."

3.108 Accordingly, the Petitioner requested the Commission for doing true up of the incentive of Rs. 63.50 Cr as per MYT Regulations, 2017. Due to very voluminous data, information for slot wise computation of incentive amount would be shared with third party auditors/the Commission during the course of prudence check.

COMMISSION ANALYSIS

3.109 Regulation 121 of DERC (Terms and Conditions for determination of Tariff) Regulations 2017, stipulates that *while approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering the principles of merit order schedule and despatch based on ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis*.

3.110 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various technical constraints and the balance power though available from the left over stations after meeting the required demand, are thus not scheduled. Such balance power as available from the left over stations could have been backed down considering Technical Constraints or kept under reserve shutdown and such surplus costly power could have been avoided.

3.111 The Commission further observes that it has directed SLDC vide its letter dated 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees.

3.112 The Commission has excluded various power stations form Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.113 As per DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 Regulation 123 states,

> *"123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral*

and Power Exchange transactions other than the forced scheduling, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in it's area of supply;"

3.114 Further, DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 Regulation 165 states,

"165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the (Business Plan) Regulations of the control period:

Provided that any financial impact of under realisation on account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee."

3.115 Further, DERC (Business Plan) Regulations 2017 Regulation 29 defines the incentive sharing mechanism as follows:

"29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensees.

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensees."

3.116 The Commission vide its letter dated 16.11.2018, in respect of clarification sought by the Petitioner for rate of Banking transaction and mechanism for incentive of surplus power as per various provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017, has clarified as under:

"the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith."

3.117 The Commission through the above referred letter dated 16/11/2018 clarified by way of sample calculation, the computation of the incentive on a monthly basis in line with the Regulation 165 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

3.118 Accordingly, the methodology followed by the Commission is as per the above letter of the Commission and whenever there was a surplus sale of power, such surplus sale of power has been considered from the station having higher variable cost as lower variable cost stations must have been used first for the consumers.

3.119 Further, in the cases where the sale rate of surplus power was excess of power purchase cost of high variable cost station, that case only was considered for the calculation of Incentive on surplus power.

3.120 For the purpose of calculation of cost of higher variable cost station, ECR of previous month has been considered which is as per Regulation 29 of Business Plan Regulations, 2017.

3.121 Accordingly, the Consultant in its Regulatory Report has computed the total incentive/(dis-incentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission and sharing of such incentive in accordance with Regulation 29 of DERC (Business Plan) Regulations 2017 for FY 2018-19 as follows:

Table 3. 37: Commission Approved: Incentive on sale of surplus power for FY 2018-19 (Rs. Cr.)

Month	Total Incentive Amt.(cr.)	Consumer share Amt.(cr.)	DISCOM Share Amt.(cr.)
Apr'18	9.18	6.12	3.06
May'18	-	-	-
June'18		-	-
July'18	-	-	-
Aug'18	-	-	-
Sep'18	21.21	14.14	7.07
Oct'18	32.61	21.74	10.87
Nov'18	1.27	0.84	0.42
Dec'18	(15.81)	(10.54)	(5.27)
Jan'19	(18.61)	(12.41)	(6.20)
Feb'19	(14.06)	(9.37)	(4.69)
Mar'19	(5.75)	(3.84)	(1.92)
Total	**10.04**	**6.69**	**3.35**

3.122 The net incentive of DISCOM of Rs. 3.35 Cr. has been considered by the Commission in Revenue towards ARR in True up of FY 2018-19.

3.123 The Commission has filed an appeal before Hon'ble Supreme Court of India in the matter related to tariff for the Solar Roof Top plant setup by TPDDL. Since, the matter is subjudice, therefore, the same may be considered appropriately as deemed fit by the Commission after receipt of judgement from Hon'ble Supreme Court of India.

RENEWABLE PURCHASE OBLIGATION

PETITIONER'S SUBMISSION

3.124 The Petitioner has referred the Commission's notification dated 01st Oct 2012 mandated that all the obligated entities have to meet certain specified percentage of energy through renewable energy. Accordingly, the status of Renewable Power obligation for FY 2018-19 as submitted by the Petitioner is as follows:

Table 3.38: Petitioner Submission: RPO obligations for FY 2018-19

Particulars	RPO requirement for FY 2018-19		
	Solar	Non Solar	Total
Total Billed Sales			8,867.37
Less- units from Hydro			820.48
Balance Billed sales to be met through RPO obligation			8,046.89
RPO obligation (%)	4.75%	9.50%	14.25%
Total RPO to be met - Mu	382	764	1146
RPO to be met through Tied up Quantum- Mu	79	163	242
Non Solar RPO met through tied up quantum (HPSEB) – Mu		179	179
Shortfall of RPO obligation – Mu	303	422	725
REC purchased – Mu	53	422	475
Balance Solar REC yet to be purchased – Mu	250	-	250
REC purchased – Rs Cr.	14.49	73.54	88.03
Provision created in FY 18-19 for purchase of RE certificates – Rs Cr.			134.00
Differential amount to be adjusted in ARR of FY 2018-19, and to be allowed on actual basis			45.97

3.125 The Petitioner has been endeavouring to meet the RPO through economical physical power & in the absence of same through REC. However, from the above table, it can be seen that despite of best efforts of the Petitioner is not able to comply RPO obligations for FY 2018-19. The main reasons/factor are

a) Inadequate inventory of RECs

b) High Clearing price

3.126 The Petitioner has written following letters and informed the Commission about all the difficulties faced by it time to time. List of various communications done with the Commission are given below.

1. TPDDL letter no TPDDL/ Regulatory/ 2019-20/ PMG/273 dated 7th November, 2019
2. Meeting held at DERC on 29th October, 2019
3. TPDDL letter no TPDDL/ Regulatory/ 2019-20/ PMG dated 3rd October 2019
4. DERC letter number F.9.(168)/DERC/DS/2018-19/Vol. III/6176/1263 dated 12th September 2019
5. TPDDL letter no TPDDL/ Regulatory/ 2019-20/PMG/203 dated 3rd September 2019
6. TPDDL letter no TPDDL/ Regulatory/ 2019-20/PMG/136 dated 15th July 2019
7. Meeting held at DERC on 25th June, 2019

8. TPDDL letter no TPDDL/ Regulatory/ 2019-20/PMG/101 dated 10th June 2019
9. Meeting held at DERC on 28th May, 2019
10. TPDDL letter no TPDDL/ Regulatory/ 2019-20/PMG/52 dated 2nd May 2019

3.127 It is worth to mention that the Commission has also envisaged such a situation of difficulty in complying with Renewable Power Purchase Obligations, and accordingly allowed carry forwards of such requirement while notifying DERC (Renewable Purchase Obligations and Renewable Energy Certificate Framework Implementation) Regulation 2012. Relevant extract of the Regulations 11.2 (Proviso) of the aforesaid Regulations are reproduced below:

"Provided that in case of genuine difficulties in complying with the renewable purchase obligation because of non-availability of Certificate(s), the obligated entity may approach the Commission for carry forward of requirement to the next……"

3.128 Thus, considering the uncertainty on account of diminishing inventory and the fact that procurement of RECs without the underlying power can put additional tariff pressure on the Retail consumers and the status of currently contracted Renewable Capacities through LT PPAs, it is requested to the Commission to consider the following submission:

1. Allow the compliance of Non-Solar RPO through procurement of Solar REC/ Power and also vice versa depending on cost of power and availability of inventory.
2. The balance RPO requirement for FY 2018-19 may be allowed to be complied in next years.
3. Allow consumption of Open access consumers through renewable as fulfillment of utilities RPO, since embedded consumers are getting waiver of transmissions, wheeling and additional surcharges upon taking power through renewable energy sources under open access consumers.

COMMISSION ANALYSIS

3.129 Regulation 27 of DERC (Business Plan) Regulations, 2017 states,

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2017-18 to FY 2019-20 shall be computed as a *percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for Renewable Purchase Obligation shall be as follows:*

Sr. No.	*Distribution Licensee*	*2017-18*	*2018-19*	*2019-20*
1	*Solar Target (Minimum)*	*2.75%*	*4.75%*	*6.75%*
2	*Total*	*11.50%*	*14.25%*	*17.00%*

3.130 Regulation 27(5) of *DERC (Business Plan) Regulations, 2017* states that non compliance of the RPO targets shall attract penalty @10% of the weighted average floor price of solar and non solar renewable energy certificate, as specified by CERC for the relevant year, for quantum of shortfall in RPO.

3.131 Regulation 27(6) of *DERC (Business Plan) Regulations, 2017* states that amount of penalty imposed on the distribution licensee due to non compliance of the RPO targets shall be reduced from the ARR during true up of the relevant financial year in terms of Regulation 124 of *DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017*.

3.132 The Commission relaxed the achievement of targets for the petitioner by a quarter based on its submission. The Petitioner has further prayed for relaxation of the achievement of RPO targets for FY 2018-19 which has not been considered by the Commission. Accordingly, any purchase of REC upto September 2019 has been considered by the Commission towards meeting the targets for FY 2018-19.

Table 3. 39: REC purchase summary as submitted by the Petitioner

Month	Non Solar		Solar	
	REC (MU)	Amount (Rs Cr.)	REC (MU)	Amount (Rs Cr.)
Apr'19	74.05	12.61		
May'19	200.00	33.88		
Jun'19	-			
Jul'19	0.03	0.00		
Aug'19	5.87	1.00		
Sep'19	130.00	23.20		
Oct'19	8.31	1.56	39.76	10.78
Nov'19			13.69	3.71
Dec'19			20.83	5.65
Jan'20			23.93	6.49
Feb'20			205.00	55.59
Total	**418.26**	**72.25**	**303.21**	**82.22**

3.133 It is observed that Petitioner has purchased 12.67 MU power from Hydro Stations which is to be excluded from total MU billed for the purpose of calculation of MU to achieve the RPO targets.

3.134 Accordingly, the status for compliance of RPO targets for FY 2018-19 is verified as follows:

Table 3.40: Commission Approved: Compliance of RPO targets for FY 2018-19 (MU)

Particulars	Commission Approved		
Total sales to retail consumers (MU)			8,867.27
Solar Units generated via net metering			0
Purchase from Hydro Power (MU)			820.48
Sales net of hydro power (MU)			8,046.79
RPO Obligation	**Solar**	**Non Solar**	**Total**
%	4.75%	9.50%	14.25%
A. Total RPO to be met (MU)	**382.22**	**764.45**	**1,146.67**
B. RPO met through Tied up Quantum (MU)	78.84	163.24	242.08
C. Non Solar RPO met through tied up quantum (HPSEB) (MU)		179.00	179.00
D. Shortfall of RPO obligation (MU)	303.99	423.41	727.39
E. REC purchased (MU)			
F. Balance REC yet to be purchased (MU)			
G. RE Certificates purchased during Q1 & Q2 of FY 2019-20 (MU)	-	409.95	409.95
H. Shortfall	303.39	12.25	315.64
I. RPO Penalty @ 10% of Non-Complied REC @ Rs.1/Unit (Rs. Cr.)			**3.16**

TRUED UP POWER PURCHASE COST

3.135 Based on the above, the Commission approves the power purchase cost for the Petitioner for FY 2018-19 as follows:

Table 3.41: Commission Approved: Power Purchase Cost for FY 2018-19

Sr. No.	Particulars	Petitioner submission		As Approved	
		Quantum (MU)	Amount (Rs.Cr.)	Quantum (MU)	Amount (Rs.Cr.)
A	Power Purchase:				
i	Gross Power Purchase	12,074.79	5,708.26	12,074.79	5,570.36
a	Long Term Sources (Other Than Renewables)	10,768.58	4,945.63	10,768.58	4,945.63

Sr. No.	Particulars	Petitioner submission		As Approved	
		Quantum (MU)	Amount (Rs.Cr.)	Quantum (MU)	Amount (Rs.Cr.)
b	Renewables Sources (long Term)	211.47	115.75	211.47	115.75
c	Adjustment on account of Own Generation Solar Plants				(1.64)
d	RE Certificates		217.44		81.18
e	Short Term Sources	1,094.74	429.44	1,094.74	429.44
ii	Less: Power sold to other sources	2,086.36	773.61	2,086.36	773.61
iii	Net Power Purchase	9,988.42	4,934.65	9,988.42	4,796.75
B	Transmission Loss:				
i	Inter-State Transmission Loss		443.65		443.65
ii	Intra-State Transmission Loss	357.26	392.27	357.26	392.27
iii	Other Transmission Charges		139.59		139.59
iv	Total transmission loss	357.26	975.50	357.26	975.50
C	Net power available after Transmission Loss	9,631.16	5,910.15	9,631.16	5,772.25
D	Rebate				
i	On power Purchase		99.06		99.06
ii	On transmission Cost		16.05		16.05
iii	Total Rebate		115.11		115.11
E	Rithala Impact		49.33		49.33
E	Less Adjustments:				
a	REC Pertaining to PY Compliances		81.18		81.18
b	Anta Auriaya Dadri Impact		27.04		27.04
c	Provisions created for REC not yet purchased;		45.97		
d	Additional UI				3.46
e	Sustain Deviation				3.44
f	RPO Penalty				3.16
F	Add:				
a	Incentive on sale of surplus power		63.50		-
b	Normative Additional units of power banking @ 4/unit		4.99		-

Sr. No.	Particulars	Petitioner submission		As Approved	
		Quantum (MU)	Amount (Rs.Cr.)	Quantum (MU)	Amount (Rs.Cr.)
G	Net PPC	9,631.16	5,758.68	9,631.16	5,588.19
H	Avg Power Purchase cost		5.98		5.80

OPERATION AND MAINTENANCE (O&M EXPENSES)

PETITIONER'S SUBMISSION

3.136 The Petitioner has submitted that the normative O&M expenses for FY 2018-19 are computed by applying the approved per unit rates for FY 2018-19 on the actual line length and power transformation capacity added for FY 2018-19.

3.137 The Petitioner has accordingly computed the normative O&M expenses for FY 2018-19 as follows:

Table 3.42: Petitioner Submission: Normative O&M Expenses for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Unit	2018-19	Capacity	Capacity as on 31.03.2019	Amount
A.	66 kV Line	Rs. Lakh/ckt.km	3.482	Ckt.km	1053.47	36.68
B.	33 kV Line	Rs. Lakh/ckt.km	3.482	Ckt.km		
C.	11 kV Line	Rs. Lakh/ckt.km	0.910	Ckt.km	6609.57	60.15
D.	LT Line System	Rs. Lakh/ckt.km	6.730	Ckt.km	7020.25	472.46
E.	66/11 kV Grid S/s	Rs. Lakh/MVA	0.979	MVA	4682	45.84
F.	33/11 kV Gris S/s	Rs. Lakh/MVA	0.979	MVA		
G.	11/04.15 kV DT	Rs. Lakh/MVA	1.400	MVA	5944.18	83.22
H.	Total					698.35

3.138 The Petitioner has requested the Commission to allow the normative O&M expenses of Rs. 698.35 Cr. during FY 2018-19 as submitted in the above table as per the DERC (Business Plan) Regulations, 2017.

COMMISSION ANALYSIS

3.139 The physical verification of the assets capitalised is still being undertaken by the Commission for FY 2018-19. Accordingly, the Commission provisionally considered 90% of the incremental capitalisation during FY 2018-19 and has provisionally considered the O&M Expenses for the petitioner at Rs. 696.54 Cr. for FY 2018-19 subject to finalization of capitalization.

ADDITIONAL O&M EXPENSES

PETITIONER'S SUBMISSION

3.140 The Petitioner is seeking Rs. 115.22 Cr additionally on account of O&M expenses for FY 2018-19 towards statutory levies/uncontrollable factors, change in law, minimum wages etc as follows:

Table 3.43: Petitioner Submission: Summary of Additional O&M Expenses (Rs. Cr.)

Sr. No.	Nature	(Amount)
Statutory Levis, Taxes etc.		
1	Licensee fees	0.17
2	Land Licensee fees	11.01
A	Interim Relief 7th Pay Commission- FRSR	43.92
B	Impact of GST	14.36
C	Impact of Minimum wages	20.33
D	Financing Charges	0.16
E	Property Tax	1.99
F	SMS Charges	1.12
G	DSM Expenses	0.41
H	PRI Lines	1.47
I	Water Charges	2.53
J	Legal Expenses	17.75
	Total	115.22

LICENSE FEES

PETITIONER'S SUBMISSION

3.141 The Petitioner has submitted as per clause 12.1, of the Distribution and Retail Supply License, the Petitioner is required to pay annually 0.05% of amount billed of previous year as license fees to the Commission. Since the same is linked to sales which is uncontrollable and is trued up, the license fee too needs to be trued up.

Table 3.44: License fee for FY 2018-19 (Rs. Cr.)

Sr. No.	Licensee fees Computation	Amount
A	Billed Sale for Previous Year - as per P&L accounts	6,967.66
B	License fee @ 0.05% based on billed sale of previous year	3.48
C	Allowed on Normative basis (considered growth + escalation)	3.31
D	Differential amount now sought	0.17

3.142 The Petitioner has submitted the additional amount spent on this account of Rs. 0.17 Cr, may be allowed as part of ARR for FY 2018-19.

COMMISSION ANALYSIS

3.143 The Commission has determined the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.144 The actual O&M Expenses considered by the Commission include the expenses on account of license fee paid. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

LAND LICENSEE FEES TOWARDS GRID

PETITIONER'S SUBMISSION

3.145 The license fee is applicable as per the rates decided by GoNCTD for using Land to construct new grids/ substations for the purpose of serving the need/growth of consumers. Every year the Petitioner has to pay licensee fee to GoNCTD for all its grids/sub-stations. During FY 2018-19, the Petitioner has incurred an amount of Rs.10.31 Cr towards land licensee fee on yearly basis. This land license fee is payable based on area of grids/sub-stations multiply with the specified rates, thus, it is in the nature of statutory levies and uncontrollable in the hands of the Petitioner.

3.146 The license fee is applicable as per the rates decided by GoNCTD for using Land. During FY 2018-19 the Petitioner has booked an amount Rs.10.31 Cr towards land licensee fee which is uncontrollable in the hands of the Petitioner, thus, needs to be trued up on actual basis.

3.147 Further, Proviso of Regulation 87 of the Tariff Regulations, 2017, clearly states that

> *"Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M Expenses."*

Table 3.45: Petitioner Submission: Land License Fee (Rs Cr.)

Sr. No.	Particulars	Amount
A	Amount as per Audited Financial Statement	13.79
B	Allowed on Normative basis (considered growth + escalation)	2.78
C	Balance amount to be realized	11.01

3.148 The Petitioner has requested the Commission to allow differential amount of Rs.11.01 Cr towards Land licensee fee, as the same is uncontrollable and statutory in nature.

COMMISSION ANALYSIS

3.149 The Commission has determined the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.150 The actual O&M Expenses considered by the Commission include the expenses on account of land license fee. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

INTERIM RELIEF FOR FRSR EMPLOYEES

PETITIONER'S SUBMISSION

3.151 The Petitioner has submitted to have paid an interim payment of Rs. 29.67 Cr towards to FRSR employees (net of 10% capitalization) in order to comply with the recommendations of Wage Revision Committee for disbursement of Interim Relief w.e.f. 01.01.2016 and for payment of other allowance w.e.f. 01-07-2017, which has been approved by the Govt. of NCT of Delhi, Department of Power vide their Order No. F.11 (62)/2015/Power/Pt-I/2116 dated 26-07-2017. In addition to above the petitioner has made a corresponding provision of Rs. 14.24 Cr (net of 10% capitalization) for increase in FRSR employees towards their leave salary contribution and pension contribution.

3.152 Based on above submission, the Petitioner has sought provisional impact of 7th Pay

Commission as follows:

Table 3.46: Provisional impact of 7th Pay Commission

Particulars	Amount Rs Cr
Interim Relief towards- 7th Pay Commission- FRSR	29.67
Provisional impact of LSC/PSC- 7th Pay Commission- FRSR	14.24
Total	43.91

COMMISSION ANALYSIS

3.153 Regulation 23(4) of the DERC (Business Plan) Regulations 2017 states,

> *"Impact of any statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year."*

In view of Regulation 23(4) of DERC (Business Plan) Regulations, 2017, the Commission has considered the revision in its employees' cost on account of the 7th Pay revision subject to actual payment of the dues. During the prudence check, the Commission observed from the audited financial statement indicated the actual payment of such dues net of capitalisation at Rs. 26.37 Cr. towards revision in its employees' cost on account of the 7th Pay Commission Thus, Commission has allowed Rs. 26.37 Cr towards statutory pay revision under additional O&M expenses.

IMPACT OF GST

PETITIONER'S SUBMISSION

3.154 The Petitioner has referred Regulation 87 of Tariff Regulations' 2017 for 3rd MYT Control Period provides that:

> *"Provided further that the water charges, statutory levy and taxes under O&M expense if indicated separately in the audited financial statement shall not form part of normative O&M expenses."*

3.155 In reference to above Regulation, the Petitioner submitted the Goods & Services Tax, that came into effect from 01.07.2017 by subsuming the Service Tax and Other Acts, thus falls under the definition of Change in Law and any financial impact if any has to be allowed to DISCOM on actual basis.

3.156 Definition of Change in law as per Regulation 2(18) of the DERC Tariff Regulations, 2017 as under:

> *(18) "Change In Law" means occurrence of any of the following events:*
> *(a) Enactment, bringing into effect or promulgation of any new Indian law; or*
> *(b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or*
> *(c) change in interpretation or application of any Indian law by a Competent Court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or*
> *(d) change by any competent authority in any condition or covenant of any consent or clearances or approval or license available or obtained for the project; or*
> *(e) coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government/s or international convention or protocol having implication for the generating station or the transmission system regulated under these Regulations;*

3.157 The Petitioner has submitted that the GST is to be considered as a new enactment because it is altogether a different Law having its different rules, regulations and guidance. Due to this change in law, Rate of Indirect Tax for most of the services availed by Utilities has been increased to 18% from the earlier rate of 15%. Due to this increase in rate there has been an additional impact on the Landed cost of various services availed by DISOCMS to run its business efficiently & effectively, therefore, any financial impact of the same has to be considered by this Commission.

3.158 It is further clarified that GST is a Statutory Tax/levy, therefore, applicability of which cannot be avoided by any utility. CERC has already recognized this fact and allowed Genco's/ Transco's to claim additional financial impact from the beneficiaries.

3.159 Based on above submission and considering its statutory nature, the Petitioner requested the Commission to consider the incremental impact of the GST for Rs.14.36 cr. for FY 2018-19 on account of change in law event as computed below.

Table 3.47: Impact of GST

Nature of tax	Taxes
For Financial Year 2018-19 (A)	
GST/ ST Amount in Rs Cr – A (As per Audited Certificate to be provided during Prudence Check)	Rs 38.12 Cr.
For Financial Year 2016-17 (B)	
Service tax	Rs. 19.84 Cr.
Further , adjusted for the following impact	
(i) Impact of escalation for two years	5.61%
(ii) Impact of network growth for two years	7.40%
Normative amount of Taxes allowed – B	Rs. 23.77 Cr
Incremental Impact (A-B)	Rs. 14.36 Cr.

COMMISSION ANALYSIS

3.160 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.161 The actual O&M Expenses considered by the Commission already include the expenses on account of service tax. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. The Goods & Services Tax, that came into effect from 01.07.2017 subsumed the service tax and that, it was not a new statutory levy. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission disallows the claim on account of implementation of GST.

MINIMUM WAGES IMPACT

PETITIONER'S SUBMISSION

3.162 The Petitioner has submitted that the Commission in its Tariff Order for FY 2018-19 has approved an amount of Rs 14 Cr towards impact of Minimum Wages over and above the normative O&M Expenses. These expenses are subject to true up based on actuals. Relevant extract of the O&M Table is reproduced below:

Table 118: Commission Approved - O&M Expenses for FY 2018-19

Particulars	Capacity as on 31.03.2018	O&M Expenses Per Unit		O&M Expense (Rs. Crore)
66 kV Line (kms.)	981	Rs. Lakh/Ckt. Km	3.482	34.16
33 kV Line (kms.)		Rs. Lakh/Ckt. Km	3.482	
11 kV Line (kms.)	6119.40	Rs. Lakh/Ckt. Km	0.91	55.69
LT Lines system (kms.)	7029.90	Rs. Lakh/Ckt. Km	6.73	473.11
66/11 kV Grid sub-station (MVA)	5113.50	Rs. Lakh/MVA	0.979	50.06
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA	0.979	
11/0.4 kV DT (MVA)	5912.80	Rs. Lakh/MVA	1.4	82.78
Total				**695.80**
7 th Pay Commission				44.26
Minimum Wages				14.00
Total				**754.06**

3.163 During the FY 2018-19, the Petitioner has incurred an amount of Rs 20.33 Cr. (duly certified copy of auditor certificate will be provided in due course of prudence check) towards the impact of increase in the Minimum Wages as announced by the Delhi Government vide Delhi Gazette Notification No. 85 dated 03.03.2017. Copies of the Gazette Notification regarding Minimum Wages along with the previous year Gazette Notification are annexed hereto and marked as Annexure A-4 As the said Gazette Notification was issued only on 03.03.2017, thus, it could not have been factored into account by the Commission while notifying the DERC Tariff Regulations, 2017 as the normative O&M expenses were premised on the data provided by the Petitioner till FY 2015-16 and there has been an unprecedented increase of 37%% in the Minimum Wages as opposed to the ~5.61% escalation being allowed by the Commission resulting into practical difficulties to honour service contract by the Vendors.

3.164 It is further clarified by the Petitioner that it is a statutory levy. Govt of NCT has increased the minimum wages by approx. 37% in addition to the normative increase allowed in usual course and thus, resulting into increase in O&M expenses for DISCOMS. Hence, the incremental impact has to be allowed additionally over and above the normative O&M Expenses being it is statutory in nature and cannot be controlled.

3.165 It is note worth to mention that proviso of Regulation 87 of Tariff Regulations, 2017 states that

> *"Provided further that the water charges, statutory levy and taxes under O&M expense if indicated separately in the audited financial statement shall not form part of normative O&M expenses."*

3.166 Based on above submissions, the Petitioner requested to consider and allow the impact of unprecedented increase in minimum wages of Rs. 20.33 on actual basis.

COMMISSION ANALYSIS

3.167 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

> *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:*
>
> *Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;*
> *Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."*

3.168 The additional claim of expenses related to manpower based contract is part of the normative O&M expenses and do not qualify for the second proviso to the Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The said claim also does not qualify for statutory pay revision under Regulation 23(4) of the DERC (Business Plan) Regulations 2017 as it is not an employee's cost of the Petitioner. Accordingly, the claimed amount is not allowed by the Commission.

FINANCING CHARGES

PETITIONER'S SUBMISSION

3.169 The Petitioner has referred to Regulation 87 of Tariff Regulations, 2017 which specify that *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:"*

3.170 The Petitioner submitted that financing charges towards raising of loans for funding of working capital and Regulatory assets are never formed part of base year normative expenses. Thus, the Petitioner has claimed the financing charges of Rs.0.16 Cr on actual basis.

COMMISSION ANALYSIS

3.171 The Commission is of the view that financing charges are covered in A&G expenses. And such A&G expenses are being allowed in ARR as O&M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

PROPERTY TAX

PETITIONER'S SUBMISSION

3.172 The Petitioner has submitted that they have been subjected to and held liable for payment of property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001, after a protracted legal battle.

3.173 The Petitioner has submitted the Commission in its Tariff Order dated 31/07/2019 had agreed on the submission made by the Petitioner to allow the Property tax, as this expense is not a part of base year expenses, therefore, to be allowed over and above the normative O&M expenses.

3.174 North MCD has issued assessment order of property tax for FY 2018-19 which was paid by the Petitioner. The amount of property tax paid is shown as under:

Table 3.48: Petitioner Submission: Property Tax for FY 2018-19 (Rs Cr)

Financial Year	Amount
For FY 2018-19	1.99
Total Property Tax paid	**1.99**

3.175 The Petitioner has requested the Commission to allow an amount of Rs 1.99 Cr. towards property tax based on actuals as the same is not a part of normative O&M Expenses.

COMMISSION ANALYSIS

3.176 During Prudence check the Commission observed that the Petitioner has included the claim of Rs. 0.08 Cr. towards property tax for the land allocated towards Rithala Plant. Accordingly, the Commission has not considered the property tax towards land for Rithala plant and has allowed net property tax at Rs. 1.91 Cr. (Rs. 1.99 Cr. – Rs. 0.08 Cr.) as paid during FY 2018-19.

SMS CHARGES

PETITIONER'S SUBMISSION

3.177 The Petitioner has submitted that the Commission vide its letter dated 13.01.2016 had issued directive to send the SMS to consumer on various occasions. In order to comply the said directive, the Petitioner has incurred an amount of Rs 1.32 Cr toward SMS charges in FY 2018-19. The said expenses are incurred on the direction of the Commission therefore it is requested to allow the same as a part of other expenses.

3.178 As these expenses are not factored while computing the normative O&M expenses for FY 2018-19, hence the Petitioner is requesting to the Commission to allow Rs.1.12 Cr (without GST) over and above the normative O&M Expenses.

COMMISSION ANALYSIS

3.179 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.180 During the prudence check it was observed that the expense of similar nature booked by the Petitioner in its audited financial statement under the head of Communication expenses have already been considered by the Commission at the time of determining the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017.

3.181 The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the expense.

DSM EXPENSES

PETITIONER'S SUBMISSION

3.182 The Petitioner has submitted that the Commission vide its letter dated 13th May, 2015 has given its approval for implementation of AC replacement scheme in the Petitioner region to be read with DERC other letter No. F. 17(23)/DERC/Engg./2014-15/4604/288.

3.183 The Petitioner has incurred an amount of Rs. 0.79 Cr. in FY 2018-19 towards implementation of AC rebate scheme.

3.184 Further, in order to implement the net metering in its area of operations, the Petitioner has incurred Rs 0.01 Cr towards ESCO.

3.185 The Petitioner has submitted that the Commission while computing the normative O&M expenses has considered average DSM expense of Rs. 0.28 Cr. The expenses are further escalated with inflation of 5.61% along with the cumulative network growth of 7.40% for two years to compute the normative amount of DSM expenses.

3.186 Thus, the Petitioner is requesting to the Commission to allow Rs. 0.41 Cr (net of normative BD expenses (i.e. Rs. 0.80 cr. – Rs. 0.39 Cr) on account of DSM initiatives taken during the FY 2018-19.

COMMISSION ANALYSIS

3.187 The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.188 DSM scheme was implemented by the Petitioner from FY 2015-16. Therefore, the actual O&M Expenses considered by the Commission already include the expenses on account of DSM scheme implemented by the Petitioner. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

PRI LINES

PETITIONER'S SUBMISSION

3.189 The Commission vide its letter dated 07.04.2017 has directed to enhance PRI Lines and clearly specified that any additional expense if done it shall be allowed additionally over and above the normative O&M expenses. During the FY 2018-19, the Petitioner has incurred an amount of Rs. 1.73 Cr (including GST) towards PRI Lines. Therefore, it is requested to the Commission to allow Rs 1.47 Cr additionally (without GST) over and above normative O&M Expenses.

COMMISSION ANALYSIS

3.190 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.191 During the prudence check it was observed that the expense of similar nature booked by the Petitioner in its audited financial statement under the head of Communication expenses have already been considered by the Commission at the time of determining the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017.

3.192 The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the expense.

WATER CHARGES

PETITIONER'S SUBMISSION

3.193 The 3rd MYT Regulations, 2017 specified that water charges are required to be trued up based on actuals. Relevant extract of the same is given below:

> *"Provided that the Normative O&M Expenses for the respective Control Period shall not be trued up.*
>
> *Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M Expenses."*

3.194 Based on above, the Petitioner seeks amount of Rs. 2.53 Cr for FY 2018-19 on account of water charges.

COMMISSION ANALYSIS

3.195 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 state

> *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:*
>
> *Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;*
> *Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."*

3.196 As per the second proviso of the Regulation, the water charges are to be allowed to the Petitioner over and above the normative O&M expenses, in case indicated separately in the audited financial statements.

3.197 While finalizing the norms for the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017, the Commission considered the water charges in the audited O&M expenses of the Petitioner. Thus, the water charges are already included in the normative O&M expenses of the Petitioner and, therefore, are not being allowed.

LEGAL EXPENSES

PETITIONER'S SUBMISSION

3.198 The Petitioner has submitted that while fixing the normative O&M expenses, the Commission has not considered Legal Expense of the DISCOMs. Further in SOR, the Commission has specified that it shall allow the legal expense on actual basis after making a prudence check on legal expenses.

3.199 During the FY 2018-19, TPDDL has incurred an amount of Rs. 17.75 Cr (net of BD Expenses) under the head Legal and Professional Expenses. Given below is the sub- head wise bifurcation of aforesaid Legal and Professional Expenses

Table 3.49: Petitioner Submission: Legal Expenses for FY 2018-19

Sr. No.	Particulars	Amount
A	Auditor Expenses	0.71
B	Other Misc. Legal Exp.	0.23
C	Consultancy Services -Domestic	0.15
D	Professional Charges	2.40
E	Advocate Fee	13.94
F	Litigation Expenses - Compensation charges	0.08
G	Foreign Consultancy expenses	0.25
	Total	17.75

3.200 The Petitioner requested the Commission to allow Rs 17.75 Cr towards Legal and Professional Fees.

COMMISSION ANALYSIS

3.201 During the prudence check, the Commission observed that the Petitioner has claimed the total legal expenses. The Commission is of the view that the legal expenses incurred by the Petitioner on account of enforcement cases where the Petitioner has won such cases before the Appropriate Forum may be allowed. Accordingly, the Petitioner may provide requisite data, case-wise. The same shall be considered subject to the Prudence check of the claims.

SUMMARY OF THE ADDITIONAL O&M EXPENSES FOR FY 2018-19

3.202 Thus the additional O&M Expenses as approved by the Commission for FY 2018-19 are as follows:

Table 3.50: Commission Approved: Additional O&M Expenses for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved
A	Licensee fees	0.17	-
B	Property Tax	1.99	1.91
C	Land Licensee fees	11.01	-
D	Water Charges	2.53	-
E	DSM expenses	0.41	-
F	ESCO Exp	0.03	-
G	Impact of GST	14.36	-
H	Impact of Minimum wages	20.33	-
I	Interim Relief towards- 7th Pay Commission- FRSR	43.91	26.37
J	Legal Expenses	17.75	-
K	Financing Charges	0.16	-
L	PRI Lines	1.47	-
M	SMS Charges	1.12	-
N	Sub total	115.24	28.29

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

3.203 The Petitioner has submitted that for the purpose of Tariff fixation for FY 2018-19, the Commission in its Tariff Order March, 2018 has approved capitalization of Rs. 480 Cr (including Rs 50 Cr for Deposit work) against which the Petitioner has done actual capitalization of 569.53 Cr.

Table 3.51: Petitioner Submission: Approved Capitalization versus Actual Capitalization for FY 2018-19

Particulars	Approved	Sought for Trued up	Remark/ Ref.
Capitalization	480	569.53	Refer Note no 4.4 of the Audited Financial Statement attached as Volume II of the Petition
Smart Meter			
Capitalization with Deposit work	**480**	**569.53**	

3.204 The Petitioner has submitted that the Commission in its previous Tariff Order July 2019, had provisionally trued up an amount of Rs. 4954.40 Cr. towards the closing value of gross fixed assets at the end of FY 2018-19. The Commission in its draft report on capitalization for FY 2018-19 has proposed disallowance of Capitalization by Rs. 120.08 Cr without considering the submission made by the Petitioner. The Petitioner vide letter dated 2nd August, 2019 had submitted detailed reply and denied all proposed disallowance.

3.205 Therefore, without prejudice its right, the Petitioner in this tariff petition has added back all the proposed disallowance in the closing balance of approved fixed assets for FY 2018-19.

Table 3.52: Opening balance of Fixed Assets for FY 2018-19

Particulars	Rs. Cr.	Rs. Cr.
Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement)	5114.30	4954.40
Add- Reversal of proposed disallowances		120.08

3.206 The petitioner further submits that for the purposed of truing up of capitalization for FY 2018-19, the Commission has started exercise for physical verification of assets. It is expected that report for the said activities would be released is December. Hence, for the purpose of truing up submissions, the Petitioner considered capitalization based on audited financial statements.

3.207 Based on above submissions, the Petitioner has submitted the value of Gross Fixed Assets for FY 2018-19 as follows:

Table 3.53: Petitioner Submission: Detail of Actual Capitalization (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Revised Provisional opening balance of Gross Fixed Assets (net of Retirement)	5074.48
B	Add- Capitalization during the year	569.53
C	Less- Retirement/ De-capitalization for the year	78.99
D	Closing balance of Gross Fixed Assets (net of Retirement)	5,565.02
E	Average Balance of Gross fixed Assets	5,319.75

COMMISSION ANALYSIS

3.208 Regulation 24 of DERC (Business Plan) Regulations, 2017 determines the tentative Capital Investment Plan for the Petitioner as follows:

Table 3.54: Commission Approved: Projected Capitalization Cost for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	Amount
A.	Capitalization	414
B.	Smart Meter	66
C.	Less: Deposit Work	50
D.	Total	430

3.209 The Commission has in currently in the process of finalization of capitalisation and physical verification of the assets for FY 2018-19. During the prudence check, the details for capitalisation of meters on different heads were sought as per format including the replacements of meters attributable to the distribution licensee and the consumer. The Petitioner has submitted the detailed break-up of the capitalisation of meters under different heads. The Petitioner submitted following details:

a. Rs. 0.87 Cr. on account of replacement of burnt meters not attributable to consumer,
b. Rs.0.45 Cr. on account of faulty meters replaced during warranty,
c. Rs.4.13 Cr. on account of other faulty meters replaced as amount for faulty meters replaced on account of consumers was specifically given,
d. Rs. 0.52 Cr. on account of enforcement cases and
e. Rs.0.17Cr. booked under other miscellaneous head.
f. Total of above, Rs. 6.14 Cr. of capitalisation of meters is not attributable to the consumers.

3.210 Therefore, out of total Rs. 83.04 Cr. capitalised on account of meters during FY 2018-19, a sum total Rs. 6.14 Cr. as above, has not been considered provisionally under capitalisation on account of meters.

3.211 The Capitalisation disallowed during FY 2017-18 owing to delayed EIC amounting to Rs. 33.76 Cr. is now added to the asset capitalisation base provisionally subject to finalization. Further, due to pending finalization of capitalization, the Commission has provisionally considered 90% of the capitalisation after adjusting the above factors as discussed. The Commission has accordingly allowed the Capitalisation for FY 2018-19 on a provisional basis as follows:

Table 3.55: Commission Approved: Provisional Capitalisation for FY 2018-19 (Rs. Cr.)

Particulars	Amount
Total Capitalisation as per financial statements	569.53
Less: Disallowances for FY 2018-19	
Less Provision made and capitalised for 7th Pay Commission	1.58
Excess Capitalisation of meters	6.14
Additions: Capitalisation disallowed in FY 2017-18 now allowed in FY 2018-19 owing to delay in EIC	33.76
Net Capitalistion for FY 2018-19	595.57
90% of Net additions	539.39

LOSS ON SALE OF RETIREMENT OF ASSETS/ DE-CAPITALIZATION OF ASSETS

3.212 Regulation 45 to 47 of the Tariff Regulations, 2017 deals with the methodology of allowance of Loss or gain due to De-capitalization/Retirement of Fixed Assets.

3.213 The Petitioner has submitted that as the capitalization is not trued up from FY 2005-06 onwards, hence, exact computation of loss for retirement of assets is not possible. Therefore, the Petitioner requested to allow loss towards retired assets for an amount of Rs 27.90 Cr on provisional basis for FY 2018-19 based on the audited financial statement.

COMMISSION ANALYSIS

3.214 Regulation 45 to 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

> *"45. Loss or Gain due to de-capitalization of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.*
> *46. Loss or Gain due to de-capitalization of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.*
> *47. Loss or Gain due to de-capitalization of asset after the completion of useful life of asset shall be to the account of the Utility."*

3.215 The Commission shall consider the loss on sale of retirement of assets under Regulations 45, 46 and 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, if any, along with the finalization of the capitalisation.

CONSUMER CONTRIBUTION/GRANT

PETITIONER'S SUBMISSION

3.216 The Petitioner referred the Regulation 66 of the Tariff Regulations, 2017 which stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized shall be deducted.

3.217 In Tariff Order FY 2019-20, the Commission had provisionally trued up an amount of Rs.818.26 Cr. towards consumer contribution & capital grant at the end of FY 2018-19. During the FY 2018-19, the Petitioner has capitalized an amount of Rs 50.25 Cr. towards capitalization of Deposit work schemes.

Table 3.56: Petitioner Submission: Consumer Contribution/grants (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Opening Balance	818.26
B	Total Addition during the year	50.25
C	Closing Balance	868.51
D	Average Consumer Contribution	843.38

COMMISSION ANALYSIS

3.218 The Commission has considered the closing balance of Consumer Contribution and Grants approved for FY 2016-17 in the Tariff Order dated 31.07.2019 as opening balance of Consumer Contribution and Grants for FY 2018-19. The Commission verified the additions towards Consumer Contribution and Grants during the year from the audited financials of the Petitioner.

3.219 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

Table 3.57: Commission Approved: Consumer Contribution/Grants (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved	Ref.
A	Opening Balance	818.26	818.26	Tariff Order Jul'19
B	Consumer Contribution Capitalized during the year	50.25	50.25	Audited Financials
C	Closing Balance	868.51	868.51	A + B
D	Average Cumulative Capitalized Consumer Contribution/Grants	843.38	843.38	(A + C)/2

DEPRECIATION

PETITIONER'S SUBMISSION

3.220 The Petitioner has computed depreciation on average of net fixed assets (i.e. Average of Gross Fixed Assets for the year – Average of Consumer Contribution/ capital subsidy/grant for the year).

3.221 The computation of assets class wise depreciation without finalization of pending capitalization due to physical verification, has been submitted by the petitioner by using average deprecation rate based on audited financial statement and then applied the rate on average net fixed assets to compute the depreciation for the year.

Table 3.58: Petitioner Submission: Average rate of Depreciation on Gross Fixed Assets

Sr. No.	Particulars	Amount (Rs Lacs)
A	Average of Fixed Assets	592,972.48
B	Depreciation	29,511.06
C	Rate of Depreciation	4.98%

3.222 Considering the above average depreciation rate, allowable depreciation on Average Assets (net of consumer contribution/grants) is computed as follows:

Table 3.59: Petitioner Submission: Depreciation (Rs. Cr)

Sr. No.	Particulars	Amount
A	Average Assets	4,476.37
B	Average Depreciation Rate	4.98%
C	Depreciation (Net of Consumer Contribution)	222.78

3.223 The Petitioner has submitted that in Tariff Order FY 2019-20, the Commission had provisionally trued up an amount of Rs. 1,651.65 Cr. towards accumulated depreciation at the end of FY 2018-19.

3.224 It is further clarified that as the exercise of physical verification of capitalization is under process, the Petitioner in this petition has considered same value of accumulated depreciation as per last tariff order along with the additional impact of Rs 120.08 Cr (provisionally disallowed capitalization) and prayed to the Commission to consider the revised value (net of retired assets).

Table 3.60: Petitioner Submission: Accumulated Balance of Depreciation on Net Fixed Assets (Rs. Cr)

Sr. No.	Particulars	Amount
A	Opening Balance of provisionally approved depreciation	1,651.65
B	Add: Depreciation towards disallowance of capitalization	2.99
C	Opening balance after adjustment	1654.64
D	Addition during the year	222.78
E	Deletion due to De-capitalization	41.66
F	Closing Balance	1,835.76

COMMISSION ANALYSIS

3.225 Regulations 78 to 83 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the provisions of Depreciation for the FY 2018-19 as follows:

"78. Annual Depreciation shall be computed based on Straight Line Method for each class of asset as specified in Appendix-1 of these Regulations.
79. The base value for the purpose of depreciation shall be the capital cost of the asset approved by the Commission. Depreciation shall be chargeable from the first year of commercial operation and in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.
80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:
Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.
81. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
82. In case of existing assets, the balance depreciable value as on 1st April of any financial year shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March of the preceding financial year from the gross depreciable value of the assets.
83. The Depreciation for Life extension projects/scheme shall be allowed in the manner as indicated in Regulation 51 of these Regulations."

3.226 The Commission continues to apply the rate of depreciation at the rate of 4.98% for FY 2018-19 on provisional basis as per the audited financial statements of the Petitioner. Accordingly, depreciation on the assets capitalised provisionally is as computed below:

Table 3.61:Commission Approved: Depreciation for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	Petitioner Submission	As Approved	Ref.
A	Average Fixed Assets (net of Consumer Contribution/ grants)	4476.37	4341.21	
B	Rate of Depreciation	4.98%	4.98%	
C	Depreciation Approved	222.78	216.05	(A*B)

3.227 Accordingly, the accumulated depreciation for FY 2018-19 is as follows:

Table 3.62:Commission Approved: Accumulated Depreciation (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	As Approved	Ref.
A	Opening Depreciation (Net of De Cap)	1654.64	1651.65	
B	Addition during the year	222.78	216.05	Table 3.61
C	Less- Depreciation towards Retirement	41.66	41.66	Audited financials
D	Closing value of Accumulated Depreciation	1835.76	1826.04	A+B-C

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.228 In view of Regulation 84 (4) of Tariff Regulations, 2017 the Petitioner has submitted working capital for FY 2018-19 as follows:

Table 3.63: Petitioner Submission: Working Capital for FY 2018-19

Sr. No.	Particulars	Amount (Rs Cr)
A	ARR for Distribution business as a whole	7,556.11
B	ARR equivalent to 2 months	1,259.35
C	Power Purchase expenses	5,758.68
D	Less: 1/12th of power purchase expenses	479.89
E	Total working capital for the year	779.46

3.229 The Petitioner has considered value of working capital as provisionally trued up of Rs. 629.40 Cr. In the Tariff Order FY 2019-20 and computed the addition in working capital as follows:

Table 3.64:Petitioner Submission: Computation of Change in Working Capital

Sr. No.	Particulars	Amount (Rs Cr)
A	Total working capital for the year	779.46
B	Less- Opening Working Capital	629.40
C	Working Capital for the year	150.06

COMMISSION ANALYSIS

3.230 Regulation 84(4) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the working capital determination for Distribution Licensee 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; and"

3.231 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and ARR as approved in the truing up for FY 2018-19 as follows:

Table 3.65: Commission Approved: Working Capital for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved	Ref.
A	Annual Revenue	7556.11	6778.49	Table 3.92
B	Receivables equivalent to 2 months average billing	1259.35	1129.75	(A/12*2)
C	Power Purchase expenses including transmission charges	5758.68	5588.19	Table 3.41
D	Less: 1/12th of power purchase expenses	479.89	465.68	(C/12*1)
E	Total working capital	779.46	664.07	(B-D)
F	Opening working capital	629.40	629.40	TO Jul'19
G	Change in working capital	150.06	34.67	E-F

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.232 Based on the actual capitalization and corresponding deprecation, consumer contribution and working capital requirement for FY 2018-19, the computation of Regulated Rate Base as submitted by the Petitioner is as under:

Table 3.66: Petitioner Submission: Regulated Rate Base for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Opening Balance of OCFA	5,074.48
B	Opening Balance of Working Capital	629.40
C	Opening Balance of Accumulated Depreciation	1,654.64
D	Opening balance of Accumulated Consumer Contribution	818.26
E	Provisionally trued up opening RRB	3,230.98

Sr. No.	Particulars	Amount
	RRB - for the year	
F	Net Capitalization during the year	490.54
G	Net Depreciation for the year	181.12
H	Consumer Contribution, Grants, etc. for the year	50.25
I	Change in Working Capital	150.06
J	RRB – Closing for the year	3,640.22
K	ΔAB (Change in Regulated Base)	279.65
L	Average RRB for the purpose of ROCE	3,510.63

COMMISSION ANALYSIS

3.233 Regulation 65 to 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

"65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. 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.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:

$$RRBi = RRB\ i\text{-}1 + \Delta ABi /2 + \Delta WCi;$$

Where,

"i" is the ith year of the Control Period;

RRBi: Average Regulated Rate Base for the ith year of the Control Period;

ΔWCi: Change in working capital requirement in the ithyear of the Control Period from (i-1)th year;

ΔABi: Change in the Capital Investment in the ith year of the Control Period;

This component shall be arrived as follows:
ΔABi = Invi – Di – CCi - Reti;
Where,
Invi: Investments projected to be capitalised during the ith year of the Control Period
and approved;
Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;
CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;
Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;
RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the

Opening Regulated Rate Base for the Base Year i.e. RRB_O*;*
$RRB_O = OCFA_O – AD_O – CC_O + WC_O$*;*
Where;
$OCFA_O$*: Original Cost of Fixed Assets at the end of the Base Year;*
AD_O*: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;*
CC_O*: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;*

WC_O*: working capital requirement in the (i-1)thyear of the Control Period.*
Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

RoCE=WACCi RRBi*

Where,

WACCi is the Weighted Average Cost of Capital for each year of the Control Period;
RRBi – Average Regulated Rate Base for the ith year of the Control Period.

70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$\mathrm{WACC} = \left[\frac{D}{D+E}\right] * r_d + \left[\frac{E}{D+E}\right] * r_e$$

Where,
***D** is the amount of Debt derived as per these Regulations;*
***E** is the amount of Equity derived as per these Regulations;*
Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

***Rd** is the Cost of Debt;*
***Re** is the Return on Equity."*

3.234 Accordingly, the Commission approves the RRB for FY 2018-19 as follows:

Table 3.67: Commission Approved: RRB for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	Petitioner submission	As Approved	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	5,074.48	4,954.40	Tariff Order Jul'19
B	Opening Accumulated depreciation (ADo)	1,654.64	1,651.65	Tariff Order Jul'19
C	Opening consumer contributions received (CCo)	818.26	818.26	Tariff Order Jul'19
D	Opening Working capital (WCo)	629.40	629.40	Tariff Order Jul'19
E	Opening RRB (RRBo)	3,230.98	3,113.89	A-B-C+D
F	Investment capitalised during the year (INVi)	569.53	539.39	Table 3.55

Sr.No.	Particulars	Petitioner submission	As Approved	Ref.
G	Depreciation during the year (Di)	222.78	216.05	**Table 3.61**
H	Depreciation on decapitalised assets during the year	41.66	41.66	Table 3.62
I	Consumer contribution during the year (CCi)	50.25	50.25	Table 3.57
J	Fixed assets retired/decapitalised during the year (Reti)	78.99	78.99	Table 3.53
K	Change in capital investment (ΔABi)	259.17	235.76	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	150.06	34.67	Table 3.65
M	RRB Closing	3,640.21	3,384.31	E+K+L
N	RRBi	3,510.63	3,266.43	E+K/2+L

DEBT & EQUITY, INTEREST ON LOAN, WACC

MEANS OF FINANCE

PETITIONER'S SUBMISSION

3.235 The Petitioner has considered 70:30 Debt Equity ratio for the purpose of computation of Means of Finance for FY 2018-19.

Table 3.68: Petitioner Submission: Means of Finance (Rs. Cr)

Sr. No.	Particulars	Amount (Cr.)	Remark/ Ref
A	Capitalization during the year	569.53	Table 3.44(i)
B	Less- Retirement	(78.99)	Table 3.45
C	Net Capitalization	490.54	(A-B)
D	Less- Consumer Contribution, Grants, etc. for the year	50.25	Table 3.46
E	Balance Capitalization required to be funding	440.29	(C-D)
F	Funding through – Debt @ 70% of E	308.21	
G	Funding through – Equity @ 30% of E	132.09	

3.236 The Petitioner has submitted that based on 70:30 Debt Equity Ratio, approved Equity deployed in the Business is as follows:

Table 3.69: Petitioner Submission: Approved Equity as per Previous Tariff Orders (Rs. Cr.)

Particular	Opening Equity	Addition	Addition during the year - Working Capital	Closing Equity	Average Equity
FY 07-08	610.15	(51.69)	59.69	618.15	
FY 08-09	618.15	70.57	5.83	694.55	
FY 09-10	694.55	36.86	(1.79)	729.62	
FY 10-11	729.62	95.92	(1.50)	824.04	
FY 11-12	824.04	56.94	7.25	888.23	
FY 12-13	888.23	33.40	(70.37)	851.26	
FY 13-14	851.26	24.79		876.05	
FY 14-15	876.05	63.57		939.62	
FY 15-16	939.62	65.01		1,004.63	
FY 16-17	1,004.63	88.34		1,092.97	
FY 17-18	1,092.97	107.37		1,200.34	1,146.66
FY 18-19	1,200.34	132.09		1332.43	1266.39

3.237 The Petitioner has submitted the cost of debt on actual basis for the purpose of truing up as follows:

Table 3.70: Cost of debt

Sr. No.	Particulars	Cost of Debt%
1	Cost of Debt for capex loan	8.48%
2	Cost of Debt for working capital	8.09%

3.238 The Petitioner has referred the Regulations 65 to 71 of the Tariff Regulations, 2018 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).

3.239 For the purpose of computation of WACC, the Petitioner has considered Grossed up Return on Equity and Actual weighted average rate of Interest for CAPEX loans. Computation of WACC for FY 2018-19 as below:

Table 3.71: Petitioner Submission: Computation of WACC (Rs. Cr)

Sr. No.	Particulars	Amount (Rs Cr)	Remark/Ref
A	RRB (i)	3,510.63	
B	Average Equity deployed in the business	1,266.39	
C	Average Debt -Capex Loan	1,464.78	Balancing Figure
D	Average Debt - working capital	779.46	
E	Rate of return on equity (re)	16%	As per BPR,2017
F	Normal Income Tax Rate	23.04%	
G	Grossed up Return on Equity	20.79%	
H	Rate of interest on debt (rd)	8.34%	

Sr. No.	Particulars	Amount (Rs Cr)	Remark/Ref
I	WACC	12.83%	
J	RoCE	450.53	(A*H)

COMMISSON'S ANALYSIS

3.240 Regulation 22 of the DERC (Business Plan) Regulations, 2017 stipulates the margin for rate of interest on loan as follows:

> ***"22. MARGIN FOR RATE OF INTEREST ON LOAN***
>
> *(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:*
> *Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%.*
>
> *(2) The Distribution Licensees shall follow transparent mechanism to avail Loans and, to the extent possible, shall endeavour to invite open tender for availing Loans."*

3.241 During the prudence check, the rate of interest on CAPEX loan and working capital loan have been verified at 8.48% and 8.09% respectively for FY 2018-19.

3.242 Accordingly, the WACC, ROCE as approved by the Commission for the Petitioner is as follows:

Table 3.72: Commission Approved: WACC & ROCE for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As Approved	Ref
A	RRBi	3,510.63	3266.43	Table 3.67
B	Opening Equity for Capitalisation (limited to 30%)		745.35	Tariff Order Jul'19
C	Closing Equity limiting to 30% of net capitalisation		816.07	
D	Average Equity for Capitalisation (limited to 30%)	1266.39	780.71	
E	Opening Debt at 70% of net capitalisation		1739.14	
F	Closing Debt at 70% of net capitalisation		1904.17	

Sr. No.	Particulars	Petitioner submission	As Approved	Ref
G	Average Debt at 70% of net capitalisation	1,464.78	1821.66	(E+F)/2
H	Debt at 100% of working capital	779.46	664.07	A-D-G
I	Debt- balancing figure		2485.72	A-D
J	Rate of return on equity (re)	16.00%	16.00%	
K	Rate of debt (rd) on capitalisation	8.48%	8.48%	
L	Rate of debt (rd) on working Capital	8.09%	8.09%	
M	Rate of interest on debt(rd) Blended		8.38%	
N	WACC	12.83%	10.20%	
O	RoCE	450.53	333.11	A*N

The Petitioner has considered the impact of Income Tax in ROCE, however, the Commission approves Income Tax, in line with Regulations tabulated as follows:

Sr. No.	Income Tax	Approved	Reference
A	Average Equity for Capitalisation (limited to 30%) (Rs. Cr.)	780.71	
B	Rate of return (re) (%)	16%	
C	Return on equity (Rs. Cr.)	124.91	
D	Income Tax Rate (%)	23.04%	Effective Tax rate
E	Return on equity including income tax (Rs. Cr.)	162.31	
F	Tax (Rs. Cr.)	37.39	
G	Actual Tax Paid (Rs. Cr.)	100.56	note 40.3 of the Audited financials
H	Tax allowed (Rs. Cr.)	37.39	Min(F,G)

INCENTIVE FOR REFINANCING OF LOAN WITH RESPECT TO REDUCTION IN CAPEX LOANS AND REVENUE GAP LOANS

PETITIONER'S SUBMISSION

3.243 During the FY 2018-19, the Petitioner was able to bring down the cost of financing, hence, as per the Business Plan Regulations, 2017, the Petitioner is eligible for sharing of Incentive.

Table 3.73: Petitioner Submission: Approved and actual cost of debt for FY 2018-19

Sr. No.	Particular	Approved
A	Cost of Debt- Capex Loan/working capital/Revenue Gap *	10.15%

* i.e SBI MCLR of 8.15% + 2%

3.244 Accordingly, the Petitioner has computed the incentive on savings by way of refinancing of loan as follows:

Table 3.74: Petitioner Submission: Computation of Incentive on Capex Loan

Sr. No.	Particulars	Amount of Debt	Actual Rate of Interest	Rate of Interest considered for Incentive	Total incentive – Rs Cr	Petitioner Share – Rs Cr
A	Capitalization	1,464.78	8.48%	10.15%	24.52	12.26
B	Working Capital	779.46	8.09%	10.15%	16.02	8.01
C	**Total Incentive**					**20.27**

Table 3.75: Petitioner Submission: Incentive on Revenue gap loan

Sr. No.	Particulars	Amount of Debt	Rate of Interest	Rate of Interest considered for Incentive	Total incentive	Petitioner Share
A	Revenue Gap	2,541.92	8.50%	10.15%	42.02	21.01

3.245 The Petitioner has then reduced its share of incentive of Rs. 20.27 Cr. and Rs 21.01 Cr. from the Revenue available towards ARR.

COMMISSION ANALYSIS

3.246 Regulation 71 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

> *"The Utility shall make every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission."*

3.247 Regulation 31 of Business Plan Regulations, 2017 deals with Incentive Sharing Mechanism for Re-financing of Loan and provided that *"(1) The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of* *weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR.*

(2) The incentive on account of re-financing of loan computed as per sub clause (1) above shall be shared equally between the Consumers and the Distribution Licensee."

3.248 In view of the above Regulations, the Commission has determined the incentive on refinancing of loan as follows:

Table 3.76: Commission Approved: Incentive on re-financing of Loans (Rs. Cr.)

S. No	Particulars	Amount of Debt	Rate of Interest	Capping of interest rates	Total incentive	Petitioners' Share
A	Capitalisation	1,821.66	8.48%	10.15%	30.42	15.21
B	Working Capital	664.07	8.09%	10.15%	13.68	6.84
C	Revenue Gap	1,389.93	8.50%	10.15%	22.93	11.47
	Total	**3,875.65**			**67.04**	**33.52**

NON-TARIFF INCOME (NTI)

PETITIONER'S SUBMISSION

3.249 The Petitioner has submitted the non-tariff income of Rs. 66.65 Cr. for FY 2018-19 as follows:

Table 3.77:Petitioner Submission: Non-Tariff Income for FY 2018-19

Sr. No.	Particular	Amount (Rs. Cr.)	
A	Other Operating Revenue		118.77
B	Other Income		108.02
	Total –(I)		226.79
Less: Income included in above, not passed as Non-Tariff Income as per 3rd MYT Regulations, 2017			
C	Transfer from capital grants	0.74	
D	Transfer from consumer Contribution for Capital work	45.69	
E	Incentive towards Street Light	0.82	
E	Interest Income /Short term capital gain	12.75	
F	Financing Cost of LPSC	8.41	
G	Income from other Business	92.80	
	Total –(II)		161.20
Add: Income not included in above, but required to be passed as Non-Tariff Income			
H	Differential amount of Service Line Charges - III		1.06
	Sub- Total		66.65

COMMISSION ANALYSIS

3.250 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

> *"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:*
>
> *(i) Income from rent of land or buildings;*
> *(ii) Net Income from sale of de-capitalised assets;*
> *(iii) Net Income from sale of scrap;*
> *(iv) Income from statutory investments;*
> *(v) Net Interest on delayed or deferred payment on bills;*
> *(vi) Interest on advances to suppliers/contractors;*
> *(vii) Rental from staff quarters;*
> *(viii) Rental from contractors;*
> *(ix) Income from Investment of consumer security deposit;*
> *(x) Income from hire charges from contactors and others, etc."*

3.251 The Commission has trued up the Non-tariff Income in accordance with the Regulation as above.

GRANT/CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.252 The petitioner submitted that since the Gross Capital Grant/Consumer Contribution is utilised for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for financing of capex/capitalization.

COMMISSION ANALYSIS

3.253 The Commission is of the view that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

INCENTIVE TOWARDS STREET LIGHT

PETITIONER'S SUBMISSION

3.254 The Petitioner has submitted that in order to evolve a performance driven system that the

Commission vide its order dated 22.09.2009 has put up the incentive/disincentive mechanism for maintaining street lights.

3.255 Relevant extract of para no. 20 on page no 9 of the aforesaid order is given below:

"On going through the relevant submission made by the DISCOMs and MCD/PWD etc., it is decided that the performance level/ efficiency for the purpose of incentive shall be reviewed during next control period till such time the same arrangement for incentive/ disincentive shall continue as under:

Performance level achieved	*Incentive*	*Example*
Between 90-95%	*1% of the maintenance cost for each percentage in over achievement from target of 90%*	*Actual Performance 93%* *Incentive 93-90 = 3%*
Between 95-97%	*1.5% of the maintenance cost for each percentage in over achievement from target of 95%*	*Actual Performance 97%* *Incentive= 5 + 3 = 8%*
Above 97%	*2.0% of the maintenance cost for each percentage in over achievement from target of 97%*	*Actual Performance 99%* *Incentive = 8 + 4 = 12%*

Performance less than 90% shall attract disincentive for the DISCOMS according to the following table:

Performance level achieved	*Disincentive*	*Example*
Between 80-90%	*1% of the maintenance cost for each percentage in shortfall to achieve target of 90%*	*Actual Performance 83%* *Disincentive 90-83 = 7%*
Between 70-80%	*1.5% of the maintenance cost for each percentage in shortfall to achieve target of 80%*	*Actual Performance 77%* *Disincentive =10+4.5 = 14.5%*
Below 70%	*2% of the maintenance cost for each percentage in shortfall to achieve target of 70%*	*Actual Performance 60%* *Disincentive = 25 + 20 = 45%*

The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month.''

3.256 As mentioned in the State Commission Order, the incentive earned by the Petitioner would not be a pass through in the ARR, hence, the Petitioner has retained Rs. 0.82 Cr. as an incentive earned towards the maintenance of Street Light. It is further clarified by the Petitioner that the total amount of maintenance charges of Rs.12.03 Cr. under the head Other Operating Revenue as appearing in Note No 30.4.2 (d) of Audited Balance Sheet is inclusive of aforesaid street light incentive of Rs. 0.82 Cr.(refer note no 30.4.2.1 of the audited financial statement), therefore, the Petitioner has deducted amount of Rs. 0.82 Cr from the Non-Tariff Income.

COMMISSION ANALYSIS

3.257 TheCommission has considered the submission of the petitioner and allowed the amount of Rs. 0.82 Cr. to be reduced from Non tariff Income towards incentive for street light.

INTEREST ON SURPLUS FUNDS OUT OF SHAREHOLDER'S MONEY

PETITIONER'S SUBMISSION

3.258 During the FY 2018-19, the Petitioner has earned an amount of Rs. 12.75 Cr as Interest Income/ Gain on investment in mutual funds by investing shareholder's funds at different point of time.

3.259 The Petitioner requested the Commission that an amount of Rs. 12.75 Cr. be excluded from Non-Tariff Income.

COMMISSION ANALYSIS

3.260 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that income from statutory investments will form part of Non tariff Income.

3.261 The Petitioner submits to hold certain short term investments with the banks as margin for Debt service coverage in order to service its debt facility.

3.262 Accordingly, the Commission allows to reduce income from such investments to be reduced from Non Tariff Income.

FINANCING COST FOR LPSC

PETITIONER'S SUBMISSION

3.263 The Petitioner has stated that LPSC is levied on consumers who do not make payment with in the credit period allowed for payment. This compensates the Utility for the additional interest cost that gets incurred on the additional working capital requirements due to non-payment for timely payments of such dues by the consumers by the respective due dates.

3.264 The Hon'ble APTEL in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates. The Hon'ble APTEL categorically held that "the financing cost relating to the late payment surcharge" must be derived from the "prevalent market lending rates." This is imperative because the Petitioner is required to finance working capital requirement arising out of delayed payment throughout the year.

3.265 The Hon'ble APTEL vide its judgment dated July 12, 2011 in Appeal No. 142 of 2009 had held that the Petitioner is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. The relevant portion of the judgment is reproduced below:

"19.5…

Accordingly, the Appellant is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate." (Emphasis added)

3.266 The Commission in its Tariff Regulations, 2017 has upheld the Judgment of the Hon'ble APTEL and clearly stated in Regulations 94(v) that Net Interest on delayed or deferred payment of bills shall be considered as Non-Tariff Income.

3.267 Thus, in order to compute the financing cost of LPSC, Tata Power DDL considers the actual working capital interest rate of 8.09%.

3.268 Based on above submission, financing cost for LPSC is computed as follows:

Table 3.78:Petitioner Submission: Financing cost of LPSC (Rs. Cr.)

Sr. No.	Particular	UoM	Amount
A	LPSC earned (Note 30 of Audited Financial Statement)	(Rs Cr)	18.69
B	Late payment surcharge rate as per Regulations	%	18% p.a.
C	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B)	(Rs Cr)	103.84
D	Normative Interest Rate	%	8.09%
E	Financing Cost (C*D)	(Rs Cr)	8.41

COMMISSION ANALYSIS

3.269 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

...

(v) Net Interest on delayed or deferred payment on bills;

..."

3.270 The Commission during prudence check has verified the working capital rate of interest and trued up at 8.09%. Accordingly, the Commission has considered the net interest on delayed or deferred payment on bills as Non-Tariff Income of the Petitioner as follows:

Table 3.79:Commission Approved: Financing Cost of LPSC (Rs. Cr.)

Sr. No.	Particular	Petitioner submission	Approved
A	LPSC earned	18.69	18.69
B	Late payment surcharge rate as per Regulations (%)	18%	18%
C	Principal Amount	103.84	103.84
D	Normative Interest Rate (Working Capital	8.09%	8.09%
E	Financing Cost	8.41	8.40

SERVICE LINE CHARGES

PETITIONER'S SUBMISSION

3.271 The Petitioner has submitted that Tata Power- DDL would like to bring in the kind attention of the Commission that as per Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR. However, under Ind-As since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Hence any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges are shown under the head other operating income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2018-19. Given below is the amount additionally considered as a part of Non-Tariff income.

Table 3.80: Petitioner Submission: Line Charges for FY 2018-19 (Rs Cr)

Particulars	Rs. Cr.
Receipt on account of Service Line charges	30.48
Amortized and transferred to Profit & Loss	29.42
Amount additionally offered as NTI	1.06

COMMISSION ANALYSIS

3.272 The Commission has been considering the SLD charges on receipt basis as part of the non tariff income of the Petitioner.

3.273 The Commission verified the audited financial statements and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of three years. Accordingly, the additional amount towards Non tariff Income has been determined by the Commission as under:

Table 3.81: Commission Approved: Difference on account of SLD (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved
A	Receipt on account of Service Line charges	30.48	30.48
B	Amortized and transferred to Profit & Loss	29.42	29.42
C	Addition to NTI	1.06	1.06

INCOME FROM OTHER BUSINESS INCOME

PETITIONER'S SUBMISSION

3.274 The Petitioner has submitted that with the objective of creating additional avenues for growth, sharing of knowledge & best practices across utilities, and most importantly, in line with its strategy of providing power at competitive rates to consumers, Tata Power-DDL is exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.

3.275 The Petitioner during the course of its transformation journey in the National Capital Territory of Delhi has acquired & developed its knowledge base, built its core competencies in utility management and is using these competencies to expand its footprints in different geographies both nationally and internationally, providing distribution related services including operations management, commercial management integration of information and operations technologies for smarter and intelligent functioning of distribution networks, change management, process re-engineering, capacity building etc.

3.276 The Petitioner's exclusivity is due to its unique positioning amongst the players in the power domain. Being a power distribution utility, Tata Power-DDL scores over all the service providers through its in depth knowledge of the business processes that go into the daily functioning of any distribution utility. Tata Power-DDL has been a forerunner in the adoption of state-of-art technologies and is a hub of all technological solutions. Moreover, Tata Power-DDL has amalgamated all the available solutions from different vendors in a seamless integrated architecture.

3.277 During the FY 2018-19, Tata Power- DDL has earned Rs. 92.80 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below;

a) Optimal utilization of Distribution Assets (Rs. 2.56 Cr); and

b) Consultancy Income/other (Rs. 87.58 Cr)

c) Income through Training (Rs. 2.29 Cr)

d) Income from DSM (Rs. 0.25 Cr.)

3.278 The Petitioner further submitted that the Commission in its Tariff Regulations, 2017, vide Regulations 96 has stated that the *net income after tax from other Business shall be shared as per DERC Treatment of Income From Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 as amended from time to time.*

3.279 To generate any revenue corresponding expenses have to be incurred. Tata Power- DDL has incurred expenses of Rs. 59.83 Cr. during the FY 2018-19, out of which Rs 43.06 Cr expenses are directly linked with the service offered and balance Rs. 16.77 Cr pertaining to other common expenses.

3.280 It is further submitted that while fixing the normative O&M Expenses for 3rd MYT control period, the Commission had considered an amount of Rs. 8.96 Cr as base year expenses related to other business. Computation of the same is given below:

Particulars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Expenses* - Other Business	0.78	0.99	1.90	10.90	25.60
Average of 5 year					8.03
Normative Amount considered for FY 2015-16			8.03	8.48 = (8.03) (1+5.61%)	8.96 = (8.48) (1+5.61%)

3.281 Thus, to compute the normative allowance of other business related expense as a part of normative O&M Expenses for FY 2018-19, the Petitioner has first compute the base year expenses and thereafter increased with the inflation factor of 5.61% for each year along with the increase in network capacity.

Table 3.82: Petitioner Submission: Computation of normative O&M expenses related to other business income for FY 2018-19

Particulars	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Normative Expenses for Other Business	8.034	8.48	8.96	9.46	9.99	11.34
Escalation		5.61%	5.61%	5.61%	5.61%	5.61%
Network growth for 2 years						7.40%

3.282 Further, in order to justify the claim of expense incurred towards other business income, the Petitioner is enclosing segment wise bifurcation of profit & loss statement for FY 2018-19 to remove any ambiguity of claiming double expenses in distribution business segment. However, duly audited certificate by our Statutory Auditor will be provided to the Commission during the course of prudence check.

3.283 Based on the above submission, computation of the net income for the purpose of sharing between consumers and DISCOM is given in table below:

Table 3.83: Petitioner Submission: Computation of Net direct expenses to be deducted from Other Business Income

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total	Remark
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.	
A. Total Revenue earned*	89.99	2.56	0.25	92.80	Note 38 of the Audited Financial Statement
- Consultancy	87.58				
- Training	2.29				
- Others	0.12	2.56	0.25		
B. Expenses incurred net of normative expense	48.41	-	0.09	48.49	
- Direct Exp	42.98		0.09		Note 38 of the Audited Financial Statement
- Indirect Allocation of Exp.	16.77				
- Normative expenses allowed	(11.34)				Computed as above
C. Income net of Expenses before Tax	41.58	2.56	0.16	44.31	A-B
Income Tax @ 23.038%	9.58	0.59	0.04	10.21	

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total	Remark
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.	
Net Revenue available for sharing	32.00	1.97	0.12	34.09	

Table 3.84: Petitioner Submission: Sharing of net Revenue from Other Business Income

Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs Cr.
Net Revenue available for sharing –A	32.00	1.97	0.12	34.09
TPDDL Share %	60%	40%	40%	
Consumer Share % -B	40%	60%	60%	
Consumer Share = A*B	12.80	1.18	0.07	14.06

COMMISSION ANALYSIS

3.284 Regulation 5(5)(a) of DERC (Treatment of Income from other businesses of Transmission Licensee and Distribution Licensee) first Amendment Regulation, 2017 states that where the Licensee utilises the assets and facilities of the Licenses business for Other business, the Licensee shall retain 40% of the net revenue from such business and pass on remaining 60% of the net revenue to the regulated business.

3.285 During prudence check, it was observed that the Petitioner has claimed the expenses on account of other business Income. However, such expenses claimed already form part of the normative O&M Expenses as claimed by the Petitioner.

3.286 Regulation 96 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

> *"96. The net income after tax from Other Business shall be calculated as per "DERC Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee Regulation, 2005" as amended from time to time and shall be adjusted in the ARR."*

3.287 In view of the above Regulation, the Commission considers the Income tax at effective rate of

23.038% on the net income of the Other Business income of the Petitioner as follows:

Table 3.85: Commission Approved: Income from Other Business (Rs. Cr.)

Sr.No.	Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
A.	Total Revenue earned	**89.99**	**2.56**	**0.25**	**92.80**
i	- Consultancy	87.58	0.00	0.00	
ii	- Training	2.29	0.00	0.00	
iii	- Others	0.12	2.56	0.25	
B.	Less- Expenses incurred	0	0	0	
C.	Income net of Expenses before Tax	89.99	2.56	0.25	92.80
D.	Income Tax @ 23.60%	9.58	0.59	0.04	10.21
E.	Net Revenue available for sharing	**80.41**	**1.97**	**0.21**	**82.59**
Sharing of Other Business Income (Rs. Cr.)					
Sr.No.	**Particulars**	**Revenue earned by not using Distribution Fixed Assets**	**Revenue earned by using Distribution Fixed Assets**	**Income from DSM by using Distribution Fixed Assets**	**Total**
A.	Net Revenue available for sharing	**80.41**	**1.97**	**0.21**	**82.59**
B.	TPDDL Share %	60%	40%	40%	
C.	Consumer Share %	40%	60%	60%	
D.	DISCOM share	**48.25**	**0.79**	**0.08**	**49.12**
E.	Consumer Share in Rs Cr.	**32.16**	**1.18**	**0.13**	**33.47**
F	Tax liability on consumer share as paid by DISCOM	**6.02**	**0.22**	**0.02**	**6.27**

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER'S SUBMISSION

3.288 The Petitioner referred the Regulation 5.34 of MYT Regulations, 2011 which specify that

> *"Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007", and shall be a pass through in the ARR."*

3.289 Regulation 16(vi) of Delhi Electricity Supply Code and Performance Standards Regulations, 2007", specify that

> *"vi The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year."*
>
> *Further the Delhi Electricity Supply Code and Performance Standard Regulations, 2017 provided that w.e.f 1st September 2017 onwards Rate of Interest for Consumer Security Deposit shall be considered the SBI MCLR rate on 1st April.*
>
> *Therefore, w.e.f 1st September, 2017 the Petitioner has paid consumer security deposit at SBI MCLR on 1st April, of the respective financial year.*

3.290 In addition to the directly payment of interest on consumer security deposit, the Commission has adopted the methodology of reducing differential interest (i.e. Cost of funding working capital – minus Interest actually credited/paid to consumers) from the ARR. Hence in order to compute the differential net interest on consumer security deposit, interest rate equivalent to cost of debt for working capital @ 8.09% has been considered for FY 2018-19.

Table 3.86: Petitioner Submission: Interest on Consumer Security Deposit (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Opening balance of consumer security deposit as on 01.04.2018	552.81
B	Closing balance of consumer security deposit as on 31.03.2019	625.38
C	Average balance	589.09
D	Working Capital Interest Rate (%)	8.09%
E	Interest amount	47.68
F	Less- adjustment for Interest on Consumer security deposit already passed to the consumers in their bills	52.45
G	Differential amount of interest offered in ARR for FY 2018-19	(4.76)

3.291 Based on the above computation, the Petitioner claimed Rs. 4.76 Cr as interest on CSD.

COMMISSION ANALYSIS

3.292 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2018-19.

3.293 The Commission has considered the working capital interest rate for FY 2018-19 as trued up is 8.09% for the purpose of determining normative interest on Consumer Security Deposit.

3.294 The actual amount of interest paid to the consumers comes to Rs. 52.45 Crs as per the audited financial statements. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2018-19 is being considered as part of the Non Tariff Income of the Petitioner as follows:

Table 3.87: Commission Approved: Consumer Security Deposit for FY 2018-19 (Rs. Cr.)

Sr.No.	Particulars	Petitioner submission	Approved	Ref.
A	Opening Balance Of Consumer Security Deposit	552.81	552.81	
B	Closing Balance of Consumer Security Deposit	625.38	625.38	
C	Average Balance Of Consumer Security Deposit	589.09	589.09	(A+B)/2
D	Working Capital Interest Rate	8.09%	8.09%	
E	Normative amount of Interest	47.66	47.66	(C*D)
F	Actual Amount of Interest	52.45	52.45	
G	Difference to be additionally offered	(4.79)	(4.79)	(E-F)

INCOME FROM OPEN ACCESS

PETITIONER'S SUBMISSION

3.295 The Petitioner has submitted that for the FY 2018-19, the Petitioner has earned Income of Rs 10.10 Cr. from Open Access consumers including E. Tax. As E. tax is payable to MCD, hence, open access income net of E. Tax is considered as part of Non-Tariff Income. Computation of the same is given below:

Table 3.88: Petitioner Submission: Income from Open Access (Rs Cr.)

Sr. No.	Particulars	Amount
A	Total Income from Open Access	10.10
B	Less- E. Tax for the year	0.20

Sr. No.	Particulars	Amount
C	Income from open access available for ARR	9.90

COMMISSION ANALYSIS

3.296 The Commission has considered Rs. 9.90 Cr on account of income from Open Access Charge in Non Tariff Income for FY 2018-19.

INCOME FROM ADVANCES FROM CONSUMERS

COMMISSION ANALYSIS

3.297 It is observed that the Petitioner had claimed the advances received from consumers as revenue collected as discussed in earlier sections. The Commission is of the view that the advance available with the Petitioner is a liability and may have to be returned to the Consumer in case not billed in future. The Commission further sought the monthly advance balances available with the Petitioner. It was observed that the advances opening and closing balances for the financial year were higher than the average monthly balance with the petitioner on such account. Accordingly, the Commission considered the financing cost based on the working capital interest rate on the monthly average balances held with the petitioner at Rs. 2.34 Cr. to be added to the Non-tariff income of the Petitioner.

SUMMARY OF NON-TARIFF INCOME

PETITIONER SUBMISSION

3.298 Based on above submissions, Non-Tariff Income including Other Business Income for the purpose of ARR for FY 2018-19 is computed as below:

Table 3.89: Petitioner Submission: Non Tariff Income for FY 2018-19 (Rs Cr.)

Sr. No.	Particulars	Amount
A	Non-Tariff Income	66.65
B	Income from other Business	14.06
C	Interest on Security Deposit	(4.76)
D	Income from Open Access	9.90
E	Total	85.85

COMMISSION ANALYSIS

3.299 The Commission has approved the Non-tariff Income for FY 2018-19 as follows:

Table 3.90: Commission Approved: Non-tariff Income for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Approved
A	Other Operating Revenue	118.77
B	Other Income	108.02
C	Open Access Charges	9.90
D	Income from Normative Interest on security deposit	4.79
E	Impact of SLD charges	1.07
F	Financing Cost of Advance from consumers	2.34
	Total –(I)	**244.89**
Less: Income included in above, not passed as Non-Tariff Income as per DERC Tariff Regulations, 2017		
G	Transfer from capital grants	0.74
H	Transfer from consumer Contribution for Capital work	45.69
I	Incentive towards Street Light	0.82
J	Interest Income /Short term capital gain	12.75
K	Financing Cost of LPSC	8.40
L	Petitioner share on Other Business Income (Incl of Tax liability on Consumers' share)	55.39
	Total –(II)	**123.79**
	Net Non Tariff Income (I) –(II)	**121.10**

TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19

PETITIONER'S SUBMISSION

3.300 The Petitioner has submitted that based on the submission made above for truing-up of FY 2018-19, the total Aggregate Revenue Requirement for the FY 2018-19 comes to Rs. 7,556.11 Cr. Components wise ARR sought for trued up vis-à-vis Approved ARR is given in table below:

Table 3.91:Petitioner Submission: Aggregate Revenue Requirement for FY 2018-19 (Rs. Cr)

Sr. No.	Particulars	Amount sought for True up
A	Power Purchase cost (incl. Transmission charges)	5758.68
B	O&M Expenses	698.35
C	Other expenses/Statutory levies	115.22
D	Depreciation	222.78
E	Loss on Retirement	27.90
F	Return on Capital Employed (RoCE)	450.53
G	Carrying Cost	368.50
H	Less: Non-tariff income	(66.65)
I	Less- Interest on Consumer Security Deposit	4.76
J	Less- Income from Non Energy Business	(14.06)
K	Less- Income from Open Access	(9.90)

Sr. No.	Particulars	Amount sought for True up
L	Aggregate Revenue Requirement	7,556.11

COMMISSION ANALYSIS

3.301 The Aggregate Revenue Requirement (ARR) approved by the Commission for FY 2018-19 is as follows

Table 3.92: Commission Approved: Aggregate Revenue Requirement for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	Commission Approved
A	Power Purchase Cost (including transmission charges)	5,758.68	5,588.19
B	O&M expenses	698.33	696.55
C	Additional O&M Expenses/ Other expenses/ statutory levies	115.21	28.29
D	Depreciation	222.78	216.05
E	Loss on retirement of assets	27.90	
F	Return on capital employed	450.53	333.11
G	Income Tax	-	37.39
H	Less- Net Non Tariff Income	(66.65)	121.10
I	Less- Interest from Consumer Security Deposit	4.76	
J	Less- Income from Non Energy Business	(14.06)	
K	Less- Income from Open Access	(9.90)	
L	Aggregate Revenue Requirement	7,187.57	6,778.49
M	Carrying cost	368.50	
N	ARR	7,556.07	6,778.49

COMPUTATION OF NET REVENUE AVAILABLE TOWARDS ARR

PETITIONER'S SUBMISSION

3.302 The Computation of net revenue available after adjusting the Incentive towards lower Distribution Loss Level and Higher Collection Efficiency submitted by the Petitioner is as under:

Table 3.93: : Petitioner Submission: Computation of Revenue available for FY 2018-19 (Rs Cr.)

Sr. No.	Particular	Collection Other than (DRS/PTS)
A	Total Collection	6,897.04
B	Less- Overachievement Incentive towards Lower Distribution Loss	8.05

Sr. No.	Particular	Collection Other than (DRS/PTS)
C	Less- Overachievement incentive towards Collection	23.03
D	Collection available towards ARR	6,865.96

3.303 In the given below table, the Petitioner has computed Revenue available towards ARR (net of Incentive towards refinancing of capex loans and revenue gap loans). In the table given as follows:

Table 3.94:Petitioner Submission: Revenue available towards ARR net of incentives for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Actual as per Petitioner
A	Revenue Available	6,865.96
B	Less- Incentive towards Capex Loan/working capital	20.27
C	Less- Incentive towards Revenue Gap Loan	21.01
D	Revenue Surplus/(Gap)	6,824.68

COMMISSION ANALYSIS

3.304 The Commission has computed the Revenue available towards ARR as follows:

Table 3.95: Commission Approved: Revenue Available towards ARR FY 2018-19 (Rs. Cr.)

Sr. No	Particulars	Petitioner submission	Commission Approved
A	Actual Revenue realised excluding Electricity duty, Regulatory Surcharge, Pension trust surcharge	6,897.04	6,897.04
B	Add: Penalty on account of cash collection		0.28
C	Less: Incentive on account of distribution loss	8.05	5.37
D	Less: Incentive on account of collection efficiency	23.03	23.03
E	Revenue Available	6,865.96	6,868.92
F	Less: Incentive towards refinancing of loan	20.27	22.05
G	Less: Incentive towards Revenue Gap Loan	21.01	11.47
H	Less: Incentive towards Sale of surplus power		3.35
I	Revenue available towards ARR	6,824.68	6,832.06

REVENUE SURPLUS / (GAP) FOR FY 2018-19

PETITIONER'S SUBMISSION

3.305 The Petitioner has computed actual Revenue Gap for FY 2018-19 as given in the table below:

Table 3.96:Petitioner Submission: Revenue surplus/ (Gap) for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Actual as per Petitioner
A	Revenue Available towards ARR net of Incentives	6,824.68
B	Aggregate Revenue Requirement (net of carrying cost)	7,187.61
C	Revenue Surplus/(Gap)	(362.93)

COMMISSION ANALYSIS

3.306 Revenue surplus/ (gap) after true up of ARR for FY 2018-19 as approved by the Commission is as follows:

Table 3.97: Commission Approved: Revenue surplus/ (Gap) for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved	Ref.
A.	Aggregate Revenue Requirement	7187.57	6778.49	Table 3.92
B.	Revenue Available towards ARR net of incentives	6824.68	6832.06	Table 3.95
C.	Surplus or (Gap) for the year	-362.89	53.57	B-A

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2020-21

INTRODUCTION

4.1 As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017,* the Commission has notified Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 which contains the following parameters applicable for the Control Period (FY 2020-21 to FY 2022-23):

(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

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset

(7) Generating Norms:

- (a) Gross Station Heat Rate
- (b) Plant Availability Factor
- (c) Secondary Fuel oil consumption
- (d) Auxiliary Consumption and
- (e) Plant Load Factor

(8) Transmission Norms:

- (a) Annual Transmission System Availability;
- (b) Annual Voltage Wise Availability;

(9) Distribution Norms:

- (a) Distribution Loss Target
- (b) Collection Efficiency Target
- (c) Targets for Solar and Non Solar RPO
- (d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions
- (e) Ratio of various components of Aggregate Revenue Requirement (ARR)for segregation of ARR into Retail Supply and Wheeling Business.

4.2 The Petitioner has filed the Petition for determination of Aggregate Revenue Requirement (ARR) for FY 2020-21. The Commission has analysed the same as required under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2019.

4.3 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, audited accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2020-21.

4.4 This chapter contains detailed analysis of the Petition submitted by the Petitioner and the various parameters approved by the Commission for determination of ARR for FY 2020-21.

ENERGY SALES

PETITONER'S SUBMISSION

4.5 The Petitioner submitted that this is a time of global crisis and the entire world including India is under the grip of this deadly disease. The Central & State Government in order to contain the spread of novel corona virus had issued several precautionary measures and advisories most important being social distancing and also ordered a nationwide lockdown/shutdown w.e.f. 23rd March, 2020 which was continued in 4 phases (14th April, 3rd May, 17th May, 31st may) and remains in effect even as on date of filing the revised projections.

4.6 The spread of the COVID-19 disease (also referred widely as NOVEL CORONA VIRUS), has already been declared as a PANDEMIC by World Health Organization (WHO). The occurrence of this PANDEMIC has been viewed and considered with utmost seriousness by the Government of India and various State Governments including GNCTD.

4.7 The following Notifications, Guidelines issued are relevant for our purpose:

Ministry of Home Affairs order No. 40-3/2020-DM-I-(A) along with Guidelines annexed therewith as amended from time to time

Addendum dated 25.03.2020 to Home Affairs order No. 40-3/2020-DM-I-(A) along with Guidelines annexed therewith

NDMA N0.1-29/2020-PP (Pt. II) dated 24.03.2020 issued by National Disaster Management Authority under Disaster Management Act, 2005 as amended from time to time

GNCTD, Health & Family Welfare Order No. F51/DGHS/PH-IV/COVID-19/2020 prsecyfhw/3331-45

4.8 Such a lockdown was strictly enforced by the Government agencies and the law and order machinery in the area of supply of Tata Power DDL. The said lockdown resulted in closure of all Industries, Factories, Malls, Commercial shops/ showrooms, Restaurants except few establishments which were categorized in essential services (hospitals, medical equipment, food processing etc.) Under such compelling circumstances Tata Power-DDL's routine business operations, revenues, commercial activities, operational capability, collection efficiency, standards of performance, schedule & break down, maintenance etc. have been severely affected because of unavailability of manpower, logistics services, contract employees etc. Thus almost all activities of commercial, Industrial units, Public Transport utilities etc. had come to a standstill thereby adversely affecting the electricity demand as well.

4.9 Based on the present scenario, the Petitioner has revised its assumptions for projecting demand for various categories of consumers for FY 2020-21 as mentioned below:

MAJOR ASSUMPTIONS

4.10 The Petitioner has considered the actual billed Sales of April'20 Month & 1st May'20 – 26th May'20 and thereafter sales is estimated based on certain assumptions and estimated improvement in economic activities from June'2020 onwards. While doing such estimation, we have considered the guidelines issued by Ministry of Home Affairs vide order No.40-3/2020-DM-I (A) dtd. 30/05/2020. For the sake of understanding, estimation of sale in MUs done month wise. Various factors influencing demand factors given below:

DOMESTIC CONSUMERS:

4.11 Normal Sales growth of 2% is considered towards Domestic Consumers as severity of summer is not high in comparison to previous years as per weather forecast. Additionally lot of migrant consumers have moved out to home state impacting low end domestic sales.

COMMERCIAL CONSUMERS

4.12 In Commercial Consumer, there is large impact on sales due to closure of Hotels, Shopping Malls, Multiplexes, Educational Institute, Restaurants, Pubs, Banquet Halls, Retails Shops etc. These Commercial consumers will be effected even after May’20 and will take time to resume at their normal capacity by Sep’20. The following facts are considered for estimation of commercial sales:

a) Small shops will resume their normal operation at a faster pace (3-4 months to restore their full demand).
b) 100% Resumption is considered for Banks, Pumping Stations, Sewage Treatment Plant, Hospitals, Petrol Pumps & Towers after lockdown.
c) Resumption of 90% till August'20 for Small Non-Domestic Consumers like normal shops.
d) Resumption of 40% of operations in June’20 for big Commercial Units like Malls and Hotels, Demand will start to build up from September, 20 onwards.
e) 95% Resumption of normal operations from Jan'21 onwards.

INDUSTRIAL CONSUMERS

a) Demand for industries will be severely impacted due to supply chain issues and migrant labour shortage. Industry will face shortage of skill work force as such work force scattered across country mainly at their native place.
b) Labourers/workers may take long to return as they get welfare schemes in villages. Also, they are involved in agrarian work which will provide short term employment in villages. Furthermore schemes on these lines by Govt. of India are being

implemented due to Covid-19 crisis for ensuring self-sustenance for migrants.

c) In addition to this, some of these people usually visit their home town for Chat puja and Diwali (in the month of Nov this year). This may further delay their coming back.

d) Industries Own demand will be low as consumer shall be tend to buy essential items only and postponing big buy decision for next years. Another contributor shall be less disposal income in the hands of consumer and they prefer to save more to survive in uncertain period.

e) Reduced Production Capacity due to Safe Guards placed for Preventing Covid-19 among industrial workers.

f) Closing of industrial units on detecting of Covid-19 case in factory premises.

g) Due to other unforeseen circumstances, there are chances that factories may be able to resume only 10-30% of their operations. This is further supported by the fact that in consumer survey done by TPDDL front end team, almost 80-85% percent of consumers are anticipating less demand and labour issue are prime concern for resuming their operations.

4.13 Based on above facts, negative consumption is estimated for overall Industrial consumers with some intermittent pickups in demand as given below.

a) 100% Resumption is considered for Food industry like Dal/Rice/Flour Mill/ Confectionary after lockdown.

b) Plastic Industry which contributes 25% of the total industrial demand is completely at a standstill with 90% drop in consumption. Resumption of 45% is assumed for June'20 onwards.

c) Impact of Migrant labours are considered till October'20 End.

d) Impact of Supply Chain and Raw material is considered till July'20 End.

e) Resumption of 50% of overall Industrial operations is considered from Jul'20 onwards.

f) Resumption of 70% of the operations is considered in Oct'20 as after Mid-October'20, with arrival of Festive Season Demand starts up to build in market and labour issue will also subside by that time.

4.14 The above estimates, projections are further subject to the compliance of directions issued by DPCC, Municipal corporations seeking closure, sealing of the industrial activities which is ongoing exercise, with compliance being reported by such agencies to the Hon'ble Supreme Court, National Green Tribunal and Delhi High Court.

PUBLIC UTILITIES

a) 100% resumption of Public Utilities is considered from June'20 onwards.

b) Reduction in Monthly Sales of DMRC by 8 MU in June'20 and 10 Mu from July'20 to Nov'20 and 5 Mu for Dec'20 onwards due to Open Access.

4.15 These assumptions are derived based on the circumstances existing upto Lockdown-4 restrictions. Any further modification, increase in Lockdown period may adversely impact these projections and therefore, it is prayed to the Hon'ble Commission to consider further impact of lockdown if any before issuance of Tariff Order. If deemed fit Petitioner may be given an opportunity to further file revised ARR projections.

4.16 The Petitioner has computed revised category wise projection for Demand as under:

a) Month wise category wise billed sales for FY 2019-20

Table 4. 1: Petitioner Submission: Category wise actual billed sales for FY 2019-20

Category	Domestic	Non-Domestic	Industrial	Public Utilities	Others	Total
Apr'19	298.48	112.69	210.05	39.14	9.36	669.72
May'19	426.17	148.17	222.15	48.98	11.09	856.56
Jun'19	478.92	153.08	210.27	51.09	11.64	905.00
Jul'19	572.15	164.23	209.81	52.31	13.43	1011.93
Aug'19	482.91	159.30	222.14	55.95	13.03	933.33
Sep'19	563.68	164.16	199.77	52.83	15.14	995.58
Oct'19	342.64	138.76	207.90	51.23	11.46	752.00
Nov'19	263.48	122.91	182.90	54.07	11.08	634.43
Dec'19	235.15	102.61	200.68	48.72	9.67	596.83
Jan'20	258.99	103.23	225.12	43.92	11.25	642.51
Feb'20	247.87	95.82	204.56	42.90	10.06	601.21
Mar'20	150.67	87.35	201.21	38.75	8.65	486.63
Total	4321.09	1552.30	2496.57	579.90	135.87	9085.73

b) Estimated demand factor considered for projecting sales for FY 20-21

Table 4. 2: Petitioner Submission: Category wise demand factor considered for FY 2020-21

Category	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Domestic	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%
Non Domestic	40%	70%	75%	75%	85%	85%	85%	95%	95%	95%
Industrial	27%	45%	50%	60%	70%	75%	80%	90%	95%	100%
Public Utilities	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Others	70%	70%	70%	70%	80%	80%	80%	90%	90%	90%

4.17 Based on above, projected billed sales for FY 20-21 comes as 7603.24 MU/ Category wise computation is given below:

Table 4. 3: Petitioner Submission: Category wise projected Sales for FY 20-21

Category		Estimated demand (%)	Domestic	Estimated demand (%)	Non-Domestic	Estimated demand (%)	Industrial	Estimated demand (%)	Public Utilities		Estimated demand (%)	Others	Total
									Normal	Adjusted towards open access			
Apr	Actual	82	244	70	78.91	47	99.61	81	31.87		76	7.08	461.90
May	Actual *	93	298	32	39.84	20	37.49	71	28.99		64	5.91	409.97
May			98		7.66		7.21		5.57			1.14	119.84
Jun	Proj	102.00	489	40.00	61.23	27.00	56.77	100.00	51.09	-8.00	70.00	8.15	657.74
Jul	Proj	102.00	584	70.00	114.96	45.00	94.41	100.00	52.31	-10.00	70.00	9.40	844.68
Aug	Proj	102.00	493	75.00	119.48	50.00	111.07	100.00	55.95	-10.00	70.00	9.12	778.18
Sep	Proj	102.00	575	75.00	123.12	60.00	119.86	100.00	52.83	-10.00	70.00	10.60	871.36
Oct	Proj	102.00	349	85.00	117.95	70.00	145.53	100.00	51.23	-10.00	80.00	9.17	663.37
Nov	Proj	102.00	269	85.00	104.47	75.00	137.17	100.00	54.07	-10.00	80.00	8.86	563.33
Dec	Proj	102.00	240	85.00	87.22	80.00	160.55	100.00	48.72	-5.00	80.00	7.74	539.07
Jan	Proj	102.00	264	95.00	98.07	90.00	202.61	100.00	43.92		90.00	10.13	618.89
Feb	Proj	102.00	253	95.00	91.03	95.00	194.33	100.00	42.90		90.00	9.06	590.14
Mar	Proj	102.00	154	95.00	82.98	100.00	201.21	100.00	38.75		90.00	8.14	484.77
FY 20-21			**4308.79**		**1126.91**		**1567.83**		**558.21**	**-63.00**		**104.50**	**7603.24**
Actual			**542**		**118.75**		**137.10**		**60.86**			**13.00**	**871.86**
Extrapolated			**3767**		**1008.16**		**1430.73**		**497.35**	**-63.00**		**91.50**	**6731.37**

** It includes actual consumption for 26 days & for balance 5 days it is extrapolated*

COMMISSION ANALYSIS

PRE-COVID PROJECTIONS:

4.18 The Commission based on the earlier submissions of the Petitioner (pre COVID-19 scenario), analysed the sales of FY 2020-21 as indicated in subsequent paras.

4.19 The 19th Electric Power Survey (EPS) Report, covering electricity demand projection of Distribution Companies, States/UT's, Regions and the all-India Electricity demand projection has been brought out by the Central Electricity Authority (CEA) on January 2017. The Report covers year-wise electricity demand projection for the years 2016-17 to 2026-27 for DISCOMs, States/UT's, Regions and for the country. The report also covers perspective electricity demand projection for States/UT's, Regions and for the country for the years 2031-32 and 2036-37.

4.20 The said electricity demand projection exercise has been carried out in association with Distribution Companies (DISCOMs)/State Electricity Departments/Transmission Companies (TRANSCOs) of States/UT's.

4.21 CEA Uses Partial End Use Methodology, which is a combination of time series analysis and end use method has been adopted to forecast electricity demand for 19thEPS as well. Partial End Use Methodology is a "bottom-up" approach focusing on end-uses or final energy needs of different categories of consumers like domestic, commercial, irrigation, industries, railway traction etc. Various initiatives of Government of India/State Governments like Power for All (PFA), Demand Side Management (DSM), energy conservation and efficiency improvement measures, Make in India, penetration of roof-top solar, electric vehicles etc. have been broadly factored in the electricity demand projection.

4.22 The Commission observes the variation in Sales Forecasted vis-a-vis Actual Sales achieved for the year FY 2017-18 and FY 2018-19 for Delhi DISCOMsas follows:

Table 4. 4: Commission's Projection & 19th EPS vis-à-vis Actual Sales for FY 2017-18 (MU)

Sr. No.	Category	FY 2017-18			Variation(%)	
		Projected by Commission	19th EPS	Actual	Commission's Proj.vis-à-vis Act.	EPS vis-à-vis Act.
1	Domestic	3876	3882	3947	-2%	-2%
2	Non - Domestic	1483	1457	1528	-3%	-5%
3	Industrial	2330	2557	2433	-4%	5%
4	Others*	767	813	724	6%	11%
	Total	**8456**	**8709**	**8632**		

Table 4. 5: Commission's Projection & 19th EPS vis-à-vis Actual Sales for FY 2018-19 (MU)

Sr. No.	Category	FY 2018-19			Variation(%)	
		Projected by Commission	19th EPS	Actual	Commission's Proj.vis-à-vis Act.	EPS vis-à-vis Act.
1	Domestic	4169	4054	4068	2%	0%
2	Non - Domestic	1552	1483	1541	1%	-4%
3	Industrial	2437	2650	2539	-4%	4%
4	Others*	712	836	720	-1%	14%
	Total	**8870**	**9023**	**8868**		

**Others include Agricultural & Mushroom Cultivation, Public Lighting, Delhi Jal Board, Delhi International Airport Limited (DIAL), Railway Traction, Delhi Metro Rail Corporation (DMRC), Advertisement &Hoardings, Bulk supply (as per 19th EPS Bulk supply includes supply to Distribution Licensees which have been considered as point load by the main distribution licensee, Government/Defence establishments, airports, open access, temporary connection etc.)*

4.23 From above tables, it is observed that there has been more variation between the Projections done by the CEA & the Actual Sales than the Sales projected by the Commission & the Actual Sales for FY 2017-18 and FY 2018-19 which makes it clear that the projections of CEA are on considerable higher side. Therefore, the Commission has not relied upon the sales forecasted by the CEA for FY 2020-21. Further, the Commission in the past, has been forecasting sales based on CAGR methodology which is quite appropriate for short term forecasting which in the present case is 1 (one) year period.

4.24 However, for forecasting sales for FY 2020-21 with better accuracy, the Commission has divided the financial year, FY 2020-21, into 2 halves(H1 & H2)where H1 represents the period from April to September and H2 represents the period from October to March. Such splitting of a financial year into 2 halves provides more accurate projections and also factors seasonal impact of sales during summer season which is the period from April to September. The Sales of Domestic, Non-Domestic and Industrial consumer categories will follow the specific pattern during past financial years as this season has maximumsales owing to use of heavy electricity consumption equipment like Air Conditioning (ACs). The period of second half i.e. H2 represents October to March and is a lean period in terms of sales. Therefore, the Commission has adopted half yearly projections for FY 2020-21 rather than the following the methodology of yearly projections of sales as followed earlier.

4.25 The Commission sought H1 and H2 sales of past years from the Petitioner and based on the same has computed 5 years CAGR for H1 for the period FY 2014-15 to FY 2019-20 and 4 years CAGR for H2 for the period FY 2014-15 to FY 2018-19. The Commission after computation of various half yearly CAGRs has projectedsales for H1 for FY 2020-21 by applying a single escalation on actual H1 sales of FY 2019-20 and has projected sales for H2 for FY 2020-21 by applying double escalation on actual H2 sales of FY 2018-19. The total projectedsales for FY 2020-21 are then computed by summing up half yearly projected sales of FY 2020-21.The detailed computation of the same is as follows:

4.26 The category wise H1 sales from FY 2014-15 to FY 2019-20and H2 sales from FY 2014-15 to FY 2018-19 are indicated in the tables as follows:

Table 4. 6: Actual H1 Sales from FY 2014-15 to FY 2019-20 (MU)

Sr.No.	Category	FY15	FY16	FY17	FY18	FY19	FY20
1	Domestic	2052	2056	2346	2517	2643	2833
2	Non-Domestic	748	763	824	857	885	902
3	Industrial	1132	1168	1195	1196	1267	1274
4	Agriculture & Mushroom	7	7	6	7	8	8
5	Public Utilities	255	281	279	289	318	300
6	Adv. & Hoardings	0	0	0	0	0	0
7	Temporary Supply	32	30	32	33	32	34
8	E-Vehicle on SPD	0	0	0	0	2	8
9	Others	17	18	16	15	13	13
Total		4242	4324	4698	4914	5168	5372

Table 4. 7: Actual H2 Sales from FY 2014-15 to FY 2018-19 (MU)

Sr.No.	Category	FY15	FY16	FY17	FY18	FY19
1	Domestic	1282	1369	1447	1450	1433
2	Non-Domestic	595	637	640	670	649
3	Industrial	1147	1181	1118	1236	1271
4	Agriculture & Mushroom	5	6	6	7	6
5	Public Utilities	294	292	305	314	297
6	Adv. & Hoardings	1	1	1	1	0
7	Temporary Supply	29	28	28	29	27
8	E-Vehicle on SPD	0	0	0	0	5
9	Others	19	15	17	18	11
Total		3374	3530	3562	3725	3699

4.27 The category-wise CAGR of H1 sales for 1 year to 6 years (FY 2014-15 to FY 2019-20) and H2 sales for 1 year to 5 years (FY 2014-15 to FY 2018-19) is shown in the tables as follows:

Table 4. 8: Various H1 Sales CAGR (FY 2014-15 to FY 2019-20) (%)

Sr.No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic	6.67%	8.34%	6.49%	6.09%	7.19%
2	Non-Domestic	3.81%	4.25%	3.06%	2.58%	1.90%
3	Industrial	2.40%	2.20%	2.17%	3.21%	0.54%
4	Agriculture & Mushroom	2.60%	4.19%	9.70%	12.97%	3.10%
5	Public Utilities	3.35%	1.69%	2.46%	1.87%	-5.44%
6	Adv. & Hoardings	3.60%	-7.55%	-5.18%	-20.00%	-29.18%
7	Temporary Supply	0.98%	3.41%	1.88%	2.11%	5.93%
8	E-Vehicle on SPD	-	-	-	-	299.81%
9	Others	-5.45%	-8.76%	-7.41%	-7.23%	-1.85%

Table 4. 9:Various H2Sales CAGR (FY 2014-15 to FY 2018-19) (%)

Sr. No.	Category	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic	2.82%	1.54%	-0.46%	-1.13%
2	Non-Domestic	2.19%	0.61%	0.69%	-3.19%
3	Industrial	2.60%	2.48%	6.63%	2.81%
4	Agriculture & Mushroom	0.81%	-3.18%	-5.30%	-12.81%
5	Public Utilities	0.25%	0.59%	-1.31%	-5.39%
6	Adv. & Hoardings	-39.44%	-36.79%	-56.38%	-70.93%
7	Temporary Supply	-2.07%	-1.89%	-2.49%	-6.68%
8	E-Vehicle on SPD	-	-	-	2665.82%
9	Others	-12.97%	-11.43%	-20.09%	-40.13%

4.28 In view of the above, the following sales were projected (Pre-COVID) for the Petitioner for FY 2020-21:

Table 4. 10: Projected Sales (Pre-COVID) for FY 2020-21(MU)

Sr. No.	Category	Sales in H1 FY20 (MU)	CAGR (%)	Projected Sales for H1 FY21 (MU)	Sales in H2 FY19 (MU)	CAGR (%)	Projected Sales for H2 FY20 (MU)	CAGR (%)	Projected Sales for H2 FY21 (MU)	Projected Sales for FY21 (MU)
		A	A1	A2	B	B1	B2	C	C1	A2 + C1
1	Domestic	2833	6.49%	3017	1433	1.54%	1455	1.54%	1478	4494
2	Non-Domestic	902	3.06%	929	649	0.61%	653	0.61%	657	1586
3	Industrial	1274	2.17%	1302	1271	2.48%	1303	2.48%	1335	2637
4	Agriculture & Mushroom	8	9.70%	9	6	-3.18%	5	-3.18%	5	14
5	Public Utilities	300	2.46%	308	297	0.59%	299	0.59%	301	608
6	Adv. & Hoardings	0.17	-	0.17	0.19	-	0.19	-	0.19	0.42
7	Temporary Supply	34	-	35	27	-	26	-	26	61
8	E-Vehicle on SPD	8	-	9	5	-	9	-	9	18
9	Others*	13	-	12	11	-	12	-	12	24
Total		5372		5620	3699		3763		3822	9443

**Enforcement and Own Consumption.*

ESTIMATED SALES FOR FY 2020-21 – Impact of COVID-19 Pandemic

4.29 Ministry of Power (MoP), Government of India in the current scenario of COVID-19 outbreak and nationwide lockdown and a need to ensure uninterrupted power supply, in the interest of public, under Section 107 of the Electricity Act, 2003 issued directions vide its Order No. 23/22/2019-R&R Part-4 dated 28/03/2020 to Central Electricity Regulatory Commission (CERC) as follows:

"…The Commission may specify a reduced rate of Late Payment Surcharge (LPSC) for payments which become delayed beyond a period 45 days (from the date of presentation of the bill) during the period from 24th March, 2020 to 30th June, 2020 to generating companies and licensees treating the restrictions placed by central government to contain COVID-19 as an event of force majeure. The reduced LPSC shall be applicable for delayed payments till 30th June, 2020. The LPSC should not be more than the cost the Generating Companies and Transmission Licensees would have to bear because of the delayed payment…"

4.30 CERC, in compliance to above mentioned direction of MoP , has passed a suomotu Order dated 03/04/2020 regarding reduction of Late Payment Surcharge, as follows:

"13. Keeping in view the directions issued by the Government of India under section 107 of the Act and to address the difficulties faced by the distribution companies (beneficiaries of the generating stations and long term customers of inter-State transmission systems) on account of the unprecedented situation arising out of the restrictions placed by the Central Government and State Governments on the movement of public and opening of offices and establishments etc., the Commission in exercise of its powers under Regulation 76 of the 2019 Tariff Regulations relaxes the provisions of Regulation 59 of 2019 Tariff Regulations to provide that if any delayed payment by the distribution companies to the generating companies and inter-State Transmission licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned distribution companies shall make the payment with LPS at the reduced rate of 12% per annum that translates into 1% per month."

4.31 A nationwide lockdown (Lockdown-1) was announced by Ministry of Home Affairs, Government of India (MHA) due to outbreak of COVID-19 pandemic from 24/03/2020 onwards. The same was continued uptill 03/05/2020 in the form of Lockdown-2 vide MHA Order dated 15/04/2020. In continuation, vide MHA even Orders, Nationwide lockdown was further extended as Lockdown-3

& Lockdown-4 up till 17/05/2020 and 31/05/2020 respectively.

4.32 During the said lockdown, all educational institutes, malls, industries, transportation, religious places and private companies came to a complete shutdown, except those in essential services and the corresponding sales dropped to a great extent during the said period.

4.33 In view of the changed circumstances due to COVID-19 pandemic, the Commission deemed it appropriate to give an opportunity to utilities to submit revised Tariff Petitions/ additional information w.r.t. ARR for FY 2020-21, by 30/05/2020. On request of utilities to extend the time period for submission of revised Tariff Petitions for FY 2020-21, the final date for submission was extended up till 05/06/2020. On receipt of the same, the complete Petition filed by the Petitioner along with additional information has been uploaded on website of the Commission (www.derc.gov.in) and the Petitioner. The Executive Summary of Tariff Petitions and Executive Summary of Additional Information have also been uploaded on Commission's website i.e. www.derc.gov.in. The last date for submission of comments was extended till 30/06/2020 accordingly.

4.34 As a part of prudence check, the Commission sought information from the Petitioner regarding their actual sales of Apr'20 to July'20. The same was analysed and considered while projecting sales for FY 2020-21.

4.35 The sales considered by the Commission for April 2020 to July 2020 is as under:

Table 4. 11: Commission Approved: Sales for April 2020 to July 2020

Sr. No.	Category	Sales (MU)			
		April 2020	May 2020	June 2020	July 2020
1	Domestic including 11KV and staff	244	454	373	629
2	Non-Domestic	79	33	77	120
3	Industrial	100	35	108	154
4	Agriculture & Mushroom	1	1	1	2
5	Public Utilities	32	29	31	34
6	Others*	7	8	10	0
Total		463	560	600	939

*includes Adv. & Hoardings, Temporary Supply, E-Richshaw/ E-Vehicle, Enforcement, Own Consumption and Net Metering.

4.36 The sales to be projected for FY 2020-21 have been split into 3 (three) Sections as under:

i) **Apr'20 to July'20** - Actual sales as submitted by the Petitioner as explained above. Accordingly, the sales for Apr'20 to July'20 are approved as under:

Table 4.1: Commission Approved: Sales for Apr'20 to July'20FY 2020-21

Sr. No.	Category	Sales (MU)
1	Domestic including 11KV and staff	1700
2	Non-Domestic	309
3	Industrial	397
4	Agriculture & Mushroom	5
5	Public Utilities	125
6	Adv. & Hoardings	0
7	Temporary Supply	12
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	2
9	Others*	11
Total		2561

*includes Enforcement, Own Consumption and Net Metering.

ii) **<u>Aug'20 and Sep'20</u>**- Actual Sales recorded in the same months of the previous year i.e. Aug'19 and Sep'19 have been considered and accordingly, approved sales for the Petitioner for Aug'20 and Sep'20 are as under:

Table 4. 12: Commission Approved: Sales for Aug'20 and Sep'20FY 2020-21

Sr. No.	Category	Sales (MU)
1	Domestic including 11KV and staff	1057
2	Non-Domestic	323
3	Industrial	422
4	Agriculture & Mushroom	4
5	Public Utilities	109
6	Adv. & Hoardings	0
7	Temporary Supply	19
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	4
9	Others*	2
Total		**1940**

*includes Enforcement, Own Consumption and Net Metering.

4.37 **Half Yearly (H2) (Oct'20 to Mar'21)**– Actual sales for categories other than Domestic Consumers, Non-Domestic, Industrial, DIAL and EV of H2 FY 2019-20 have been considered to arrive at the sales for H2 FY 2020-21.

4.38 An escalation of 2.54% has been considered by the Commission in Domestic Category consumers over H2 sales of FY 2019-20 considering slight increase in sales as a part of working professionals, particularly IT Industry, are expected to work from home instead of their regular work places due to outbreak of COVID-19 Pandemic.

4.39 An escalation of 100% has been considered by the Commission in the H2 sales of FY 2019-20 of EV Category over H2 sales of FY 2019-20 considering a CAGR of 2 years as explained at Tableabove.

4.40 An escalation of 3% has been considered by the Commission in the H2 sales of FY 2019-20 of Non-Domestic and Industrial Category over H2 sales of FY 2019-20 considering improvement in the sales scenario from Oct 2020 onwards till March 2021 due to impact of opening of the economy resulting from phase wise unlocking being introduced by MHA.

4.41 Accordingly, the sales for Oct'20 to Mar'21 and sales for FY 2020-21 are approved as under:

Table 4. 13: Commission Approved: Sales for FY 2020-21

Sr. No.	Category	Sales (MU)							
		H1 FY 20	H2 FY 20	Total FY 20	Apr '20 – Jul'20	Aug.'20 & Sept.'20	Growth Rate (%age) over H2 FY 20	H2 FY 21	Projected Sales FY 21
1	Domestic including 11kV and staff	2833	1499	4332	1700	1057	2.54%	1537	4294
2	Non-Domestic	902	651	1552	309	323	3.00%	670	1302
3	Industrial	1274	1222	2497	397	422	3.00%	1259	2078
4	Agriculture & Mushroom	8	7	15	5	4	0	7	15
5	Public Utilities	300	280	580	125	109	0	280	514
6	Adv. & Hoardings	0	0	0	0	0	0	0	0
7	Temporary Supply	34	25	59	12	19	0	25	56
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	8	11	18	2	4	100%	21	27
9	Others*	13	16	29	11	2	0	16	29
Total		5372	3710	9082	2561	1940		3815	8316

*Enforcement, Own Consumption and Net Metering

ESTIMATED REVENUE AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.42 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 per unit of electricity consumed.

4.43 In order to reduce the cost of power purchase during peak hours the Hon'ble Commission has implemented TOD (Time of Day Tariff) 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.

4.44 It is further clarified that the Hon'ble Commission vide its Tariff Order dated July, 2012 has introduced 8% Deficit recovery surcharge which is directly linked with 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. The Hon'ble Commission has instead of increase in basic two part tariff introduced additional surcharge directly linked to the fixed charges/ demand charges and energy charges.

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 month 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

4.45 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 & HORDING CONSUMERS

4.46 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 is 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.

4.47 Based on the revised demand, revised category revenue is computed and given below:

Table 4. 14: Petitioner Submission: Category wise projected revenue for FY 2020-21

Consumers	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated
	Consumption		Fixed Charges- (Rs. Cr.)		Energy Charges (Rs. Cr.)		Total Revenue (Rs. Cr.)	
Domestic	542.21	3,766.63	34.12	167.37	195.81	1,450.62	229.93	1,617.98
Non –Domestic	118.75	1,008.16	57.38	321.21	99.14	839.49	156.52	1,160.70
Industrial	137.10	1,430.73	64.53	359.07	109.60	1,168.49	174.13	1,527.56
Agriculture	1.43	12.83	0.74	4.20	0.21	1.92	0.96	6.13
Mushroom Cultivation	0.02	0.13	0.00	0.02	0.01	0.08	0.01	0.10
Public Utilities	60.86	434.35	9.08	65.48	41.51	271.47	50.59	336.95
Adv. & Hoardings	0.18	1.00	0.02	0.11	0.14	0.95	0.16	1.07
E-Vehicle	1.22	12.65	0.00	-	0.55	5.94	0.55	5.94
Others* including Temporary Supply	8.90	49.89	1.30	8.67	3.24	18.62	4.55	27.30
Own consumption	1.19	15.00	-	-	-	-	-	-
Total	**871.86**	**6731.38**	**167.17**	**926.14**	**450.23**	**3,757.59**	**617.40**	**4,683.73**

COMMISSION ANALYSIS

4.48 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per kW/ kVA of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.49 For Domestic consumers, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the sanctioned load. For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

4.50 For Non-Domestic, Industrial, Public Utilities and DIAL revenue from fixed charges is calculated by multiplying the fixed charge of each tariff slab with the sanctioned load of that tariff category, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff category with the energy consumption projected The Commission has analysed the past trend since FY 2013-14 till FY 2019-20 and the impact of COVID-19 pandemic for projecting category wise Sanctioned Load and Consumers. The Commission also sought actual closing category wise Consumers for FY 2019-20. Based on the past years trend, closing of category wise consumers till FY 2019-20 and the numbers as projected by the Petitioner in its Petition, the Commission has considered Sanctioned Load and Consumers for FY 2020-21. The Sales for FY 2020-21 have been considered as projected by the Commission in the earlier section of this Tariff Order. Accordingly, the Commission has estimated the total revenue of Rs. 6,006.23 Crore to be billed in FY 2020-21 as per Existing Tariff Schedule approved in Tariff Order dated 31/07/2019. The category-wise break up of revenue estimated by the Commission on sales of 8,310 MU, consumer base of 17,67,095 & sanctioned load of 6,157 MW for FY 2020-21 is indicated in the table as follows:

Table 4. 15: Commission Approved: Revenue estimated at Existing Tariff for FY 2020-21 (Rs. Cr.)

Category	Fixed Charges	Energy Charges	Total Revenue
Domestic	199.00	1,830.61	2,029.61
Non-Domestic	379.13	1,085.25	1,464.37
Industrial	423.80	1,610.45	2,034.25
Agriculture & Mushroom Cultivation	4.98	2.29	7.27
Public Utilities	77.29	321.13	398.41
Others	13.40	89.09	102.49
Total Revenue	1,097.60	4,938.81	6,036.41
Revenue at 99.5% Collection Efficiency			6,006.23

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

COLLECTION EFFICIENCY

4.51 The Petitioner has submitted that the Commission has approved collection target of 99.50% for 4th MYT Control period vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2019.

4.52 The Petitioner has referred the Relevant extract of the same is given below:

26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 99.50%.

4.53 Further, the Business Plan Regulations, provided that if collection efficiency goes below the target level of 99.50% then the petitioner has to bear penalty i.e. difference of actual collection amount versus target collection amount.

4.54 It is worth to mention that it is an admitted position that the collection efficiency of the petitioner is adversely impact in this Covid-19 period. Thus, considering the current and future scenario being affected by continued Covid-19 disruption it is nearly impossible to achieve collection efficiency of 99.50% for two categories (i.e for Industrial & No-Domestic/ Commercial Segment consumers).

4.55 It is worth to mention that on accumulated basis collection efficiency till May 26, 2020 comes to 64.87%. The suo moto order dated 07.04.2020, read with order dated 04.05.2020 further provided relaxations to the consumers which resulted in lower and deferred collection for the Petitioner. Thus Hon'ble Commission may considering these developments acknowledge the fact that on account its own orders the collection efficiency targets could not have been achieved by Petitioner as per norms @99.5%. Thus the collection efficiency norm may be relaxed for the FY by the Hon'ble Commission appreciating our submissions.

Hence, the Petitioner prays to the Hon'ble Commission to give relaxation to the DISCOMS to consider lower CE target of 95% for Non-Domestic/ Commercial Consumers & 90% for Industrial Consumers.

TARGET FOR DISTRIBUTION LOSS LEVEL

4.56 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019 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, 2019:

Table 4. 16: Petitioner's Submission: Distribution Loss Target for FY 2020-21

Category	FY 2020-21
Approved Distribution Target Loss level	7.90%

COMMISSION ANALYSIS

4.57 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2019 as 7.90% and 99.50% respectively for FY 2020-21. The Commission observes that complete lockdown period is limited to initial few months only during which collection may get affected. The same may only defer the process of collection, which can be gradually recovered at later stages with phase wise unlocking being done by MHA. Accordingly, the Commission has considered the specified targets for Distribution Loss and Collection Efficiency for computation of Energy Requirement & projected Revenue for FY 2020-21 for the Petitioner as per Business Plan Regulations, 2019.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.58 Based on above, distribution loss level of 7.90% for FY 2020-21 has been considered and corresponding energy requirement at TPDDL periphery comes to 8,255.42 MU for FY 2020-21.

Table 4. 17: Petitioner's Submission: Estimated Energy Requirements for FY 2020-21

Sr. No.	Particulars	UoM	Amount
A	Expected Sales	MU	7,603.24
B	Distribution Loss	%	7.90%
C	Energy Input (at TPDDL periphery)	MU	8,255.42
D	Distribution Loss	MU	652.18

COMMISSION ANALYSIS

4.59 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2020-21, considering the sales approved for FY 2020-21 and Distribution Loss of 7.90%. The approved energy requirement for FY 2020-21 is summarized in the table as follows:

Table 4. 18: Commission Approved: Energy requirement for FY 2020-21

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>MoU</th><th>Amount</th><th>Ref.</th></tr>
<tr><td>A</td><td>Energy Sales</td><td>MU</td><td>8316</td><td></td></tr>
<tr><td rowspan="2">B</td><td rowspan="2">Distribution Loss</td><td>MU</td><td>713</td><td>C-A</td></tr>
<tr><td>%</td><td>7.90%</td><td></td></tr>
<tr><td>C</td><td>Energy Requirement</td><td>MU</td><td>9030</td><td>((A/(1-B))*100)</td></tr>
</table>

POWER PURCHASE QUANTUM & COST

PETITIONER'S SUBMISSION

4.60 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 renewable power stations.

4.61 For the purpose of projections for FY 20-21 we have considered the following:

i) Power purchase cost of April-2020 on actuals

ii) Actual scheduled power till 24th May 2020 and extrapolated till 31st May 2020.

iii) Revision of input energy after grossing up the monthly sales quantum

ALLOCATION OF POWER FROM CENTRAL AND STATE GENERATING STATIONS

a) 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.

b) Further, allocation from various stations has been considered as per the Hon'ble Commission Tariff Order for FY 2019-20.

c) It is further clarified that no power from unallocated quota has been considered for projection purposes.

d) Firmed up Banking/ Bilateral transactions have been considered, remaining short term purchase and sale transactions are considered at exchange only.

e) Kerala Banking import from June'20 to September'20

f) Bilateral purchase of renewable Non- Solar energy from HPSEB (May'20 to first week of Oct'20)

g) Bilateral purchase of renewable Solar energy from Karnataka (May'20 to Sep'20)

ENERGY AVAILABILITY FROM THE CENTRAL SECTOR, STATE SECTOR AND OTHER GENERATING STATIONS

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

Power Procurement from central & State Generating Stations (MU)

(i) No energy is considered to be scheduled from Rithala in view of the Hon'ble Commission directive. But in view of the pending Adjudicating of Appeal filed against the Hon'ble Commission Order dated Nov, 2019, the Petitioner has separately claimed an amount of Rs 29.72 Cr. towards Rithala CCP. The said claim is not forming part of normal Power Purchase Cost for FY 2020-21 but shown in Table no 50 Computation of Closing Revenue Gap.

(ii) The generation expected from Own TPDDL- Solar installed capacity has been considered of 1.65 MW @ 15% CuF.

(iii) Power procurement from IPGCL GT is considered upto 31st March 2021 in line with useful life and PPA with GTPS.

(iv) To estimate the energy (MU) which would be scheduled from the long term sources; stations like Hydro, Nuclear, Renewable & Delhi Genco stations have been considered as must run stations.

(v) All other plants have been considered to be running at minimum technical limit (MTL) or have been backed down to compensate the huge drop in the demand owing to Covid-19 situation and further, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to the maximum allocation as per requirement

4.63 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.)

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

(i) Fixed Cost is considered based on currently available information/tariff orders.

(ii) Based on the actual variable cost for last financial year i.e. FY 2019-20 for each generating station, the same variable rate is considered for the purpose of projections. It is further clarified that no increase is factored in variable cost for any of the plant for next year.

Table 4. 19: Petitioner's Submission: Projected Power Purchase from State Generating Stations for FY 2020-21

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Total Charge
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
A	**State Generating Stations**				
I	Pragati	231	35	112	147
II	GT	108	41	47	88
III	Pragati III	716	284	206	489
	Total SGS	**1055**	**360**	**365**	**725**

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 generation considered is as per actual energy scheduled during previous years.

(iv) To estimate the energy (MU) 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 when required.

(v) Scheduling from these Central Generating Stations Plants have been factored @ 85%, but if variable rates of any station found higher than the sale rate at exchange for that particular month scheduling is restricted to 55%. (Minimum Technical Limit) or have been backed down in line with the input energy requirement for the month.

(vi) No New Thermal capacity addition has been considered.

FUTURE CAPACITY ADDITION & DELETION: YEAR WISE ADDITION IN NEW PLANTS IS GIVEN BELOW

4.65 New Plant Additions in FY 2020-21 -

i) Sun Edison - 90 MW at Rs. 3.96/- at 24% Cuf for entire year and remaining 90 MW from October 2020.

ii) Taranda Hydro - 13 MW at Rs. 4.29/- at 45% Cuf for entire year

iii) SECI Wind - 50 MW at Rs. 2.52/- at 40% Cuf from January-2021.

POWER PROCUREMENT COST OF THE ABOVE CENTRAL STATE GENERATING PLANTS (RS CR.)

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

(i) Fixed Cost is considered based on currently available information.

(ii) Based on the actual variable cost for complete FY 2019-20 for each generating station, the same is considered for the purpose of projections. It is further clarified that no increase is factored in variable cost for any of the plant for next year.

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

Table 4. 20: Petitioner Submission - Projected Power Purchase from Central Generating Stations

Source	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)
Central State Generating Stations				
NTPC				
Singrauli	315	21	44	64
Rihand STPS-I	212	18	29	47
Rihand STPS-II	275	22	38	60
Rihand STPS-III	0	0	0	-
ANTA	6	7	2	9
Auriya GPS	12	10	4	14
Dadri GPS	35	12	13	24
Unchahaar-I TPS	27	5	9	15
Unchahaar-II TPS	53	10	18	28
Unchahaar-III TPS	38	8	13	21
Dadri (Th)	40	7	16	23
Dadri (Th) II	43	11	15	26
Kahalgaon-I TPS	101	11	23	34
Kahalgaon-II TPS	325	38	69	106
Farakka	42	4	11	15
Aravali	673	772	255	1,027
Total	**2,196**	**956**	**558**	**1,514**
NHPC				
Bairasiul	15	2	1	4
Chamera-I	62	5	7	12
Chamera-II	40	6	4	10
Chamera-III	39	9	8	17
Dhauliganga	55	4	8	12

Source	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)
Dulhasti	77	19	21	39
Parbati-III	26	7	4	11
Sewa-II	26	5	7	11
Tanakpur	17	2	3	5
Uri	112	6	9	15
Uri-II	72	10	13	22
Total	**541**	**74**	**84**	**158**
THDC				
Tehri HPP	88	19	21	39
Total	**88**	**19**	**21**	**39**
DVC				
DVC (CTPS 7&8)	602	96	143	239
DVC (MTPS 6)	128	27	39	66
Total	**730**	**123**	**182**	**305**
NPCIL				
NAPS RAPS	218	-	76	76
Total	**218**	**-**	**76**	**76**
SJVNL				
NapthaJhakri	200	24	24	48
Total	**200**	**24**	**24**	**48**
Others				
Tala	29	-	6	6
Sasan, MP	422	8	49	58
CLP Jhajjar	261	91	96	188
MPL	2,031	324	544	867
Total	**2,743**	**423**	**696**	**1,119**
Total CSGS	**6,716**	**1,619**	**1,640**	**3,260**

COMMISSION ANALYSIS

4.68 Power purchase cost is the single largest component of ARR of a Distribution Company. The estimate of power purchase cost has been carried out based on the optimum method of procuring power from the generating stations.

4.69 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered allocation of firm power to Delhi based on various allocation Orders issued by Northern Region Power Committee latest version being on 30.09.2019. Further, the allocation to Delhi is split in to DISCOMs based on Order available on SLDC website, which has been prepared in line with the Assignment Orders/Re-allocation Orders issued by Commission from time to time.

4.70 The Commission vide letters dated 21.02.2020 sought DISCOM wise power purchase quantum from various sources by SLDC. SLDC vide email dated 03.03.2020 provided the same to the Commission. Post the implementation of nationwide lockdown, announced because of outbreak of COVID-19, the Commission once again vide letter dated 09.06.2020 sought DISCOM wise power purchase quantum from various sources by SLDC considering the impact of COVID-19 and subsequently SLDC vide its Email dated 02.07.2020 submitted the same. A deficit of around 1,663 MU has been observed for the Petitioner for FY 2020-21.The Commission has considered the energy availability majorly based on the projections done by SLDC.

4.71 The distribution of unallocated quota from the various plants varies from time to time and is based on power requirement and power shortage in different States. Therefore, the Commission has not considered any power from the unallocated quota for FY 2020-21.

4.72 The Commission has revised the allocation of power from PPS-III, Bawana in line with Regulation 121(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 w.e.f. 00:00 Hrs 1stSept 2020 till 00:00 Hrs 31stMarch 2021, based on the following reasons:

a) Bridging the gap between Average Power Purchase Cost of the Power Portfolio allocated & Average Revenue due to different consumer mix of all Distribution Licensees.

b) NDMC request for approval of power requirement to the tune of 142 MW from Teesta-III, which has not been materialized till date, the fact that 125 MW of allocation of power from Badarpur Thermal Power Station (BTPS) has been discontinued to NDMC due to closure of BTPS and to avoid load shedding in their VIP areas serving critical loads

Table 4. 21: Re-allocation of Power among Delhi Distribution Licensees over & above ongoingallocation

Power Plant	BRPL		BYPL		TPDDL		NDMC	
	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation
PPS-III, Bawana	38.91%	43.91%	22.50%	7.50%	27.19%	27.19%	9.12%	19.12%

4.73 The Commission has also examined the quantum of power purchase proposed by the Petitioner from various generating stations and based on the above discussions, the availability of power to the Petitioner from Central, State and other Generating Stations is approved as follows:

Table 4.2:Commission Approved: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations for FY 2020-21

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Petitioner's Share	Petitioner's Share
	(MW)	(%)	(MW)	(%)	(MW)	(MU)
NTPC						
FARAKKA	1600	1.39%	22	30.68%	7	32
KAHALGAON STAGE-I	840	6.07%	51	30.68%	16	84
NCPP - DADRI	840	90.00%	756	1.32%	10	16
RIHAND -I	1000	10.00%	100	30.68%	31	202
RIHAND -II	1000	12.60%	126	30.68%	39	268
RIHAND -III	1000	13.19%	132	0.00%	0	0
SINGRAULI	2000	7.50%	150	30.68%	46	314
UNCHAHAR-I	420	5.71%	24	30.68%	7	28
UNCHAHAR-II	420	11.19%	47	30.68%	14	54
UNCHAHAR-III	210	13.81%	29	30.68%	9	40
KAHALGAON STAGE-II	1500	10.49%	157	30.68%	48	311
DADRI EXTENSION	980	74.52%	730	1.37%	10	23
Aravali Power Corporation Ltd	1500	46.20%	693	88.57%	614	44
ANTA GAS	419	10.50%	44	30.68%	13	2
AURAIYA GAS	663	10.86%	72	30.68%	22	27
DADRI GAS	830	10.96%	91	30.68%	28	49
NTPC Total	**15222**		**3225**		**914**	**1495**
NHPC						
BAIRASUIL	180	11.00%	20	30.68%	6	16
CHAMERA-I	540	7.90%	43	30.68%	13	58
CHAMERA-II	300	13.33%	40	30.68%	12	49
CHAMERA-III	231	12.73%	29	30.68%	9	39
DHAULIGANGA	280	13.21%	37	30.68%	11	49
DULHASTI	390	12.83%	50	30.68%	15	82
SALAL	690	11.62%	80	0.00%	0	0
TANAKPUR	94	12.81%	12	30.68%	4	16
URI	480	11.04%	53	30.68%	16	99
SEWA-II	120	13.33%	16	30.68%	5	24
Uri-II	240	13.45%	32	30.68%	10	65
Parbati III	520	12.73%	66	30.68%	20	26
NHPC Total	**4065**		**479**		**122**	**523**
THDC						
TEHRI HEP	1000	6.30%	63	30.68%	19	59
KOTESHWAR	400	9.86%	39	30.68%	12	36
SJVNL						
NJPC (SJVNL)	1500	9.47%	142	30.68%	44	213
DVC						
Mejia Unit-6	250	40.00%	100	30.68%	31	130
Mejia Unit-7	500	23.80%	119	0.00%	0	0

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Petitioner's Share	Petitioner's Share
	(MW)	(%)	(MW)	(%)	(MW)	(MU)
Chandrapur (Ext.-7 and 8)	500	60.00%	300	30.68%	92	595
OTHERS CSGS						
Haryana CLP Jhajjar	1320	9.39%	124	100.00%	124	404
MPL DVC	1050	26.76%	281	100.00%	281	1907
TALA	1020	2.94%	30	30.68%	9	36
Sasan	3960	11.25%	446	6.14%	27	447
Tuticurin Wind			50		0	
SECI Solar Rajasthan			60		20	40
Suryakanta HEP			14		14	44
Nanti HEP			11		11	40
SEISPPL			90		90	167
Taranda HEP			13		13	48
Singrauli HEP	8	19.13%	2	100.00%	2	3
Sub Total (SJVNL+DVC+THDC+Other CSGS)	**11508**		**1884**		**789**	**4169**
NUCLEAR						
RAPS - 5 & 6	440	12.69%	56	30.68%	17	120
NPCIL - NAPS	440	10.68%	47	30.68%	14	110
Nuclear Total	**880**		**103**		**32**	**234**
SGS						
GAS TURBINE	270	100%	270	30.18%	81	126
Pragati -I	330	100%	330	19.28%	63	296
PRAGATI-III, BAWANA	1371	80%	1097	27.19%	298	636
TOWMCL	13	97.15%	13	47.15%	6	50
MSW Bawana	24	100%	24	29.20%	7	33
Tata Solar	2		2	100%	2	2
SGS Total	**2008**		**1735**		**458**	**1143**
TOTAL PURCHASE FROM LONG TERM	**33684**		**7425**		**2315**	**7563**

4.74 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2020-21:

a) The Commission has considered Fixed Cost for most of the generating stations as approved by Central Electricity Regulatory Commission (CERC) in its relevant Tariff Orders for various generating stations of NTPC, NHPC, THDC, SJVNL, NPCIL and DVC. The table depicting the details of the Orders and the Fixed Cost considered is as follows:

Table 4. 22: Details of the Orders and the Fixed Cost (Rs. Cr.)

Sr. No.	Plant	Tariff Order No.	Date of Order	AFC Amount
NTPC				
1	ANTA GAS	287/GT/2014	19.09.2016	218
2	AURAIYA GAS	285/GT/2014	18.04.2017	309
3	DADRI GAS	308/GT/2014	27.01.2017	351
4	UNCHAHAR-I	399/GT/2014	22.03.2017	282
5	UNCHAHAR-II	289/GT/2014	31.03.2017	257
6	UNCHAHAR-III	373/GT/2014	19.04.2017	179
7	FARAKKA	316/GT/2014	10.03.2017	923
8	KAHALGAON	279/GT/2014	30.07.2016	604
9	NCPP	330/GT/2014	11.04.2017	496
10	RIHAND-I	291/GT/2014	06.04.2017	586
11	RIHAND – II	318/GT/2014	01.12.2016	497
12	SINGRAULI	290/GT/2014	28.07.2016	907
13	KAHALGAON II	283/GT/2014	21.01.2017	1149
14	NCPP-II	324/GT/2014	02.05.2017	925
15	RIHAND-III	372/GT/2014	06.02.2017	1019
16	Aravali Jhajjar	266/GT/2014	09.03.2017	1709
		NHPC		
1	BAIRASIUL PS	235/GT/2014	17.06.2015	138
2	SALAL PS	236/GT/2014	12.05.2015	331
3	CHAMERA-I PS	237/GT/2014	04.09.2015	330
4	TANAKPUR PS	226/GT/2014	19.02.2016	130
5	URI-PS	238/GT/2014	13.07.2016	370
6	DHAULIGANGA PS	230/GT/2014	26.04.2016	240
7	CHAMERA-II PS	233/GT/2014	17.06.2016	262
8	DULHASTI PS	231/GT/2014	30.08.2016	912
9	SEWA-II PS	251/GT/2014	27.01.2017	188
10	CHAMERA-III PS	26/GT/2013	24.03.2015	405
11	URI-II	250/GT/2014	22.07.2016	458
12	PARBATI-III	6/GT/2017	23.04.2019	520
		THDC+SJVNL+Others		
1	THDC	172/GT/2015	05.12.2017	1292
2	KOTESWAR	117/GT/2018	04.06.2019	466
3	SJVNL	314/GT/2018	19.07.2019	1345
4	MTPS-6	144/GT/2015	16.03.2017	474
5	CTPS 7 & 8	180/GT/2015	17.02.2017	531
6	Maithon	152/GT/2015	01.10.2019	1113
		State based GENCOs		
1	GT		28.08.2020	119
2	PRAGATI-I		28.08.2020	131
3	PRAGATI-III	221//GT/2015	26.11.2019	1310

b) The Energy Charge Rate (ECR) for most the Generating Stations has been considered as the simple average of the actual ECRs for April 2019 to Dec 2019. For some plants majorly newer plants, the latest available ECR as per bills of Q1 FY 2020-21 submitted by the Petitioner have been considered.

c) The Energy Charge Rate and Fixed Charges of State Generating Stations have been considered as approved by the Commission in the respective Tariff Orders for FY 2020-21.

4.75 Based on the above, the Total Power Purchase Cost for FY 2020-21, approved by the Commission is summarised asfollows:

Table 4. 23: Commission Approved: Power Purchase Cost for FY 2020-21

Station	Energy	Fixed Cost	VC/Unit	Variable Cost	Total Cost	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs/kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs/kWh)
NTPC						
FARAKKA	32	3.94	2.43	7.75	11.68	3.67
KAHALGAON STAGE-I	84	11.24	2.24	18.84	30.09	3.58
NCPP - DADRI	16	5.89	3.78	6.15	12.04	7.40
RIHAND –I	202	17.99	1.35	27.30	45.29	2.24
RIHAND –II	268	19.20	1.36	36.48	55.68	2.08
RIHAND-III	0	0	1.34	0.00	0.00	-
SINGRAULI	314	20.86	1.40	44.01	64.87	2.07
UNCHAHAR-I	28	4.94	3.37	9.28	14.22	5.16
UNCHAHAR-II	54	8.83	3.40	18.45	27.28	5.03
UNCHAHAR-III	40	7.57	3.37	13.42	21.00	5.27
KAHALGAON STAGE-II	311	36.99	2.13	66.17	103.16	3.31
DADRI EXTENSION	23	9.44	3.56	8.25	17.69	7.63
Aravali Power Corporation Ltd	44	699.48	3.69	16.10	715.58	163.97
ANTA GAS	2	7.03	3.60	0.88	7.91	32.55
AURAIYA GAS	27	10.30	4.05	11.04	21.34	7.83
DADRI GAS	49	11.80	3.87	19.08	30.88	6.27
NTPC Total	**1495**	**875.49**		**303.19**	**1178.69**	**7.89**
NHPC						
BAIRASUIL	16	2.33	0.93	1.46	3.79	2.41
CHAMERA-I	58	4.00	1.14	6.67	10.68	1.83
CHAMERA-II	49	5.36	1.01	4.89	10.24	2.11
CHAMERA-III	39	7.90	2.12	8.24	16.14	4.16
DHAULIGANGA	49	4.86	1.46	7.16	12.01	2.46
DULHASTI	82	17.94	2.66	21.80	39.74	4.85
TANAKPUR	16	2.55	1.65	2.59	5.13	3.27
URI	99	6.26	0.82	8.12	14.39	1.46
SEWA-II	24	3.84	2.17	5.20	9.04	3.77

Station	Energy	Fixed Cost	VC/Unit	Variable Cost	Total Cost	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs/kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs/kWh)
Uri-II	65	9.46	2.20	14.42	23.88	3.65
Parbati III	26	10.15	1.54	4.04	14.18	5.41
NHPC Total	**523**	**74.66**		**84.58**	**159.23**	**3.05**
THDC						
TEHRI HEP	59	12.48	2.29	13.45	25.93	4.42
KOTESHWAR	36	7.04	2.31	8.36	15.40	4.26
SJVNL						
NJPC (SJVNL)	213	19.54	1.23	26.14	45.69	2.15
DVC						
Mejia Unit-6	130	29.07	2.95	38.30	67.37	5.19
Mejia Unit-7	0	0	2.77	0.00	0.00	-
ChandrapurExt. (7 and 8)	595	97.67	2.22	132.33	230.00	3.86
OTHERS CSGS						
Haryana CLP Jhajjar	404	73.05	3.44	138.80	211.85	5.25
MPL DVC	1907	297.83	2.66	507.64	805.47	4.22
TALA	36		2.16	7.87	7.87	2.16
Sasan	447	6.21	1.15	51.38	57.59	1.29
Tuticurin Wind	0	0	3.53	0	0	
SECI Solar Rajasthan	40		5.50	22.00	22.00	5.50
Suryakanta HEP	44		3.80	16.88	16.88	3.80
Nanti HEP	40		4.29	17.00	17.00	4.29
SEISPPL	167		3.96	66.23	66.23	3.96
Taranda HEP	48		4.29	20.51	20.51	4.29
Singrauli HEP	3		5.04	1.54	1.54	5.04
Sub Total (SJVNL+DVC+THDC+Other CSGS)	**4169**	**542.90**		**1068.43**	**1611.33**	**3.87**
NUCLEAR						
RAPS - 5 & 6	124		3.73	46.20	46.20	3.73
NPCIL - NAPS	110		3.00	33.03	33.03	3.00
Nuclear Total	**234**			**79.23**	**79.23**	**3.39**
SGS						
GAS TURBINE	126	35.80	3.18	40.06	75.85	6.01
Pragati -I	296	25.25	3.26	96.30	121.55	4.11
PRAGATI-III, BAWANA	636	284.92	2.83	179.90	464.82	7.31
TOWMCL	50	0.00	6.43	32.01	32.01	6.43
MSW Bawana	33	0.00	7.03	23.46	23.46	7.03
Tata Solar	2	0.00	12.45	2.80	2.80	12.45
SGS Total	**1143**	**345.96**		**374.54**	**720.50**	**6.30**
TOTAL PURCHASE FROM LONG TERM	**7563**	**1839.01**		**1909.97**	**3748.98**	**4.96**

COST OF POWER FROM OTHER SOURCES (SHORT TERM POWER PURCHASE)

SHORT TERM PURCHASE

PETITIONER'S SUBMISSION

4.76 The Petitioner has projected total short term power purchase for FY 2020-21 as follows:

Table 4. 24: Petitioner Submission: Projected units purchase for FY 2020-21

Other Sources	MU	(Rs Cr)	Av. Rate
Power Purchase from Other Sources			
Inter-State Bilateral Purchase			
Intra-State Power Purchase			
Other Purchases Total	145	48.37	3.34

FIRM BANKING/BILATERAL CONSIDERED DURING THE YEAR

- Kerala Banking import from June'20 to September'20
- Bilateral purchase of renewable Non- Solar energy from HPSEB (May'20 to first week of Oct'20)
- Bilateral purchase of renewable Solar energy from Karnataka (May'20 to Sep'20)

Table 4. 25: Petitioner Submission – Projected Units purchase

Other Sources	Projection FY 20-21		
	MUs	(Rs Cr)	Av. Rate
Power Purchase from Other Sources			
Other Purchases Total	1082	442.70	4.09

COMMISSION ANALYSIS

4.77 It is observed that the Petitioner is in shortfall of around 1663 MU for FY 2020-21 as indicated in Energy Balance Table (Table 4.39) approved by the Commission. The impact of banking transactions has not been considered for the preparation of Energy Balance for FY 2020-21 as the energy through Return Banking will be off-set through Forward Banking met through Long term sources approved by the Commission.

4.78 The average short term RTC rates of electricity prevailing in N2 region (Delhi, Rajasthan, Uttarakhand and Uttar Pradesh)during the past period were analysed as under:

Table 4. 26: Average Short Term RTC rates of electricity prevailing in N2 region (Rs./kWh)

Apr' 19	May '19	Jun' 19	Jul' 19	Aug '19	Sep' 19	Oct' 19	Nov '19	Dec' 19	Jan' 20	Feb' 20	Mar '20	Average
3.19	3.33	3.32	3.38	3.32	2.91	2.71	2.85	2.92	2.85	2.91	2.45	3.01

Apr'20	May'20	Jun'20	Jul'20	Aug'20*
2.42	2.57	2.35	2.47	2.37

*Till 24/08/2020

4.79 It is observed that for FY 2019-20, the declining trend starts from Aug 2019 onwards which ended at Rs 2.45/ kWh. Considering the latest available figure of Rs 2.37/ kWh of Aug 2020 and the declining trend started from Aug 2019 onwards which ended at Rs 2.45/ kWh till March 2020. Considering the latest available figure of Rs 2.37/ kWh of Aug 2020 and the declining trend due to availability of cheaper power resulting from COVID-19 and introduction of Real Time Market by CERC w.e.f. 01/06/2020, Rs 2.25/ kWh has been considered as the Short Term Rate for FY 2020-21.

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.80 The Petitioner has submitted that the 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 Regulation's 2019 for 4th MYT Control Period has notified the following RPO trajectory for DISCOM:

Table 4. 27:Targets for Renewable Power Purchase Obligation

Sr. No.	Distribution Licensees	FY 2020-21	FY 2021-22	FY 2022-23
A	Solar Target	7.25%	8.75%	10.50%
B	Non Solar Target	10.25%	10.25%	10.50%
C	Total	17.50%	19%	21%

4.81 Based on above targets following RPO/REC cost has been considered for FY 20-21:

Table 4. 28: RPO Compliance for FY 20-21

Sr. No.	Particulars	UoM	FY 20-21	
			Solar	Non Solar
A	Projected Energy sale for FY 2020-21 Less: Hydro consumption	MU	6745	

Sr. No.	Particulars	UoM	FY 20-21	
			Solar	Non Solar
B	RPO target	%	7.25%	10.25%
C	RPO target in units	MU	489.01	691.36
D	Total Compliance	MU	427.28	589.93
E	RPO Compliance meet through physical power	MU	427.28	589.93
F	Excess/ (Shortfall)= (C-D)	MU	61.74	101.43
G	REC rate	Rs/kWh	2.016	1.15
H	Cost for REC purchase	Rs Cr	12.45	11.66
I	Total REC Cost			24.11
	Break up of Physical Power form Renewable source is given below			
Solar				Amount Rs Cr
	Purchase from TPDDL Solar	MU	2	3
	Purchase from SECI Solar (20 MW)	MU	39	21
	Sun Edison (180 MW)	MU	284	112
	Karnataka Solar	MU	75	Amount factored as part of Short term purchase
	Net Metering- at Gross (29)	MU	29	0.5*
Non Solar				
	Purchase form Bawana W2E	MU	46	32
	Purchase from Small Hydro	MU	166	69
	Purchase from TOWMCL	MU	37	24
	SECI WIND	MU	43	11
	HPSEB Non Solar	MU	298	Amount factored as part of Short term purchase

**Amount considered on net basis*

COMMISSION ANALYSIS

4.82 The Commission has notified the DERC (Business Plan) Regulations, 2019 for three years i.e., FY 2020-21, FY 2021-22 and FY 2022-23. In the said Regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 4. 29: Commission Approved: Targets for Renewable Purchase Obligation

Sr. No.	Particulars	FY 2020-21
A	Non Solar Target	10.25%
B	Solar Target	7.25%
C	Total	17.50%

4.83 As per the above said DERC (Business Plan) Regulations, 2019, the Distribution companies have to purchase 17.50% of total Energy Sales approved by the Commission during FY 2020-21 from renewable energy sources.

4.84 The Commission based on the inputs received from Delhi SLDC regarding the energy availability from renewable energy projects, based on the projects commissioned or anticipated to be commissioned shortly has observed that the entire renewable energy projected by the Petitioner to meet its RPO obligations may not be available during FY 2020-21.

Based on the sales approved, the Petitioner has to purchase a minimum of 1,304 MU from renewable energy sources for FY 2020-21 indicated in the table as follows:

Table 4. 30: Commission Approved: Renewable Energy to be procured

Power Source	Approved Energy Sales (net of the Hydro Power purchase) (MU)	% of Total approved energy sales in Regulations	Renewable Energy to be Procured
Solar	7,450	7.25%	540
Non-solar		10.25%	764
Total		17.50%	**1,304**

4.85 The Commission further observed that the total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.86 Regulation27 (2) of DERC(Business Plan) Regulations, 2019 stipulates as under:

"(2) The Distribution Licensee shall comply with its RPO through procurement of Solar energy and Non-Solar energy:

Provided that on achievement of Solar RPO compliance as specified in aforesaid sub Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by excess Non-Solar energy/Non-Solar REC purchased beyond non-Solar RPO for that particular year:

Provided further that on achievement of Non-Solar RPO compliance as specified in aforesaid sub-Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar energy/Solar REC purchased beyond Solar RPO for that particular year:

Provided also that the Distribution Licensee may purchase power from various Renewable Energy sources or RECs or combination of both for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year."

4.87 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2020-21.

4.88 CERC vide its Order dated 17.06.2020 has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs as indicated in the table below:

Table 4. 31: Fixed Floor Price and Forbearance Price for Solar and Non-solar RECs proposed by CERC

Sr. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	0	Rs. 1000/MWh
2	Solar	0	Rs. 1000/MWh

4.89 The Commission observed that DISCOMs of Delhi, even after bidding at forbearance price, could not purchase RECs in certain months in the last year. Accordingly, the Commission has considered Rs. 500/MWh, which is the average of REC floor and forbearance price as prescribed by CERC, for RECs for the Petitioner for FY 2020-21. The Commission has also considered GST of 12% on the floor price of solar and non-solar RECs, which makes the effective rate of REC as Rs 0.56/ kWh. Further, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance as Rs 5.50/ kWh which is SECI rate.

4.90 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 32: Commission Approved: Power Purchase Cost towards RPO compliance

Sr.No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	Rate (Rs/kWh)	Total Cost (Rs. Cr.)
SOLAR				
1	Own Solar	2	12.45	2.80
2	Solar (SECI)	40	5.50	22.00
3	Solar Sun Edison	167	3.96	66.23
4	Balance Solar Energy to be purchased	331	0.56	18.51
5	Sub Total	**540**		**109.54**
NON SOLAR				
6	TOWMCL	50	6.43	32.01
7	MSW Bawana	33	7.03	23.46
8	Suryakanta HEP	44	3.80	16.88
9	Nanti HEP	40	4.29	17.00
10	Taranda HEP	48	4.29	20.51
11	Singrauli HEP	3	5.04	1.54

Sr.No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	Rate (Rs/kWh)	Total Cost (Rs. Cr.)
12	Balance Non Solar RECs to be purchased	546	0.56	30.55
13	**Sub Total**	**764**		**141.96**
14	**TOTAL RPO**	**1304**		**251.50**

SPECIAL REBATE ANNOUNCED BY MINISTRY OF POWER

4.91 Ministry of Power (MoP), Government of India (GoI) vide its letter dated 10/06/2020 conveyed that Central Public Sector Enterprises (CPSEs) under MoP (viz. NHPC, NTPC, PGCIL, THDC and SJVNL) will be offering rebate amounting to Rs.197.91 Crore to Delhi in line with the MoP advisory dated 15/05/2020 & 16/05/2020.

Table 4. 33: Rebate by CPSEs

Sr.No.	CPSE under Ministry of Power	Rebate by CPSE (amount in Rs. Cr.)
1	NHPC Limited	18.26
2	NTPC Limited	119.50
3	PGCIL	53.12
4	THDC Limited	3.00
5	SJVNL	4.03
6	Total	197.91

4.92 The Commission vide its letter dated 09/07/2020 informed GoNCTD that the said special rebate shall be adjusted in the Power Purchase Cost and Transmission Cost of FY 2020-21 of Delhi DISCOMs which shall provide relief to the end consumers in terms of reduced Power Purchase Cost for FY 2020-21.

4.93 The details of the rebate offered to Delhi DISCOMs are as under:

Table 4. 34: Details of rebate offered to Delhi DISCOMs

Particulars	BRPL	BYPL	TPDDL	NDMC	Total
NTPC	71.30	16.20	29.20	2.80	119.50
NHPC	8.96	4.64	4.66	0.00	18.26
THDC	2.08	0.00	0.92	0.00	3.00
SJVNL	1.79	1.00	1.25	0.00	4.03
PGCIL	21.78	12.84	17.33	1.17	53.12
Total	105.90	34.67	53.37	3.97	197.91

4.94 The above mentioned special rebate has been adjusted in the Transmission Cost and Power

Purchase Cost of the Petitioner in the subsequent relevant sections.

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

TRANSMISSION LOSSES

4.95 Transmission losses have been considered @ 3% for PGCIL & DTL as a whole.

4.96 Given below is the year on year projected transmission losses for FY 20-21:

Table 4. 35: Petitioner Submission - Transmission Losses for FY 20-21

Source	MU's
Inter-State Transmission	**278.74**
Intra-State Transmission (DTL)	
Total Transmission Losses	

TRANSMISSION CHARGES:

4.97 Year on year transmission charges including increase in transmission charges on account of new transmission lines/network required for enhanced renewable capacity which will get socialized amongst the transmission beneficiaries:

Table 4. 36: Petitioner Submission - Transmission Charges (Rs Cr.) for FY 20-21

Source	Amount (Rs Cr)
PGCIL Charges	937.81
DTL & SLDC Charges	
Other Transmission charges, LDC charges. STOA Charges	
Total (excluding Pension Trust)	**937.81**

**STOA charges of Rs. 0.50/unit has been factored as a part of transmission cost.*

4.98 STOA charges should be credited by DTL on monthly basis which at present is not being passed on by DTL, which is in violation of the Hon'ble Commission's Regulations. This delays the recovery for Petitioner and causes undue benefit of Working capital to DTL thereby resulting in unnecessary carrying cost burden to retail consumers. Petitioner has been agitating the issue with the Hon'ble Commission for long term solution and it is requested strict directions should be issued to DTL.

COMMISSION ANALYSIS

4.99 The Petitioner has submitted actual Transmission Charges for availing Transmission Services for FY 2019-20. The Commission has considered the same for Inter State Transmission Charges. The Intra-State Transmission Charges has been considered based on DTL Order for FY 2020-21.

4.100 The Commission has considered Inter-State transmission losses @ 2% based on the latest bills furnished by the DISCOMs and Intra-state transmission losses @ 0.92%, as approved in DTL Order for FY 2020-21, for computation of transmission losses for FY 2020-21.

4.101 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2020-21 are indicated in the table as follows:

Table 4. 37: Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2020-21

Sr. No.	Particulars	As approved
A	**Transmission losses (MU)**	
I	Inter-State Transmission (PGCIL)	128.41
II	Intra-State Transmission (DTL)	68.38
	Total Transmission Losses (MU)	**196.79**
B	**Transmission Charges (Rs. Cr.)**	
I	Inter-State Transmission (PGCIL)	443.64
II	Less: Special Rebate by GoI	17.33
III	Net Inter-State Transmission (PGCIL)	426.31
IV	Intra-State Transmission (DTL)	326.89
V	SLDC Charges	3.11
C	**Total Transmission Charges (Rs. Cr.)**	756.31

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.102 The energy balance submitted by the Petitioner is summarised in the table as follows:

Table 4. 38: Energy Balance for FY 20-21

Sr. No.	Particulars	Energy MU	Amt Rs Cr	Rate Rs/unit
A	Power from CSGS	6,715.64	3,259.68	4.85
B	Power from SGS	1,054.88	724.79	6.87
C	Short Term Power Purchase	1,082.27	442.70	4.09
D	RPO obligation to be met through purchase from Ren. Sources	617.01	272.63	4.42
E	RPO obligation to be met through purchase of REC		24.11	
F	FGD		48.63	
G	Bill Discounting charges*		29.81	
H	Arrears		-13.95	

Sr. No.	Particulars	Energy MU	Amt Rs Cr	Rate Rs/unit
I	**TOTAL Purchase**	**9,469.79**	**4,788.41**	**5.06**
J	Less: Transmission losses (Intra state & Interstate)	278.74		
K	Transmission charges		937.81	
L	**Total Purchase with Tx**	**9,191.06**	**5,726.21**	6.23
M	Less: Short Term surplus power sale	935.64	235.45	2.52
N	Less: Normative Rebate			
0	**Net Power Purchase Cost**	**8,255.42**	**5,490.76**	6.65

**Bill discounting Charges has been considered for 4 months for Aravali and 5 months for NTPC, NHPC and PGCIL.*

COMMISSION ANALYSIS

4.103 Based on the energy sales, distribution loss, Intra-state and Inter-state transmission losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized in the table as follows:

Table 4. 39: Commission Approved: Energy Balance for FY 2020-21

Sr. No.	Particulars	Unit	Approved
Energy Availability			
A	Total energy available (Excluding SGS)	MU	6420
B	Inter-State Transmission Losses	%	2.00%
		MU	128
C	Energy available from SGS excl. generation in own distribution network	MU	1141
D	Energy available at StateTransmission Periphery (A-B+C)	MU	7433
E	Intra-State Transmission Losses	%	0.92%
		MU	68
F	TPDDL Own Solar	MU	2
G	Net Energy available at the distribution periphery	MU	7366
Energy Requirement			
H	Energy Sales	MU	8316
I	Distribution Loss	%	7.90%
		MU	713
J	Energy requirement at distribution periphery	MU	9030
K	Energy Deficit	MU	**(1663)**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

NORMATIVE REBATE

PETITIONER'S SUBMISSION

4.104 According to the regulation 84(4) of MYT Regulation 2017, working capital has been allowed to Discoms based on the normative concept and it is presumed that the working capital so allowed on normative basis is sufficient to earn the rebate at maximum level. The Hon'ble Commission is following the above approach for so many years and may hold true in the normal business situation. But due to Covid-19 pandemic, the collection has dropped drastically and the above assumption does not hold true that Discoms are getting collection in such a way where it can earn maximum rebate on power purchases payment.

4.105 In actual scenario, Tata Power-DDL's billing and collections have dropped to such a level, where petitioner is finding difficult to make regular payment to power supply/ transmission companies and has resorted to bill discounting option therefore has not been in a position to avail any such rebate which is available if the payment is made on presentation of power purchase supply/ transmission bill.

4.106 It is clarified that Discoms would be able to take Rebate only in case entire billed amount is collected meaning thereby the continuation of normal operating cycle. If there is break in operating cycle i.e. deferment of billing amount it would result in shortage of funds in the hands of the Petitioner and ultimately resulting into the scenario of lower/ no rebate at all.

4.107 Therefore, considering the impact of Covid-19 on operating cycle of the Petitioner, the Hon'ble Commission has to consider extending suitable relaxation in considering the normative rebate towards ARR should be given till the time of operating cycle of the Petitioner gets normalized.

4.108 Therefore, Nil amount has been proposed towards normative rebate, due the ongoing crisis caused by Covid-19 pandemic. The Hon'ble Commission is aware of the various relaxations offered by the MoP, GOI and other ministries/agencies to assist the generating companies and utilities in restoring cash flows.

COMMISSION ANALYSIS

4.109 Regulation119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states as follows:

> *"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."*

4.110 The Commission observed that CERC in its CERC (Terms and Conditions of Tariff), Regulations, 2019 has considered the rebate as under:

> *"58. Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1.50% shall be allowed."*
>
> -------------

4.111 Regulation 138 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states as under:

> *"138 For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed." ………*

4.112 The Commission observed that from the PPA signed by the Petitioner with NPCIL, a rebate of 2.5% is allowed on timely payment and accordingly the same has been considered.

4.113 The Commission has not considered any rebate on power procured through SECI in line with the arrangement between the Petitioner and SECI.

4.114 Accordingly, the Commission has considered applicable rebates for FY 2020-21 in the followingmanner:

Table 4. 40: Commission Approved – Rebate for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Billed Amount	Rebate Rate @ (%)	Rebate Amount
1.	Central Sector Utilities except SECI and NPCIL	3,353.56	1.5%	50.30
2.	State Sector Utilities except TPDDL Own Solar	1,050.50	2.0%	21.01

Sr. No.	Particulars	Billed Amount	Rebate Rate @ (%)	Rebate Amount
3.	NPCIL	79.23	2.5%	1.98
4.	Total			73.29

TOTAL POWER PURCHASE COST FOR FY 2020-21

PETITIONER'S SUBMISSION

4.115 The Petitioner has worked out Power Purchase Cost of Rs. 6.34/kWh for FY 2020-21 and tabulated the same as below:

Table 4. 41: Petitioner's Submission: Power Purchase Cost for FY 2020-21

Sr. No.	Particulars	FY 2020-21		
		Energy (MU)	Amount (Rs. Cr.)	Average Cost (Rs./kWh)
A	Power Purchase from CSGS	9,553.31	4,301.05	4.50
B	Short Term Power Purchase	145.00	48.37	3.34
C	Power Purchase from SGS	1,314.03	875.96	6.67
D	Renewable Energy Plants and small Hydro	876.25	355.84	4.06
E	Cost towards Renewable Energy Certificates		177.95	
F	FGD Cost		164.45	
G	Total Cost	11,888.59	5,923.62	4.98
H	PGCIL Losses & Charges	(368.54)	973.75	
I	DTL Loss & Transmission Charges			
J	Total Cost incl. Transmission	11,520.05	6,897.37	5.99
K	Short Term Sale	(1,481.13)	(441.18)	2.98
L	NormativeRebate		(94.58)	
M	Net Power Purchase Cost	10,038.91	6,361.61	6.34

COMMISSION ANALYSIS

4.116 Based on the analysis above, the total power purchase cost, net of Special Rebate by GoI approved for FY 2020-21 is as follows:

Table 4. 42: CommissionApproved: Total Power Purchase Cost during FY 2020-21

Sr. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
A	Total Energy available from Stations outside Delhi and associated cost	6420	3028.48	**4.72**

Sr. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
B	Inter-State Transmission Losses & Charges Net of Special Rebate by GoI	128	426.31	
C	Energy available from Stations based in Delhi and associated cost	1141	717.70	6.29
D	Energy available at State Transmission Periphery and associated cost	7433	4172.48	5.61
E	Intra-State Transmission Losses & Charges including SLDC Charges	68	330.00	
F	Own Solar	2	2.80	12.45
G	Power Purchase Rebate		73.29	
H	Power Available to DISCOM	7,366	4431.99	6.02
I	Energy Sales	8,316		
J	Distribution Loss	713		
K	Net Energy Requirement	9,030		
L	Surplus/ Gap Energy	(1,663)	(374.21)	2.25
M	REC Purchase Cost		49.06	
N	Power Purchase Cost	9,030	4855.27	5.38
O	Special Rebate provided by MoP (GENCOs)		36.03	
P	Net Power Purchase Cost	9,030	4819.23	5.34

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.117 As per Regulation 135 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission has to specify the detailed formula for PPAC in the Tariff Order for the relevant year.

4.118 Further, as per Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 only Price of Fuel from long term sources of Generation, Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation and Variation in Transmission Charges shall be allowed to be recovered in PPAC. The relevant Regulation is as follows:

> *" 134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:*
>
> *(a) Variation in Price of Fuel from long term sources of Generation;*

(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges. "

4.119 Accordingly, the Commission has specified the PPAC formula for FY 2020-21 by considering the base Power Purchase Cost from various generating stations over which any increase has to be taken for the purpose of PPAC during FY 2020-21 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in (n-1)thQtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)thQtr (in kWh)

$$= \frac{\text{Total bulk sale in (n-1)thQtr (in kWh) * A}}{\text{Gross Power Purchase including short term power in (n-1)thQtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)thQtr to be taken from provisional accounts to be issued by SLDC by the 10thof each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)thQtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)thQtr

E = Base Cost of Transmission Charges for (n-1)thQtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term

PPA in (n-1)thQtr (in kWh)*(1 – INTERSTATE

TRANSMISSION LICENSEE losses in %) + Power from Delhi GENCOs
100
(in kWh)}*(1 – Intra state losses in %) – B] in kWh
100

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)
Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

INTER STATE TRANSMISSION LICENSEE Losses = 100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)
/ Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)

(in %) DTL Losses (in %) = 100 * Approved DTL Losses (from the Tariff Order) Power
/ available at Delhi periphery (from energy balance table tariff order)

4.120 The Commission has specified the methodology for recovery of PPAC in DERC (Business Plan) Regulations, 2019 as follows:

" The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensee shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., April, May and June (Q1); July, August and September (Q2); and October, November and December (Q3); January, February and March (Q4);

(3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

(a)in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.

(c) in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.121 PPAC on quarterly basis shall be charged as per the following:

(a) The PPAC will be charged to all categories of consumers.

(b) The weighted average base cost as approved in this Tariff shall be **Rs. 4.96/kWh.**

(c) The Distribution licensee shall submit to the Commission the details in respect of changes in power purchase cost of plants having long term PPAs, as listed above for (n-1)thquarter. Further, Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other charges and units purchased from each plant having long term PPAs, as listed above, for (n-1)th quarter and actual transmission charges for (n-1)th quarter shall be furnished along with the proposal of PPAC surcharge submitted for the Commission's approval. Further, similar information in respect of current bills shall also be furnished in the Auditor's certificate.

(d) The percentage of PPAC will be rounded off to two decimal places.

(e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC.

(f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

(g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION & MAINTENANCE EXPENSES FOR FY 2020-21

PETITIONER'S SUBMISSION

4.122 **The Petitioner submitted that** the Commission in its Business Plan Regulations, 2019 has notified norms for operation and maintenance expenses in terms of Regulation 4(3).

4.123 Based on the estimated average network capacity for FY 2020-21, the Petitioner is seeking O&M Expenses for FY 2020-21 as given in table below.

Table 4. 43: Petitioner Submission: Projected Normative O&M Expenses for FY 2020-21(Rs Cr)

Particulars	Average Capacity	O&M Expenses Per Unit		O&M Expenses
66 kV Line (kms)	1,091.08	Rs. Lakh/Ckt. Km	3.079	33.59
33 kV Line (kms)				
11 kV Line (kms)	6,910.36	Rs. Lakh/Ckt. Km	0.935	64.61
LT Lines system (kms.)	7,340.86	Rs. Lakh/Ckt. Km	7.338	538.67

Particulars	Average Capacity	O&M Expenses Per Unit		O&M Expenses
66/11 kV Grid sub-station (MVA)	4,922.96	Rs. Lakh/MVA	0.954	46.97
33/11 kV Grid sub-station (MVA)				
11/0.4 kV DT (MVA)	6,170.00	Rs. Lakh/MVA	1.489	91.87
Total normative O&M Expenses				**775.71**

COMMISSION ANALYSIS

4.124 TheCommission at Regulation 23 of DERC (Business Plan) Regulations, 2019 has notified norms for Operation and Maintenance Expenses for FY 2020-21 in terms of Regulation 4(3) of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 as follows:

*"**23. Operation and Maintenance Expenses***

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for BRPL for the Control Period

Particulars	***Unit***	***2020-21***	***2021-22***	***2022-23***
66 kV Line	*Rs. Lakh/ Ckt. Km*	*3.855*	*4.002*	*4.156*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*3.855*	*4.002*	*4.156*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*1.150*	*1.194*	*1.239*
LT line system	*Rs. Lakh/ Ckt. Km*	*6.148*	*6.384*	*6.629*
66/11 kV Grid S/s	*Rs. Lakh/ MVA*	*1.033*	*1.073*	*1.114*
33/11 kV Grid S/s	*Rs. Lakh/ MVA*	*1.033*	*1.073*	*1.114*
11/0.415 kV DT	*Rs. Lakh/ MVA*	*2.563*	*2.661*	*2.763*

...

(2) The Distribution Licenses shall be allowed own (Auxiliary) consumption, at zero tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non

Domestic Tariff of respective year's Tariff schedule and shall form part of revenue billed and collected for the same year.

(4) Impact of any Statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year."

4.125 The Commission observed that the Petitioner has projected the network capacity on higher side. Further, because of the outbreak of COVID-19 pandemic, the network utilisation is expected to be reduced this year resulting in to lower O&M expenses. Further, the O&M Expenses are linked with the network capacity of the DISCOM. Accordingly, the Commission has considered 90% of the network capacity as on 31/03/2020 of the Petitioner and 65% of the claimed Capitalization for FY 2020-21 (discussed in detail in the relevant section) and has provisionally allowed O&M expenses of the Petitioner. The true-up of O&M expenses shall be as per actual network capacity.

4.126 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2020-21 as follows:

Table 4. 44: Commission Approved: O&M Expenses for FY 2020-21 (Rs. Cr.)

<table>
<tr><th rowspan="2">NETWORK</th><th rowspan="2">Opening Network Capacity as on 01.04.2020</th><th rowspan="2">90% of the Opening Capacity</th><th rowspan="2">Projected Addition during the year</th><th rowspan="2">Closing Network Capacity</th><th rowspan="2">Average Network Capacity</th><th colspan="2">Norms as per DERC (Business Plan) Regulations, 2019</th><th rowspan="2">Amount of O&M Expenses (Rs Cr.)</th></tr>
<tr><th>Units</th><th>Rate/Unit</th></tr>
<tr><td>66 kV Line (kms)</td><td rowspan="2">1,085</td><td rowspan="2">977</td><td rowspan="2">8</td><td rowspan="2">984</td><td rowspan="2">980.47</td><td>Rs. Lakh/Ckt. Km</td><td rowspan="2">3.079</td><td rowspan="2">30.19</td></tr>
<tr><td>33 kV Line (kms)</td><td>Rs. Lakh/Ckt. Km</td></tr>
<tr><td>11 kV Line (kms)</td><td>6,808</td><td>6,127</td><td>133</td><td>6,260</td><td>6,193.70</td><td>Rs. Lakh/Ckt. Km</td><td>0.935</td><td>57.91</td></tr>
<tr><td>LT Line system (kms.)</td><td>7,231</td><td>6,508</td><td>143</td><td>6,651</td><td>6,579.27</td><td>Rs. Lakh/Ckt. Km</td><td>7.338</td><td>482.79</td></tr>
<tr><td>66/11 kV Grid sub-station (MVA)</td><td rowspan="2">4,822</td><td rowspan="2">4,340</td><td rowspan="2">131</td><td rowspan="2">4,471</td><td rowspan="2">4,405.54</td><td>Rs. Lakh/MVA</td><td rowspan="2">0.954</td><td rowspan="2">42.03</td></tr>
<tr><td>33/11 kV Grid sub-station (MVA)</td><td>Rs. Lakh/MVA</td></tr>
<tr><td>11/0.4 kV DT (MVA)</td><td>6,123</td><td>5,510</td><td>62</td><td>5,572</td><td>5,541.13</td><td>Rs. Lakh/MVA</td><td>1.489</td><td>82.51</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>695.42</td></tr>
</table>

ADDITIONAL EXPENSES

PETITIONER'S SUBMISSION

4.127 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 allowed expenses.

LEGAL EXPENSES

4.128 The Hon'ble Commission in its "Statement of Reason on Business Plan Regulations 2019" has provided the treatment of Legal Expenses in its Explanatory Memorandum as follows:

> *"(6) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:*
>
> *Provided that the legal expenses 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."*

4.129 With respect to above, the Petitioner would like to mention that legal expenses incurred by the Petitioner shall be allowed without any distinction. Non allowance of some 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 case, the Petitioner has right to challenge the same before the Hon'ble High Court, 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.

4.130 The Petitioner request to the Hon'ble Commission to allow Rs 15 Cr. on adhoc basis in the ARR for FY 2020-21. The said amount shall be trued up based on prudence check of actual legal expenses.

ALLOWANCE OF STAMP DUTY INCURRED ON BILL DISCOUNTING CHARGES:

4.131 It is submitted that due to drastic drop in collection arising from Covid-19, funds are not available with petitioner to make regular payment to power supply/ transmission companies and in order to avoid late payment surcharge to the maximum extent possible and wherever the option of bill discounting is offered, TPDDL is availing bill discounting offer from Gencos/Transcos. In the bill discounting offer, apart from normal interest charges, additional charges on stamp duty and additional interest arises due to advance payment of normal interest charges. These additional charges are being incurred by TPDDL due to situation arising from Covid-19, being uncontrollable in the hands of TPDDL, hence need to be allowed over and above normative O&M Expenses. On this account approx. Rs 20 lakh have been incurred in April 2020 and May 2020 and looking to the present situation of collection, the same may go up to around Rs. 1 Cr. The Hon'ble Commission is requested to consider a provision of Rs. 1 Cr for the time being subject to true up of the same.

LPSC CHARGED BY GENCOS/ TRANSCOS SHOULD BE AS PASS THOUGH AS A PART OF ARR:

4.132 As pointed out in (ii) above that due to drop in collection caused by Covid-19 pandemic, TPDDL is making its all best efforts including bill discounting option to not end up in a default situation for power purchase/ transmission charges payment. Despite putting its all best efforts to make timely payment, there may be a situation where TPDDL is not in position to make payment of power purchase/ transmission charges on due date or not honoring the payment on maturity date of bill discounting or non availability of bill discounting facility from some Gencos/ Transcos. The said situation will arise due to mismatch in collection from consumers and due dates of Gencos/Transcos or bill discounting maturity date which is totally beyond the control of TPDDL caused by Covid-19 pandemic force measure and will lead to charging of Late Payment Surcharge (LPSC). Therefore, the Hon'ble Commission is requested to consider approx. of Rs. 10 Cr provision in the ARR subject to true up of the same.

IMPACT OF DERC COVID-19 ORDER IN ORDER TO GRANT RELIEF:

4.133 The Hon'ble Commission on dated 07th April, 2020 and 4th May, 2020 has issued suomoto orders to mitigate the impact of Covid-19 on electricity distribution licenses and consumers. The various initiatives have been proposed for Consumers with the allowance of corresponding expense in the ARR of the Petitioner on actual basis at the time of true up.

4.134 Therefore, the petitioner at this movement is not seeking additional expenses towards the compliance of aforesaid Suomoto Order of the Hon'ble Commission. The Petitioner reserves its right to seek the said impact owing to additional expenses, cost borne due to aforesaid orders at time of True up for the FY 2020-21. Thus the Hon'ble Commission may kindly consider and allow the said costs, expenses on actual basis at the time of true up.

4.135 Based on all above submissions, projected additional O&M expenses for FY 2020-21 is given below:

Table 4. 45: Projected Additional O&M Expenses for FY 2020-21 (Rs Cr)

Particulars	O&M Expenses	Remarks
Legal Expenses	15.00	Explanation given above
Stamp duty charges	1	Explanation given above
LPSC	10	Explanation given above
Impact of DERC Orders related to Covid-19	*	*To be allowed actual expenses at the time of true up
Total O&M Expenses	**26.00**	

COMMISSION ANALYSIS

4.136 The Commission after going through the submissions of the Petitioner observed that the expenditure claimed is provisional in nature and thus decided to allow the same at the time of true up of FY 2020-21.

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

4.137 The Petitioner submitted that Commission in its Business Plan Regulations, 2019 has approved capitalization of Rs 465 Cr. for FY 2020-21 (excluding Rs. 50 Cr towards Capital Deposit).

Table 4. 46: Approved Capitalization for FY 2020-21 (Rs. Cr.)

Particulars	Amount
Capitalization including deposit work	413
Smart Meter	102
Less- Deposit work	50
Total Capitalization excluding deposit work	465

4.138 It is worth to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2020-21 as approved in BPR, 2019 is given below:

Table 4. 47: Capitalization considering Deposit work for FY 2020-21 (Rs. Cr.)

Particulars	Amount
Capitalization without deposit work	363
Smart Meter	102
Deposit Work	50
Total including Deposit Work	**515**

4.139 The Petitioner would like to mention that due to COVID 19 lockdown there is shortage of supplies of smart meters, hence, it is proposed for reduction in approved smart meter capitalization by Rs 56 Cr. For improving the reliability of electrical network and to cater the future load growth, TATA POWER-DDL have planned to commission one Grid at Bhalswa. Further, some Power Transformers shall be augmented/replaced because at they already outlived the useful life 25 years. In order to rationalise capital investments we are also planning to lay 11 kV additional feeders among few grids instead of commissioning separate grids in our license area. Also, some old cables of 11KV which are more than 25 years and contributing more in No Current Complaints shall be replaced. During summer we are experiencing more and more tormy weather hence, it is imperative to have more robust and reliable network hence additional capex is planned to incur in FY 20-21. This will increase our corresponding capex for other work. Ultimately there would be no change in total value of Rs 515 Cr capitalization for FY 2020-21.

Table 4. 48: Revised capitalization target for FY 20-21 is proposed as below:

Particulars	Rs. Cr
Capitalization without deposit work	419
Smart Meter	46
Deposit Work	50
Total (inclusive of Staff Cost & IDC)	**515**

4.140 Considering the revised capitalization of Rs. 515 Cr, gross block of fixed assets for FY 2020-21 works out as follows:

Table 4. 49::Capitalization of Fixed Assets (Rs Cr)

Sr. No.	Particulars	Amount	Remark
A	Opening Balance for FY 19-20	5,565.02	As per True up Petition FY 18-19 Table no 3.45
B	Projected Additions for FY 19-20	505.12	Actual Net capitalization for FY 19-20
C	Opening balance for FY 20-21	6,070.14	(A+B)

Sr. No.	Particulars	Amount	Remark
D	Addition during the year	515.00	
E	Deletion during the year*		
F	Closing Balance	6,585.14	(C+D-E)
G	Average Balance of Fixed Assets	6,327.64	((C+F)/2)

No deletion has been considered

COMMISSION ANALYSIS

4.141 The Commission has taken cognizance of the situation arisen due to COVID-19 pandemic which may have affected mobilisation/availability of resources such as equipment, materials, supplies, labour, etc. which will impact the commissioning of new projects/ schemes. The Commission is of the view that the impact of COVID-19 pandemic may lead to reduction of around 35% in projected Capitalisation of the projects. Accordingly, the Commission has considered the asset capitalization for FY 2020-21 by reducing the amount as projected by the Petitioner by 35%.

4.142 The Commission has considered the gross capitalisation of Rs. 314.45 Cr. including consumer contribution (Deposit Work) for Rs. 32.50 Cr. during FY 2020-21.

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

4.143 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 50 Cr will be capitalized towards consumer contribution for FY 20-21 and thereafter.

Table 4. 50: Estimated Consumer Contribution capitalized (Rs Cr)

Sr. No.	Consumer Contribution/Grant	Amount	Remarks
A	Opening Balance for FY 19-20	868.51	As per True up Petition FY 18-19 Table no 3.46
B	Projected Additions for FY 19-20	32.43	Actual for FY 19-20
C	Opening balance for FY 20-21	900.94	(A+B)
D	Capitalized during the year	50.00	Equal to Deposit work capitalized amount
E	Closing Balance	950.94	(C+D)
F	Average Cumulative Capitalized Consumer Cont.	925.94	(C+E)/2

COMMISSION ANALYSIS

4.144 The Commission has projected the capitalization of consumer contribution during FY 2020-21 @65% of the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance for FY 2020-21 based on true up of ARR upto FY 2018-19 is as follows:

Table 4. 51:Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)

Sr. No	Particulars	FY 2020-21	Ref.
A.	Closing Balance of Consumer contribution capitalized upto true up for FY 2018-19	868.51	
B.	Consumer Contribution projected during FY 2019-20	50.00	
C.	Opening balance of Consumer Contribution already capitalized upto FY 2020-21	918.51	A+B
D.	Consumer Contribution Capitalized during the Year	32.50	
E.	Closing Consumer Contribution and Grants	951.01	C+D
F.	Average Consumer Contribution and Grants	934.76	(C+E)/2

DEPRECIATION

PETITIONER'S SUBMISSION

4.145 The Petitioner submitted that the Commission in its 4th MYT Regulation's has followed same methodology for allowance of Depreciation as in 3rd MYT Regulations. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Thus, for the purpose of computation of Deprecation for FY 2020-21, the Petitioner has considered Deprecation rate of 4.98% equivalent to the rate considered for FY 19-20 in July 19 Tariff Order.

Table 4. 52: Estimated Depreciation (Rs Cr)

Sr. No.	Particulars	Amount	Remark
A	Opening GFA	6,070.14	
B	Net Additions to Asset during the year	515.00	
C	Closing GFA	6,585.14	(A+B)
D	Average GFA	6,327.64	(A+C)/2
E	Less: Average Consumer Contribution	925.94	Table 36
F	Average GFA net of CC	5,401.70	(D-E)
G	Average rate of depreciation	4.98%	
H	Depreciation for the year	269.00	(F*G)
I	Opening Depreciation	2,081.41	Rs 1835.76 Cr for FY 18-19 &Rs 245.66 Cr for 19-20
J	Closing Depreciation	2,350.42	(I+H)
K	Average Depreciation	2,215.92	(I+J)/2

COMMISSION ANALYSIS

4.146 The Commission has provisionally considered the rate of depreciation for FY 2020-21 as approved for FY 2018-19 and approved depreciation as follows:

Table 4. 53: Commission Approved: Depreciation for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	Amount	Ref.
A.	Closing GFA for FY 2018-19	5,414.80	
B.	Additions projected during FY 2019-20	480.00	
C.	Opening GFA	5,894.80	A+B
D.	Net Additions to Asset during the year	314.45	
E.	Closing GFA	6209.2	C+D
F.	Average GFA	6052.0	(C+E)/2
G.	Less: Average Consumer Contribution	934.76	Table 4. 51
H.	Average GFA net of CC	5,117.26	F-G
I.	Average rate of depreciation	4.98%	
J.	Depreciation	254.68	H*I

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.147 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:"

4.148 However, it is worth to mention that the Hon'ble Commission vide its suomoto order dated 7th April, 2020 has announced relaxation for consumers a) by giving them extra benefit for 15 days over and above normal due date for making payment of their dues and b) moratorium period for 3 months to industrial & non domestic consumers which have further been deferred for recovery in 3 installments without LPSC. Considering that these consumers contribute significantly in fixed charges therefore, deferment will significantly impact the collections and accordingly the additional working capital cost. This order was followed by 2nd Suo moto order dated 04.05.2020 on manner of raising bills on consumers.

4.149 The Petitioner has already explained that due to deferment of collection, it would have to borrow funds for extra 15 days & moratorium period also. This additional borrowing would result in increase in cost at petitioner end, hence, for FY 2020-21, working capital should be allowed for 2.20 months instead of 2 months. Based on the above computation of working capital is given table below:

Table 4. 54: Computation of Change in Working Capital (Rs Cr)

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Particulars</th><th colspan="2" rowspan="2">3 months* (Apr- Jun)</th><th rowspan="2">9 months (Jul- Mar)</th><th colspan="2">Amount</th><th rowspan="2">Remark</th></tr>
<tr><th colspan="2">FY 20-21</th></tr>
<tr><td>A</td><td>Annual revenues requirement</td><td colspan="2">1939.59</td><td>5818.78</td><td>7,758.38</td><td></td><td>Table 45</td></tr>
<tr><td></td><td rowspan="2">Further break up of Sr. no A- above</td><td>Fixed charge</td><td>Other than fixed charges</td><td></td><td></td><td></td><td></td></tr>
<tr><td>A1</td><td>220.25</td><td>1719.34</td><td>5818.78</td><td>7,758.38</td><td></td><td></td></tr>
<tr><td>B</td><td colspan="7">Receivables based on ARR</td></tr>
<tr><td></td><td>Additional receivables towards deferment of Fixed charges of Nondomestic/ Industrial for 3 months* = A1/12*3</td><td>55.06</td><td>-</td><td></td><td rowspan="3"></td><td rowspan="3">1,419.76</td><td rowspan="3">A/12*2.20 (i.e. 0.20 is the impact for whole year)</td></tr>
<tr><td></td><td>Additional receivables for *15 days (Qtrly ARR – FC deferred) = A1/12*.5</td><td>-</td><td>71.64</td><td>-</td></tr>
<tr><td></td><td>Receivables equivalent to 2.00 months ARR = A1/12*2</td><td>36.71</td><td>286.56</td><td>969.80</td></tr>
<tr><td>C</td><td colspan="4">Power Purchase expenses</td><td>5,490.76</td><td></td><td></td></tr>
<tr><td>D</td><td colspan="5">Add: 1/12th of power purchase expenses</td><td>457.56</td><td>C/12</td></tr>
<tr><td>E</td><td colspan="5">Total working capital for the year</td><td>962.20</td><td>B-E</td></tr>
<tr><td>F</td><td colspan="5">Opening working capital As per True up Petition FY 18-19 Table no 3.50 + change in working capital of Rs 83.49 Cr for FY 19-2)</td><td>866.78</td><td></td></tr>
<tr><td>G</td><td colspan="5">Change in working capital</td><td>95.42</td><td>(E-F)</td></tr>
</table>

** This computation is done based on the Hon'ble Commission Covid-19 Order dated 7th April, 2020. Any further relaxation if given by the Hon'ble Commission in this regard is to be factored additionally.*

COMMISSION ANALYSIS

4.150 The Commission has computed the working capital requirement for the Petitioner 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: "

4.151 Accordingly working capital requirement has been computed for FY 2020-21. The change in working capital has been considered from the working capital for FY 2019-20 as determined in Tariff Order dated 31/07/2019 as follows:

Table 4. 55: Commission Approved: Working Capital for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	Approved	Ref.
A.	Annual Revenue	6,058.54	
B.	Receivables equivalent to 2 months average billing	1,009.76	A/6
C.	Power Purchase expenses including transmission charges	4,819.23	
D.	Less: 1/12th of power purchase expenses	401.60	C/12
E.	Total Working Capital	608.15	B-D
F.	Opening Working Capital	673.00	
G.	Change in Working Capital	(64.85)	E-F

MEANS OF FINANCE FOR NEW INVESTMENTS

PETITIONER'S SUBMISSION

4.152 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. 56: Petitioner Submission: Computation of Means of Finance (Rs Cr)

Sr. No.	Particulars	Amount	Remarks
A	Capitalization	515.00	
B	Less- Consumer Contribution Capitalized during the year	50.00	
C	Funding Requirement	465.00	(A-B)
D	Through- Debt @ 70%	325.50	C*70%
E	Through Equity @ 30%	139.50	C*30%

Table 4. 57::Petitioner Submission: Computation of Regulated Rate Base (Rs.Cr.)

Sr. No.	Particulars	Amount
A	Opening Balance of OCFA	6,070.14

Sr. No.	Particulars	Amount
B	Opening Balance of Accumulated Depreciation	2,081.41
C	Opening Balance of Accumulated Consumer Contribution	900.94
D	Opening balance of working capital	866.78
E	**RRB – Opening**	3,954.57
F	Capitalization during the year	515.00
G	Depreciation for the year (Including AAD)	269.00
H	Consumer Contribution, Grants,	50.00
I	Change in Working Capital	95.42
J	**ΔAB (Change in Regulated Base)**	193.41
K	**RRB – Closing**	4,245.99
L	**RRB(i)**	4,147.99

COMPUTATION OF WACC

4.153 The Hon'ble Commission in its Business Plan Regulations, 2019 has approved Rate of Return on Equity computed at base rate of 14% on post-tax basis for wheeling business and base rate of 2% on post-tax basis for retail business.

4.154 Further, Based on the 6 months actual cost of debt for capex loans @ 8.68% & working capital rate of interest of 8.49%, the weighted average rate of interest on loans (Capex & working capital) has been considered @ 8.60% for FY 2020-21.

4.155 In the above paras, the Petitioner has already explained in detailed its deteriorating financial position on account of non liquidation of revenue gap and non recovery of timely PPAC. The situation went worse due to Covid-19, where bankers have been cautious and restrict their borrowing. In this situation, now the lenders are quoting a spread level of 2% over and above normal rate on account of additional risk premium. Thus, the petitioner request the Hon'ble Commission to allow additional spread of 2% for FY 2020-21 over and above the weighted average rate of FY 2019-20 so that all statutory obligations can be met and operations can be run smoothly and any penalty and default can be avoided. However, the revised rate of debt will still be within the overall cap as defined in regulation 14 of BPR regulations, 2019

4.156 Considering the above cost of debt + additional spread of 2% 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 2020-21.

Table 4. 58: Petitioner Submission: Computation of Return on Capital Employed (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Equity	1,543.99
B	Debt- Capex	1,641.80
C	Debt- working capital	962.20
D	Return on Equity	16%
E	Normal Income Tax Rate	34.94%
F	Grossed up Return on Equity	24.59%
G	Rate of Interest	10.61%
H	Weighted Average Cost of Capital	15.82%

4.157 Considering the above computed WACC of 15.82% the Petitioner has computed ROCE for FY 20-21 as follows:

Table 4. 59: Petitioner Submission: Computation of Return on Capital Employed (Rs. Cr.)

Sr. No.	Particulars	Amount
A	RRB (i)	4,147.99
B	WACC	15.82%
C	**Return on Capital Employed**	656.01

COMMISSION ANALYSIS

4.158 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised after utilizing the consumer contribution as specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract is as follows:

"25. The Capital Cost of a new project or scheme shall include the following:

(1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;

(2) Interest during construction and financing charges, on the loans being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined inaccordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. The Capital cost of an existing project or scheme shall include the following:

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by the Commission on case to case basis and shall include:

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

4.159 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.160 Regulation 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 specifies that the Working Capital shall be considered 100% debt financed for the calculation of WACC. Accordingly, the requirement of debt and equity has been computed as follows:

Table 4. 60: Commission Approved: RRB (Rs. Cr.)

Sr. No.	Particulars	Amount	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	5,894.80	Table 4. 53
B	Opening Accumulated depreciation (ADo)*	2,064.04	
C	Opening consumer contributions received (CCo)	918.51	Table 4. 51
D	Opening Working capital (WCo)	673.00	Table 4. 55
E	Opening RRB (RRBo)	3,585.25	A-B-C+D
F	Investment capitalised during the year (INVi)	314.45	Table 4. 53
G	Depreciation during the year (Di)	254.68	Table 4. 53
H	Depreciation on decapitalised assets during the year	-	
I	Consumer contribution during the year (CCi)	32.50	Table 4. 51
J	Fixed assets retired/decapitalised during the year (Reti)	-	
K	Change in capital investment (ΔABi)	27.27	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	(64.85)	Table 4. 55
M	RRB Closing	3,547.67	E+K+L
N	RRBi	3,534.04	E+K/2+L

**Closing accumulated depreciation at the end of FY 2018-19 @ Rs. 1826.04 Cr. + projected depreciation of Rs. 238.00 Cr. during FY 2019-20*

4.161 Regulation 77 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

"The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period:

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process."

4.162 The Commission has approved Rate of Return on Equity computed at base rate of 14% on post tax basis for Wheeling Business and base rate of 2% on post tax basis for the retail business of the Petitioner in its Business Plan Regulations, 2017.

4.163 The Commission in Business Plan Regulations, 2019 has specified the Margin with respect to Interest Rate for FY 2020-21for the Petitioner as follows:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Transmission Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%."

4.164 The Commission has considered the MCLR as on 01.04.2020 and the actual loan portfolio of FY 2019-20 for the Petitioner. Further, it was observed that the Margin (Difference between Weighted Average Interest on Loan and MCLR) is in within ceiling of 5%for all loans viz. CAPEX, Working Capital and Others. Accordingly, the Commission has considered the Rate of Interest of Actual Loan Portfolio of FY 2019-20 for the Petitioneras follows:

Table 4. 61: Commission Approved: Rate of interest on loan

Expense head	Rate of Interest
Capitalisation	8.63%
Working Capital	8.40%
Regulatory Asset	8.69%

4.165 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 8.58%. The Commission has considered effective income tax rate as approved in true up for FY 2018-19. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2020-21 by the Commission as follows:

Table 4. 62: Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2020-21 (Rs.Cr)

Sr.No.	Particulars	As Approved
A	Average Equity	877.76
B	Average Debt – Capitalisation	2048.12
C	Average Debt – Working Capital	608.15
D	Return on equity	16%
E	Income Tax Rate (Effective rate as considered for FY 2017-18)	23.04%
F	Grossed up Return on Equity	20.79%
G	Rate of Interest on Debt	8.58%
H	Weighted Average Cost of Capital	11.61%

4.166 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 63: Commission Approved: Return on Capital Employed(Rs. Cr.)

Sr. No.	Particulars	Now Approved
A	RRB (i)	3534.04
B	WACC	11.61%
C	RoCE	410.32

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.167 The Petitioner has kept Non-tariff income for FY 2020-21 at the same level i.e. Rs. 85.85 Cr., as offered for truing up for FY 2018-19, in line with methodology followed by the Commission is past.

Table 4. 64: Petitioner Submission: Non-Tariff Income (Rs. Cr.)

Sr. No.	Particulars	FY 2020-21
A	Non-Tariff Income/Interest on Security Deposit	85.85
B	Additional Open Access charges	
C	Total	

COMMISSION ANALYSIS

4.168 The Commission has considered the Non-Tariff Income approved for FY 2018-19 for projecting Non Tariff Income of the Petitioner for FY 2020-21 of Rs. 121.10 Cr.

CARRYING COST ON REVENUE GAP

PETITIONER'S SUBMISSION

4.169 The Hon'ble Commission has approved Return on Equity in terms of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 for computation of weighted average rate of interest for funding of Regulatory Assets/ accumulated Revenue Gap through Debt and Equity shall be considered at 14% on pre-tax basis in its Business Plan Regulations, 2019.

4.170 Further, the rate of interest at 10.78% for FY 2020-21 for funding revenue gap has been considered which includes 2% additional spread.

4.171 Based on the above, the carrying cost rate for FY 2020-21 computed as follows.

Table 4. 65: Computations of carrying cost for FY 2020-21 (Rs.Cr.)

Sr. No.	Particulars	FY 2020-21
A	Rate of Return on Equity	14.00%
B	Rate of Interest on Loan 8.78% + 2% additional spread	10.78%
C	Rate of Carrying Cost	11.75%

COMMISSION ANALYSIS

4.172 Regulation 2(16) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states the following:

> *"Carrying Cost Rate" means the weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity in an appropriate ratio, as specified by the Commission in the relevant Orders"*

4.173 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2019.

4.174 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 66: Commission Approved: Carrying Cost for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	FY 2020-21
A.	Opening Revenue Gap	(1,189.83)
B.	Revenue Surplus/(Gap) at revised Tariff	12.00
C.	Recovery of Revenue Gap via 8% Surcharge	480.50
D.	Closing Revenue Gap	(697.33)
E.	Average Revenue Gap	(943.58)
F.	Rate of Carrying Cost	10.24%
G.	Carrying Cost Amount	(96.63)
H.	Closing Revenue Gap	(793.97)

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.175 Based on the submission made above the total Revised Aggregate Revenue Requirement for the FY 2020-21 comes to Rs. 7,758.38 Cr. Component wise breakup of the same is given below:

Table 4. 67:Petitioner Submission: Summary of Revised Aggregate Revenue Requirement(Rs. Cr.)

Sr. No.	Particular	Amount
A	Cost of Power Purchase	5,490.76
B	O&M Expenses including Legal expenses	801.71
C	Depreciation	269.00
D	Return on Capital Employed	656.01
E	Carrying Cost	626.74
F	Less: Non-Tariff Income/ Interest on consumer security deposit	85.85
G	**Revised Annual Revenue Requirement**	**7,758.38**

COMMISSION ANALYSIS

4.176 The ARR based on various components as approved by the Commission for FY 2020-21 is summarised as follows:

Table 4. 68: Commission Approved: ARR for Wheeling and Retail Business for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	As approved	Ref.
A	Power Purchase Cost including Transmission Charges	4,819.23	
B	O&M Expenses	695.42	
C	Depreciation	254.68	
D	Return on Capital Employed (RoCE)	410.32	
E	Less: Non-Tariff income	121.10	
F	Aggregate Revenue Requirement	**6,058.54**	A+B+C+D-E
G	Carrying cost for FY 2020-21	96.63	
H	Gross ARR	6,155.17	F+G

REVENUE (GAP)/ SURPLUS

REVISED COMPUTATION OF REVENUE (GAP)/SURPLUS WITHOUT CARRYING COST & DRS FOR FY 2020-21

PETITIONER'S SUBMISSION

4.177 Based on the above submission, the Petitioner has computed Revenue Gap of Rs. 1275.76 Cr. for FY 2020-21.

Table 4. 69: Petitioner Submission: Computations of Revenue (Gap) for the year without carrying Cost (Rs. Cr.)

Sr. No.	Particular	Amount
A	Aggregate Revenue Requirement for the year without carrying cost	7,926.02
B	Revenue available for the year without DRS	6,598.07
C	Revenue (Gap)/surplus for the year	(1,327.95)

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

COMMISSON'S ANALYSIS

4.178 Based on the allocation of different expenses in accordance with the methodology followed in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 4. 70: ARR for Wheeling Business for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount
A.	O&M Expenses	431.16
B.	Depreciation	196.10
C.	Return on Capital Employed (RoCE)	295.43
D.	Carrying Cost on Revenue Gap/Regulatory asset	12.17
E.	Less: Non-tariff income	48.44
F.	Aggregate Revenue Requirement	**886.42**

Table 4. 71: ARR for Retail Business for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount
A.	Cost of Power Procurement	4,819.23
B.	O&M Expenses	264.26
C.	Depreciation	58.58
D.	Return on Capital Employed (RoCE)	114.89
E.	Carrying Cost on Revenue Gap/Regulatory asset	84.46
F.	Less: Non-Tariff Income	72.66
G.	Aggregate Revenue Requirement	**5,268.75**

IMPACT OF THE COMMISSION'S ORDER ON REDUCTION OF FIXED CHARGES AGAINST UNUTILISED CAPACITY FOR INDUSTRIAL AND NON-DOMESTIC CONSUMERS FORTHE MONTHS OF APRIL 2020 AND MAY 2020

4.179 The Commission has decided to reduce the Fixed Charges against unutilised capacity for eligible Industrial and Non-Domestic (Commercial etc.) consumers for the months of April 2020 and May 2020 whose Maximum Demand is less than the Contract Demand/Sanctioned Load, in order to reduce the hardships of such consumers due to grim situation on account of COVID-19 pandemic and to minimise the impact of lockdown. Accordingly, the Commission hereby decides that for electricity bill pertaining to consumption related to April 2020 and May 2020, the eligible Industrial and Non-domestic (Commercial etc.) consumers whose monthly Maximum Demand is less than the Contract Demand/Sanctioned Load, the Fixed Charges for such consumers shall be computed in two components, the first component shall be for Billing Demand upto Maximum Demand as per existing rate of Rs.250/kVA/month; and the second component shall be for remaining Billing Demand i.e., {Contract Demand/Sanctioned Load minus Maximum Demand}, at 50% of existing rate i.e., Rs. 125/kVA/month.

4.180 Accordingly, the Fixed Charges for the unutilized capacity for April 2020 and May 2020 (Contract Demand/Sanctioned Load - MDI) for eligible Industrial and Non-domestic (Commercial etc.) consumers shall be billed at reduced rate of Rs.125/kVA/month as against existing rate of Rs.250/kVA/month.

4.181 In order to provide above mentioned relief to the eligible consumers, the Commission may issue a separate Order in this regard, which shall be treated as an integral part of this Tariff Order. Consequently, an amount of Rs. 41 Crore which is the provisional in nature shall be reduced from the revenue of the Petitioner.

IMPACT OF POWER PURCHASE ADJUSTMENT CHARGES (PPAC)

4.182 The Commission observed that for Q1-Q4 FY 2019-20, the cumulative unrecovered PPAC for BRPL, BYPL, TPPDDL and NDMC is around Rs.1317 Cr for which the Distribution Licensees have approached the Commission vide Petitions. Certain Expenses out of the said amount may need further detailed scrutiny before considering to be allowed. The same is detailed here under:

With regards to expenses of Maithon Power Ltd., CERC while revising the tariff for the period 2011-14 and determination of tariff for 2014-19 in respect of Maithon Power Ltd. vide Order dated 01/10/2019 included an LD amount of Rs 160 Cr in the capital cost of the said project while refrerring to CERC Order dated 17/07/2019 wherein the matter of LD was detailed out. In the said Order, CERC, based on the submissions of the relevant station, observed that spares worth Rs 84 Cr were provided by BHEL free of cost for the relevant station. CERC further directed to furnish the year wise details of the free spares received at the time of revision of tariff based on truing-up for FY 2014-19. Relevant extracts are as follows:

> *"The Petitioner in its additional submissions dated 15.4.2019 has submitted that the spares worth worth ₹ 84 crore provided by BHEL relates to performance failure during operations period as one time settlement and has no correlation with the LD amount of ₹ 144.50 crore for delay in commissioning the project. It has also stated that no part of spares worth ₹ 84 crore have ever been claimed by Petitioner either under initial spares in capital cost or as additional capitalisation thereafter. We however direct the Petitioner to furnish the year-wise details of the free spares received from BHEL at the time of revision of tariff based on truing-up exercise for the period 2014-19 period."*

Accordingly, the Commission has provisionally decided not to consider the part sum of Rs. 25 Cr. pertaining to Maithon Power Ltd. raised to TPDDL, as the same is considered to be linked to decision on spares by CERC on a later date.

4.183 Further an amount of Rs. 27.43 Cr. pertaining to NDMC for Q3 and Q4 PPAC claims has not been considered because of gross calculation mistake observed in Q1 PPAC FY 2019-20 computation of NDMC wherein it was observed that PPAC claim of 11.32% of NDMC was drastically reduced to 0.11%. Accordingly, the above said expenses have been reduced from Rs.1317Cr. to arrive at an unrecovered PPAC of around Rs.1264.32 Cr.

Table 4. 72: Impact of PPAC (Rs. Cr.)

DISCOM	Total PPAC amount claimed for FY 2019-20	Amount already recovered	Unrecovered Amount
BRPL	759.59	231.76	527.83
BYPL	353.42	165.81	187.60
TPDDL	741.26	167.35	573.91
NDMC	43.60	16.17	27.43
Total unrecovered PPAC			1316.75
Withheld amount of Unrecovered PPAC Claim for NDMC for Q3 & Q4			27.43
Withheld MPL Arrear Bill to TPDDL			25.00
Total (Unrecovered PPAC Claim for DISCOMs)			1264.32

4.184 It is further observed that the above amount has arisen on account of CERC Orders pertaining to PPS-III Bawana, Maithon Power Ltd. and PGCIL. Considering this amount being quite a substantial one and will lead a tariff shock for consumers if billed in one go, the Commission vide its letter dated 6/03/2020 had requested CERC for considering for spreading of the arrear bills for longer duration so as to avoid tariff shock to Delhi Consumers. Though no response from CERC on the said letter was received, however, CERC vide its Order dated 30/07/2020 against TPDDL petition taking reference of above-mentioned DERC letter have found TPDDL petition not maintainable and accordingly rejected thesame.

4.185 In order to avoid tariff shock to the end consumers because of the above referred unrecovered PPAC amount for which the claimed values of PPAC by Delhi DISCOMs are BRPL (Q3 – 23.91% & Q4 – 19.86%), BYPL (Q3 – 15.10% & Q4 – 8.87%) and TPDDL (Q3 – 39.55% & Q4 – 14.86%), the Commission vide its letter dated 19/08/2020 decided that BRPL, BYPL and TPDDL shall continue to levy the PPAC charged by them in the month of July 2020 (BRPL – 7.94%, BYPL – 7.43% and TPDDL - 7.14%) from date of this letter till the issuance of Tariff Order for FY 2020-21 or till further Orders of the Commission as per provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019. Accordingly, the Commission decides to allow a portion of it on both sides viz. ARR side (around 80% for BRPL, BYPL & 40% for TPDDL for PPAC claims pertaining to Q2, Q3 & Q4 of FY 2019-20 and 100% for Q1 of FY 2019-20) and Revenue side of BRPL, BYPL and TPDDL as follows:

Table 4. 73: PPAC Amount (Rs Cr) considered for FY 2020-21

DISCOM	Quarters	Value	Generation Cost	Transmission Cost	Additional Cost of Power Procurement	% Self-Levied by DISCOMs	Amt. Recovered in Rs. Cr.	Amt. Unrecovered	Amt. Subsumed in the ARR
		%	Rs. Cr.	Rs. Cr.	Rs. Cr.	%	Rs. Cr.	Rs. Cr.	Rs. Cr.
		I	II	III	IV	V	VI	VII	VIII
BRPL	Q1	5.76%	84.65	46.82	131.48	4.50%	102.72	28.76	28.76
	Q2	3.65%				4.50%	-		
	Q3	23.91%	308.03	38.00	346.03	4.50%	65.13	280.91	224.73
	Q4	19.86%	295.08	-13.00	282.08	4.50%	63.91	218.16	174.53
								TOTAL	**428.02**
BYPL	Q1	5.35%	40.77	25.05	65.82	4.50%	55.36	10.46	10.46
	Q2	1.81%			-	4.50%	-		
	Q3	15.10%	142.50	26.89	169.39	4.50%	50.48	118.91	93.98
	Q4	8.87%	145.90	-27.69	118.21	4.50%	59.97	58.24	46.03
								TOTAL	**150.46**
TPDDL	Q2	8.02%	117.67	-0.95	116.72	4.50%	65.49	51.23	51.23
	Q3	39.55%	324.23	137.4	461.63	4.50%	52.52	409.11	157.93
	Q4	14.86%	269.40	-106.5	162.90	4.50%	49.33	113.57	43.84
								TOTAL	**228.00***

*After deducting Rs. 25 Crores pertaining to Maithon Power Ltd.

4.186 In order to realize the above referred revenue from PPAC, the Commission decides to allow the following PPAC (%)in FY 2020-21:

Table 4. 74: Approved PPAC (%)

Particulars	TPDDL		BRPL		BYPL	
	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20
16/08/2020 to 20/08/2020	2.64%	4.50%	0	7.94%	2.925%	4.50%
21/08/2020 to 30/11/2020	2.64%	4.50%	0	7.94%	0	7.43%
Dec 2020 to Jan 2021	0	7.14%	0	7.94%	0	7.43%
Feb 2021 to March 2021	0	7.14%	0	7.94%	0	0

4.187 In view of above, the Commission decides that PPAC levied in the month of July'2020 by BRPL, BYPL and TPDDL which is 7.94%, 7.43% and 7.14% respectively be continued till March 2021 for BRPL & TPDDL and till Jan 2021 for BYPL. The Commission vide letter to BRPL, BYPL and TPDDL dated 19/08/2020 indicated extension of PPAC levied in July 2020 so as to avoid the impact of Carrying Cost to the end consumers. Such extension of provisional PPAC shall help in avoiding burden of tariff shock on consumers and lead to recovery of major portion of above-mentioned unrecovered Power Purchase Cost of Rs. 1265 Cr in a staggered manner. An expected provisional revenue recovery through applicable monthly PPAC in FY 2020-21 considering the impact of Revenue @ Existing & Revised Tariff is Rs. 429.49 Cr. which will also depend upon actual billing (Fixed Charges

& Energy Charges) during the period. The difference, if any, in actual PPAC & its recovery shall be trued up as per provisions of *DERC (Business Plan) Regulations, 2019* considering the impact of carrying cost.

REVENUE (GAP)/ SURPLUS

PETITIONER SUBMISSION

4.188 Based on the above submission, the Petitioner has estimated Revenue Gap of Rs. (2,077.95) Cr for FY 2020-21.

Table 4. 75: Petitioner Submission: Computation of Revenue (Gap) for the year without carrying cost (Rs. Cr.)

Sr. No.	Particular	Estimated
A	Aggregate Revenue Requirement for the year without carrying cost	7,131.64
B	Revenue available for the year without DRS	5,053.69
C	Revenue (Gap)/surplus for the year	(2,077.95)

COMMISSION ANALYSIS

4.189 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2020-21 as follows:

Table 4. 76: Commission Approved: Revenue (Gap) for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	As approved
A	Aggregate Revenue requirement for the year	7,131.64	6,155.17
B	Add: PPAC Cost subsumed	-	227.57
C	ARR including PPAC Cost	7,131.64	6,382.74
D	Revenue available at Existing Tariff	5,053.69	6,006.23
E	Add: Revenue from levying PPAC throughout the year	-	429.49
F	Less: Adjustment in Fixed Cost of Unutilized Capacity of Non-Domestic and Industrial Consumers for the months of April 2020 and May 2020	-	41.00
G	Total Revenue available (D+E-F)	5,053.69	6,394.74
H	Revenue (Gap)/ Surplus for the year	(2,077.95)	12.00

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Revenue (Gap)/Surplus.
b. Cost of service
c. Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS

REVENUE (GAP)/SURPLUS TILL FY 2018-19

5.2 The Revenue (Gap)/Surplus upto FY 2018-19 is summarised in the table as follows:

Table 5. 1:Revenue (Gap)/Surplus of BRPL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(4,258)	(3,979)	
B	Impact of Past Period True Up	(224)	(135)	
C	Revenue Requirement for the year	8,122	8,733	
D	Revenue realized	8,499	9,125	
E	(Gap) / Surplus for the year	377	391	D-C
F	8% Surcharge for the year	687	721	
G	Net (Gap)/Surplus	1,064	1,113	E+F
H	Rate of Carrying Cost	13.62%	13.32%	
I	Amount of Carrying Cost	(507)	(474)	{A+B+(G)/2}*H
J	Pension Trust Deficit	(53)		
K	Closing Balance of (Gap)/Surplus	**(3,979)**	**(3,475)**	A+B+G+I+J

Table 5. 2: Revenue (Gap)/Surplus of BYPL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(2,906)	(2,677)	

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
B	Impact of Past Period True Up	(133)	(169)	
C	Revenue Requirement for the year	4,329	4,374	
D	Revenue realized	4,664	4,877	
E	(Gap) / Surplus for the year	336	503	
F	8% Surcharge for the year	377	382	
G	Net (Gap)/Surplus	713	885	D+E
H	Rate of Carrying Cost	13.76%	13.77%	
I	Amount of Carrying Cost	(351)	(331)	{A+B+(G)/2}*H
J	Closing Balance of (Gap)/Surplus	(2,677)	(2,292)	A+B+G+I

Table 5. 3: Revenue (Gap)/Surplus of TPDDL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Revenue (Gap) / Surplus	(2,395)	(2,254)	
B	Impact of Prior Period (Since the start of FY)	(168)	(28)	
C	Revenue Requirement for the year	6,161	6,778	
D	Revenue realized	6,391	6,832	
E	(Gap) / Surplus for the year	230	54	D-C
F	8% Surcharge for the year	516	540	
G	Net (Gap)/Surplus	745	594	F+E
H	Rate of Carrying Cost	10.33%	10.13%	
I	Amount of carrying cost	(226)	(201)	{A+B+(G)/2}*H
J	Impact of past period (At the end of FY)	(162)		
K	Pension Trust Deficit	(48)		
L	Closing Balance of (Gap)/Surplus	(2,254)	(1,890)	A+B+G+I+J+K

5.3 The Revenue Gap upto FY 2018-19 as determined by the Commission is indicated as follows:

Table 5. 4: Revenue (Gap)/Surplus of three DISCOMS till FY 2018-19 (Rs. Cr.)

Particulars	Up to FY 2018-19
BYPL	(3,475)
BRPL	(2,292)
TPDDL	(1,890)
Total	(7,657)

REVENUE (GAP)/SURPLUS FOR FY 2020-21 AT REVISED TARIFF

5.4 The summary of revenue billed at revised tariffs considering the marginal impact on reduction in tariff for Mushroom Cultivation category excluding 8% surcharge, for FY 2020-21 is as follows:

Table 5. 5: Revenue at Revised Tariffs of BRPL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	498	3,419	3,917
B.	Non-Domestic	802	2,309	3,111
C.	Industrial	94	346	440
D.	Agriculture & Mushroom	4	3	8
E.	Public Utilities	71	418	490
F.	DIAL	15	53	69
G.	Advertisement and hoarding	1	1	2
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	17	17
I.	Others*	13	170	183
J.	Total	1,499	6,737	8,236
K.	Revenue @ 99.50% Collection Efficiency			8,195

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 6: Revenue at Revised Tariffs of BYPL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	182	1,628	1,810
B.	Non-Domestic	475	1,220	1,695
C.	Industrial	64	245	310
D.	Agriculture & Mushroom	0	0	0
E.	Public Utilities	56	202	258
F.	DIAL	0	0	0
G.	Advertisement and hoarding	0	0	0

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	11	11
I.	Others*	4	69	73
J.	Total	782	3,376	4,158
K.	Revenue @ 99.50% Collection Efficiency			4,137

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 7: Revenue at Revised Tariffs of TPDDL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	199	1,831	2,030
B.	Non-Domestic	379	1,085	1,464
C.	Industrial	424	1,610	2,034
D.	Agriculture & Mushroom	5	2	7
E.	Public Utilities	77	321	398
F.	DIAL	0	0	0
G.	Advertisement and hoarding	0	0	1
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	12	12
I.	Others*	13	76	90
J.	Total	1,098	4,939	6,036
K.	Revenue @ 99.50% Collection Efficiency			6,006

** includes Temporary Supply, Misuse/Theft, Own Consumption*

5.5 The Commission has decided to continue with the existing surcharge at 8% on the revised tariff for liquidating the regulatory assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional revenue as follows:

Table 5. 8: Revenue from 8% Surcharge for FY 2020-21 (Rs. Cr.)

Particulars	Amount
BRPL	656
BYPL	331
TPDDL	480
Total	1,467

5.6 Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2020-21 is as follows:

Table 5. 9: ARR, Revenue at revised tariff, net Revenue (Gap)/Surplus for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
ARR	8061	4004	6059
Carrying Cost for FY 2020-21	258	178	97
PPAC Cost Subsumed against power purchase during FY 2019-20	428	150	228
Revised ARR	8748	4333	6383
Revenue at Revised Tariff	8195	4137	6006
Revenue from PPAC by continuing levy of July PPAC %age till Mar'21 for BRPL & TPDDL and till Jan'21 for BYPL	637	252	429
FC Reduction for Industrial & Non-Domestic Consumers for April & May 2020	58	40	41
Total Revenue	8774	4349	6395
Revenue (Gap) / Surplus	26	16	12

COST OF SERVICE MODEL

5.7 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;

(b) Power factor;

(c) Load factor;

(d) Time of use of electricity;

(e) Quantity of electricity consumed,

(f) Distribution Loss

(g) Collection Efficiency etc.

5.8 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.9 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level as per the detailed methodology discussed in following paragraphs.

The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU) for that level. Since, the Petitioner has not submitted complete details of voltage wise losses, therefore, the Commission has considered the distribution losses at various

voltage levels after prorating this year's overall distribution loss target on last year's overall distribution loss target and the voltage wise distribution losses considered in the Tariff Order dated 31/07/2019. The summary of the voltage wise distribution losses considered by the Commission are as follows:

Table 5. 10: Distribution Loss for FY 2020-21 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00%	0.00%	0.00%
Loss at 33/66 kV level	1.02%	0.49%	0.78%
Loss at 11 kV level	2.24%	1.83%	2.63%
Loss at LT level	9.53%	9.97%	8.67%

5.10 The Commission would like to reiterate that the voltage wise distribution losses considered above are estimates and may not reflect the actual picture. The Commission, in this regard directed the three DISCOMs (BYPL, BRPL and TPDDL) earlier to carry out energy audit so that the actual data of distribution losses at different voltage levels could be used to calculate the cost of supply. The Commission has appointed energy Auditors for third party independent assessment of technical and commercial loss at various voltage levels. The said assignment is in advance stage. The apportionment of sales at different voltage levels has been done in line with the figures considered in the Tariff Order dated 31/07/2019. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 5. 11: Approved Energy Input for FY 2020-21 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	-	-	88
Input for 33/66 kV level	347	127	25
Input for 11 kV level	688	468	910
Input for LT level	11,855	6,180	8,008
Total	12,890	6,775	9,030

5.11 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 5. 12: Wheeling cost for different voltages for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	9
At 33/66 kV level	33	16	2
At 11 kV level	66	58	89
At LT level	1129	761	786
Total	1228	835	886

5.12 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2020-21 as follows:

Table 5. 13: Wheeling Charges for FY 2020-21 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level			0.98
At 33/66 kV level	0.96	1.24	0.99

Particulars	BRPL	BYPL	TPDDL
At 11 kV level	0.97	1.26	1.01
At LT level	1.04	1.36	1.07
Average	1.04	1.35	1.07

ALLOCATION OF RETAIL SUPPLY ARR

5.13 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2020-21 is given as follows:

Table 5. 14: Retail Supply cost for different voltages for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	51
At 33/66 kV level	191	63	14
At 11 kV level	379	231	531
At LT level	6522	3053	4672
Total	7092	3347	5269

5.14 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2020-21 as follows:

Table 5. 15: Retail Supply Charges at different voltages for FY 2020-21 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	5.83
At 33/66 kV level	5.56	4.97	5.88
At 11 kV level	5.63	5.03	5.99
At LT level	6.02	5.47	6.38
Average	5.99	5.43	6.34

5.15 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 5. 16: Cost of Supply for BRPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	0.96	5.56	6.52
At 11 kV level	0.97	5.63	6.60

Particulars	Wheeling	Retail Supply	Total
At LT level	1.04	6.02	7.07
Average	1.04	5.99	7.02

Table 5. 17: Cost of Supply for BYPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	1.24	4.97	6.20
At 11 kV level	1.26	5.03	6.29
At LT level	1.36	5.47	6.84
Average	1.35	5.43	6.78

Table 5. 18: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.98	5.83	6.82
At 33/66 kV level	0.99	5.88	6.87
At 11 kV level	1.01	5.99	7.00
At LT level	1.07	6.38	7.46
Average	1.07	6.34	7.40

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.16 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

5.17 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a *better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.*

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity *is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.*

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.

5.18 At present, there are number of consumer classes e.g. some slabs of domestic consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other consumers.

5.19 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.

5.20 The Commission has computed category wise revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The Ratio of ABR to Average Cost of Supply and category-wise tariff approved for FY 2020-21 is indicated in the table as follows:

Table 5. 19: Ratio of ABR to ACOS of BRPL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.02	5.10	73%
B.	Non- Domestic	7.02	11.33	161%
C.	Industrial	7.02	9.85	140%
D.	Agriculture	7.02	3.61	51%
E.	Public Utilities	7.02	7.32	104%
F.	DIAL	7.02	9.58	136%
G.	E-Vehicle Charging Stations	7.02	4.50	64%

Table 5. 20: Ratio of ABR to ACOS of BYPL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	6.78	4.58	68%
B.	Non- Domestic	6.78	11.43	169%
C.	Industrial	6.78	9.78	144%
D.	Agriculture	6.78	3.76	55%
E.	Public Utilities	6.78	7.98	118%
F.	DIAL	6.78	-	-
G.	E-Vehicle Charging Stations	6.78	4.50	66%

Table 5. 21: Ratio of ABR to ACOS of TPDDL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.40	4.73	64%
B.	Non- Domestic	7.40	11.24	152%
C.	Industrial	7.40	9.79	132%
D.	Agriculture	7.40	4.86	66%
E.	Public Utilities	7.40	7.75	105%
F.	DIAL	7.40	-	-
G.	E-Vehicle Charging Stations	7.40	4.50	61%

TARIFF STRUCTURE

DOMESTIC TARIFF

5.21 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.

5.22 In case the consumption of the Cattle/ Dairy Farms and Dhobi Ghat across Delhi exceeds 1000 units in a month, the total consumption including the first 1000 units shall be charged non-domestic rates as applicable to the consumers falling under the Non Domestic category.

5.23 The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged as per the domestic category.

5.24 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e., fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

NON-DOMESTIC TARIFF

5.25 The Commission has sub-categorized Non-Domestic as consumers with sanctioned load upto 3kVA and above 3kVA. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

INDUSTRIAL TARIFF

5.26 The consumers under Industry Category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.27 The Commission has extended the scope of Industrial tariff to Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

AGRICULTURE

5.28 Agriculture & Mushroom cultivation category has been demerged.

5.29 The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category.

MUSHROOM CULTIVATION

5.30 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

5.31 Following categories are covered under Public Utilities which provide public services:

a. DELHI JAL BOARD: Available to DJB for pumping load & Water Treatment Plants.
b. RAILWAY TRACTION: Available for Indian Railways for Traction load.
c. DELHI METRO RAIL CORPORATION : Available to Delhi Metro Rail Corporation (DMRC) for traction load
d. PUBLIC LIGHTING: Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.

- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.32 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.33 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings‟ category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

TEMPORARY SUPPLY

5.34 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.35 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

a. Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery: Available to charging stations as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

5.36 Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be applicable to the same.

VOLTAGE DISCOUNT

5.37 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.38 The consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

TIME OF DAY (TOD) TARIFF

5.39 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect 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 incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.40 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.

5.41 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.42 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.43 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission, as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours, had decided to lower the applicability limit for ToD Tariff.

5.44 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.45 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.46 In the Tariff Order dated March 28, 2018, the Commission decided the Time of Day (ToD) Tariff as follows:

a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.

b. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.

c. The Commission retained the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers have the option to move back to non-ToD regime only once within one Financial Year.

d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

5.47 The Commission in Tariff Order dated 31/07/2019 continued with the TOD Tariff as specified in Tarff Order dated 28/03/2018. In this Tariff Order also, the Commission has decided to retain existing TOD Tariff. However, the Commission has waived off existing provision of 20% Surcharge under ToD Tariff for September 2020 in order to facilitate Non-Domestic, Industrial, Public Utilities and Domestic Consumers (optional) etc. in this COVID-19 situation.

TARIFF SCHEDULE FOR FY 2020-21

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES				
1	DOMESTIC						
1.1	**INDIVIDUAL CONNECTIONS**		**0-200 Units**	**201-400 Units**	**401-800 Units**	**801-1200 Units**	**>1200 Units**
A	Upto 2 kW	20 Rs./kW/month	3.00 Rs./kWh	4.50 Rs./kWh	6.50 Rs./kWh	7.00 Rs./kWh	8.00 Rs./kWh
B	> 2kW and ≤ 5 kW	50 Rs./kW/month					
C	> 5kW and ≤ 15 kW	100 Rs./kW/month					
D	>15kW and ≤ 25 kW	200 Rs./kW/month					
E	> 25kW	250 Rs./kW/month					
1.2	**Single Point Delivery Supply for GHS**	150 Rs./kW/month	4.50 Rs./kWh				
2	**NON-DOMESTIC**						
2.1	Upto 3kVA	250 Rs./kVA/month	6.00 Rs./kVAh				
2.2	Above 3kVA	250 Rs./kVA/month	8.50 Rs./kVAh				
3	**INDUSTRIAL**	250 Rs./kVA/month	7.75 Rs./kVAh				
4	**AGRICULTURE**	125 Rs./kW/month	1.50 Rs./kWh				
5	**MUSHROOM CULTIVATION**	200 Rs./kW/month	3.50 Rs./kWh				
6	**PUBLIC UTILITIES**	250 Rs./kVA/month	6.25 Rs./kVAh				
7	**DELHI INTERNATIONAL AIRPORT LTD. (DIAL)**	250 Rs./kVA/month	7.75 Rs./kVAh				
8	**ADVERTISEMENT & HOARDINGS**	250 Rs./kVA/month	8.50 Rs./kVAh				
9	**TEMPORARY SUPPLY**						
9.1	Domestic Connections including Group Housing Societies	Same rate as that of relevant category	Same as that of relevant category without any temporary surcharge				
9.2	For threshers during the threshing season	Electricity Tax of MCD : Rs. 270 per connection per month	Flat rate of Rs. 5,400 per month				
9.3	All other connections including construction projects	Same rate as that of the relevant category	1.30 times of the relevant category of tariff				
10	**CHARGING STATIONS FOR E-RICKSHAW/E-VEHICLE ON SINGLE POINT DELIVERY / SWAPPING OF BATTERIES**						
10.1	Supply at LT	-	4.50 Rs./kWh				
10.2	Supply at HT	-	4.00 Rs./kVAh				

Notes:

1. For domestic category of consumers, fixed charges shall be levied on sanctioned load or the contract demand as the case may be.

2. For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case of non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.
3. **Time of Day(ToD) Tariff (Surcharge shall not be applicable for September 2020)**
   e. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is10kW/11kVA and above.
   f. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
   g. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.
   h. The Commission has retained the time slots for Peak and Off-Peak hours as follows:

MONTHS	PEAK HOURS (HRS)	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS (HRS)	REBATE ON ENERGY CHARGES
May – September	1400– 1700 & 2200 – 0100	20%	0400 – 1000	20%

4. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV shall be applicable.
5. Maintenance Charges on street lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per

the Commission's Order dated 22nd September 2009 in addition to the specified tariff. These charges are exclusive of applicable taxes and duties.

6. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:

   Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

   Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.

   {Explanation – The Factory License for the purpose of applicability of industrial tariff shall mean the license or permission or authorisation or any other document issued or granted by Directorate of Industries or Ministry of Micro, Small and Medium Enterprises or MCD or any other Central or State Government Agency, as applicable, for running an Industry or Factory in respective field of operation.}

7. The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, load violation surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:

   (a) 8% towards recovery of accumulated deficit, and,

   (b) 5% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.

8. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.

9. For consumers availing supply through prepayment meters, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the applicable tariff.

10. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff

as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

11. Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
12. The Single Point Delivery Supplier availing supply at HT & above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount to cover losses and all its expenses.
13. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA but served at LT (415 Volts) shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).
14. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
15. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due

date.

16. No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit.
17. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS

1. **DOMESTIC CATEGORY**

1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers.

b. Hostels of recognized/aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].

c. Staircase lighting in residential flats separately metered.

d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.

e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.

f. Dispensary/ Hospitals/ Public Libraries/ School/ College/ Working Women's Hostel/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.

g. Small health centres including Mohalla Clinics approved by the Department of Health, Government of NCT of Delhi for providing charitable services only.

h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.

i. Public parks except temporary use for any other purpose.

j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.

k. Places of worship.

l. Cheshire homes/orphanage.

m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.

n. Electric crematoriums.

o. Gaushala Registered under GoNCTD.

p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Psychologist, Physiotherapist, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.

q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.

r. The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged domestic tariff.

s. Cattle Farms/ Dairy Farms/ Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. **NON-DOMESTIC**

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
c. Railways (other than traction), Hotels and Restaurants
d. Cinemas
e. Banks/Petrol pumps including CNG stations
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing, drycleaner, beauty salon, florist, etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Single Point Delivery for Commercial Complexes supply at 11 kV or above
m. Pumping loads of DDA/MCD
n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than traction. Any other category of consumers not specified/covered in any other category in this Schedule.

3. **INDUSTRIAL**

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. **AGRICULTURE**

Available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. **MUSHROOM CULTIVATION**

Available for load upto 100 kW for mushroom growing/cultivation.

6. **PUBLIC UTILITIES**
   a. **DELHI JAL BOARD**: Available to DJB for pumping load & Water Treatment Plants.
   b. **RAILWAY TRACTION**: Available for Indian Railways for Traction load.
   c. **DELHI METRO RAIL CORPORATION**: Available to Delhi Metro Rail Corporation (DMRC) for traction load
   d. **PUBLIC LIGHTING**: Street lighting, Signals & Blinkers
   - All street lighting consumers including MCD, DDA, PWD, CPWD, Slums depts., DSIIDC, MES, GHS etc.
   - Traffic signals and blinkers of Traffic Police
   - Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

7. **DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.**

8. **ADVERTISEMENT & HOARDINGS**: Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

9. **TEMPORARY SUPPLY**

a. Available as temporary connection under the respective category
b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

10. **CHARGING OF E-RICKSHAW/ E-VEHICLE/ SWAPPING OF BATTERIES**

a. Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery: Available to charging stations as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017.
b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.
c. Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be applicable to the same.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

1	A/C No.	10021675545
2	MICR No.	110002103
3	Bank	State Bank of India
4	IFSC Code	SBIN0004281
5	Name	DVB-ETBF-2002
6	Branch	Rajghat Power House, New Delhi – 110002

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21.10.2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21.10.2009.

6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.

6.9 The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit an annual compliance report by 30th April of the next year.

6.10 The Commission further directs the Petitioner:

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

c. To conduct a safety audit and submit a compliance report within three months of the Tariff Order;

d. To carry out preventive maintenance as per schedule;

e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;

f. To submit the annual energy audit report in respect of their network at HT level and above.

g. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

h. To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month;

i. To incorporate the following information in the annual audited financial statements:-

i. Category-wise Revenue billed and collected,

ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,

iii. Category-wise PPAC billed and collected,

iv. Category- wise Electricity Duty billed and collected,

v. Category-wise subsidy passed on to the consumers during the financial year, if any,

vi. Category-wise details of the surcharge billed on account of ToD,

vii. Category-wise details of the rebate given on account of ToD,

viii. Street light incentive and material charges for street light maintenance,

ix. Direct expenses of other business,

x. Revenue billed on account of Own Consumption,

xi. Revenue collected on account of enforcement/theft cases,

j. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year. The power purchase invoices received upto April month of the next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;

k. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/ Transmission companies;

l. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

m. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year.

n. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self consumption approved by the Commission and exceeding the normative limit of self consumption at Non-Domestic tariff for actual consumption recorded every month.

o. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

p. To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable.

q. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

r. To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

6.11 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

Annexure – I

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi-110017.

F.11(1650)/DERC/2018-19/

Petition No. 03/2020

In the matter of: **Petition for ARR for FY 20-21 and True up of ARR for FY 2018-19.**

Tata Power Delhi Distribution Limited.
Through its: **Managing Director**
Sub-Station Building, Hudson Lines,
Kingsway Camp,
Delhi 110 009 ...**Petitioner/Licensee**

Coram:
Hon'ble Mr. Justice S S Chauhan, Chairperson
Hon'ble Sh. A.K. Singhal, Member
Hon'ble Dr. A. K.Ambasht, Member

Appearance:

1. Mr. Anurag Bansal, TPDDL
2. Ms. Sakshi Mehrotra, TPDDL

INTERIM ORDER
(Date of Hearing: 18.02.2020)
(Date of Order: [illegible].02.2020)

1. The Representative for the Petitioner states that the Petitioner has filed two petitions, one for ARR for Financial Year 2020-21 and another for True-up of ARR for Financial Year 2018-19. However, as exercise of determination of tariff and true-up are taken up simultaneously, the two petitions may be treated as one and the same may be admitted.

2. The request of the Petitioner is allowed and accordingly, the petition is admitted. The Petitioner shall furnish clarifications/ additional information, if and when required by the Commission.

(A.K. Ambasht)	(A.K. Singhal)	(Justice S S Chauhan)
Member	Member	Chairperson

Annexure – II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF FY 2018-19 AND ARR FOR FY 2020-21

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	1	Sh. Rajesh Aggarwal Gen. Secretary	Shahdara Residents Welfare Association 348, fresh Bazar, Shahdara, Delhi 110 032	RWA	DISCOMs	11.03.2020
2.	2	Dayaram Devedi Vice President	262, Katra Pyare Lal Chandni Chowk, Delhi 110 006	Association	DISCOMs	11.03.2020
3.	3	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	Association	DISCOMs	12.03.2020
	3A	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	Association	PPCL	16.03.2020
4.	4	Sh. Harbans Sharma	287, Kucha Ghasi Ram Fatehpuri Chandni Chowk Delhi 110 006	Association	DISCOMs	12.03.2020
5.	5	Sh. Shiv Sharma	D-8/155 Brij Puri, Delhi 110 094	RWA	DISCOMs	13.03.2020
6.	6	Sh. Balkishan Gupta President	1449/22, Gali No. 9, Durgapuri, Shahdara, Delhi 110 093	RWA	DISCOMs	12.03.2020
7.	7	Sh. Ranjeet Singh Luheera President	527 B, School Block, Shakarpur, Delhi 110 092	NGO	DISCOMs	12.03.2020
8.	8	Sh. Jai Pal Singh Verma President	S-305, School Block, Shakarpur, Delhi 110 092	RWA	DISCOMS	12.03.2020
9.	9	Sh. D.K. Bhandari President	Awasiya Kalyan Samiti (Regd.) Pocket J & K , Dilshad Garden, Delhi 110 095	NGO	DISCOMs	12.03.2020
10.	10	Sh. Rajbir Singh	Glat No. 8, 2nd Floor, Rama Apartment, C-54, Panchsheel Vihar, Malviya Nagar, New Delhi 110 017 Rsjayanth01@gmail.com	Domestic	DISCOMs	13.03.2020
11.	11	Sh. S.B. Kuchhal Legal Advisor	Kothi No. 1, Road No. 33 East Punjabi Bagh	Commercial	DISCOMs	16.03.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
			New Delhi 110 026			
12.	12	Ms. Renu Pal President	Resident Welfare Association (Regd.) Pocket B-3, Mayur Vihar Phase-III, Delhi 110 096	RWA	DISCOMs	16.03.2020
13.	13	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	Domestic	DISCOMs	16.03.2020
14.	14	Sh. Bhopal Singh President	Resident Welfare Association, H-16/830, Bapa Nagar, Payare Lal Marg, Karol Bagh, New Delhi 110 005 jatavbhopalsingh@gmail.com	RWA	DISCOMs	16.03.2020
15.	15	Sh. Rohit Arora President	Gyan Park Welfare Society 17A, Gyan Park, Chander Nagar, Kishna Nagar, Delhi 110 051	RWA	DISCOMs	16.03.2020
16.	16	Sh. Deepak Tuli	Prasad nagar, Karol Bagh, New Delhi 110 005	RWA	DISCOMs	16.03.2020
17.	17	Sh. Kuldeep Kumar General Secretary	Delhi State Electrictiy Workers Union(DSEWU) 7/6, Yamuna Vihar, Delhi 110 053 kuldeepsewunion@gmail.com	Association	DISCOMs	17.03.2020
	17A	Sh. Kuldeep Kumar General Secretary	Delhi State Electrictiy Workers Union(DSEWU) 7/6, Yamuna Vihar, Delhi 110 053 kuldeepsewunion@gmail.com	Association	PPCL	19.03.2020
18.	18	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL	18.03.2020
	18A	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BYPL	18.03.2020
	18B	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	TPDDL	18.03.2020
	18C	Sh. S.K. Sharma General Manager	Delhi Transco Limited Shakti Sadan,	Govt.	NDMC	18.03.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
		(C&RA)	Kotla Road, New Delhi 110 002			
	18D	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL	29.06.2020
	18E	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BYPL	29.06.2020
	18F	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	TPDDL	29.06.2020
	18G	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	NDMC	29.06.2020
19.	19 19A	Sh. A.K. Rampal	F-26/114, Sector, 7, Rohini, Delhi 110 005 anuprampal@gmail.com	Domestic	IPGCL and PPCL DISCOMs	17.03.2020 19.06.2020
20	20	Sh. Mohinder Pal	pal458395@gmail.com	Domestic	DISCOMs	18.03.2020
21	21	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi C-6/7 Rana Pratap Bagh, Delhi 110 007	RWA	DISCOMs	16.03.2020
22	22	Sh. Kuwar Pratap Singh Secretary	Bhajanpura Jan Sahiyog, (regd.) D-408, Street No. 9, D, Bhajanpura, Delhi 110 053	Domestic	DISCOMs	11.03.2020
23	23 23A	Sh. B.S. Sachdev President Sh. B.S. Sachdev President	Elederly Peoples Forum Varishth Nagrik Manoranjan Kendra, Ist Floor, C-4 Block, Keshav Puram, Delhi 110 035	RWA	DISCOMs	20.03.2020 20.03.2020
24	24	Sh. Ishwar Dutt	B-120, Vijay Park, Maujpur, New Delhi 110 053	Domestic	DISCOMs	20.03.2020
25.	25	Sh. Satish Das	H.No. 90, Panna Mojan, Bawana, New Delhi 110 039	Domestic	TPDDL	20.03.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
26	26	Er. CV Vishwanathan	99, Arjun Apartments Sector 13, Dwarka Delhi 110 075	Domestic	DISCOMs	20.03.2020
27	27	Sh. Virat Gandhi	Rang Rasayan Apartments 13, Rajapur, Pocket 7, Sector, 13, Rohini, Delhi 110 05	Domestic	TPDDL	20.03.2020
28	28	Sh. Vipin Gupta	A-17, Antriksh Apartments, New Town Co-op. Group Housing Society Ltd. Sector, 14-Ext. Rohini, Delhi 110085 Vipin.bfi@gmail.com	Domestic	DISCOMs	
29	29	Sh. A.K. Datta	222, Pocket E, Mayur Vihar, Phase-II Delhi 110 091	Domestic	BYPL	
30.	30	Sh. Saurabh Gandhi General Secretary	United Resident of Delhi urdrwas@gmail.com	RWA	BYPL	22.06.2020
31	31	Sh. B.B. Tewari Social Intraprenuer	urdrwas@gmail.com	RWA	BYPL	22.06.2020
32	32	Sh. Ram Lal Tiwari	House No. 581, Main Narela Road, Alipur, Delhi 110 036	Domestic	DISCOMs	20.03.2020
33	33	Sh. Rakesh Chauhan	Chauhan.rakesh70111@gmail.com	Domestic	TPDDL	24.06.2020
34	34	Sh. Saurabh Srivastava Regulatory affairs	Indian Energy Exchange Limited Unit. 3,4,5 & 6 Fourth Floor, TDI Centre, Plot No. 7 Jasola District Centre, New Delhi 110 025 Saurabh.Srivastava@iexindia.com	Industrial/ Commercial	DISCOMs	26.05.2020
35.	35	Sh. Lalita Kumar	Lalitakumar69@dtu.ac.in	Domestic	DISCOMs	24.06.2020
36.	36	PK Enterprises	Pk.enterprises76@gmail.com	-	TPDDL	24.06.2020
37	37	Sh. Arvind Duhoon	Arvind.duhoon@gmail.com	Domestic	TPDDL	24.06.2020
38	38	Ms. Preeti Sarna	sarnapreety@gmail.com	Domestic	DISCOMs	25.06.2020
39.	39	Sh. Rajesh Sood, President Vijay Niketan, RWA	Resident of Welfare Association H-89, DDA LIG Flats, Naraina Vihar, New Delhi 110 028	RWA	DISCOMs	25.06.2020
40.	40.	Sh. Arvind K. Jain	SHRI SAI BABA CO-OPERATIVE GROUP HOUSING SOCIETY LTD.	RWA	DISCOMs	25.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
			PLOT No. 4, SECTOR-9, ROHINI, DELHI-110085			
41.	41.	Sh. Sukh preet	sukhpreetsir@gmail.com	Domestic	DISCOMs	25.06.2020
42.	42.	Ms. Maneela bhugra	Maneela.bhugra@gmail.com	Domestic	TPDDL	25.06.2020
43.	43.	Sh. Naresh Kumar	Maresh.mkuan@gmail.com	Domestic	DISCOMs	25.06.2020
44.	44.	Ms. Vandana Thakur	Vandana.thakur34@gmail.com	Domestic	DISCOMs DTL	25.06.2020
45.	45.	Sh. Rajan Gupta	Rajang2442@gmail.com	Domestic	TPDDL	25.06.2020
46.	46.	Ms. Shivangi	Shivangi.sh86@gmail.com	Domestic	TPDDL	26.06.2020
47.	47.	Sh. Rajeev	Bh.rajeev2012@gmail.com	Domestic	TPDDL	26.06.2020
48.	48.	Sh. Prabhat Pal	Prabhatpal187@gmail.com	Domestic	DISCOMs DTL	26.06.2020
49.	49.	Sh. Anil Kumar Gupta, Secretary	NEW TOWN CO-OPERATIVE GROUP HOUSING SOCIETY LTD. Plot No. D-3, Sector: 14-Extn., ROHINI, Delhi 110085 newtowncghs@gmail.com	Domestic	DISCOMs	26.06.2020
50.	50.	Sh. Anurag	anuragbhel@gmail.com	Domestic	TPDDL	26.06.2020
51.	51.	Sh. Ankit Singh	Ankitsingh1092@gmail.com	Domestic	DISCOMs	26.06.2020
52.	52.	Sh. Rajender Bansal	Rajenderbansal47@gmail.com	Domestic	DISCOMs	26.06.2020
53.	53.	Dikansh94@gmail.com	dikansh94@gmail.com	Domestic	DISCOMs	27.06.2020
54	54	Sh. Suresh Kumar Gupta Director	The Midland fruit and Vegetable products (India) Pvt. Ltd. Jumbo House, Dr. Jha Marg, O.I.A PH-3, New Delhi 110 020	Agricultural	DISCOMs	25.06.2020
55	55	Sh. Narendra Prakash Bhargava Proprietor	Jumbo International Jumbo House, Dr. Jha Marg, O.I.A PH-3, New Delhi 110 020	Agricultural	DISCOMs	25.06.2020
56	56	Ms. Neeta Gupta	A-17, Antriksh Apartments, New Town, CGHS Ltd. Sector 14-Extension, Rohini Delhi 110 085 Neetagupta.vg111@gmail.com	Domestic	DISCOMs	28.06.2020
57	57	Sh. Sandeep Sharma	Sandeep.sharmaji80@gmail.com	Domestic	TPDDL	29.06.2020
58	58	Sh. B.P. Agarwal Advocate	Bpagarwal57@gmail.com	Industrial/ Commercial	TPDDL	29.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
59	59	Sh. A K Rampal	anuprampal@gmail.com	Domestic	IPGCL & PPCL	30.06.2020
60	60	Sh. Arindam.K. Das, Regulatory Affairs BRPL	BSES Rajdhani Power Limited Corp. Office- Nehru Place, Delhi-19	DISCOM	IPGCL & PPCL	30.06.2020
61.	61	Sh. OP Singh, Addnl. G.M-HOD Regulatory TPDDL	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp Delhi 110009	DISCOM	IPGCL	30.06.2020
62.	62	Sh. OP Singh, Addnl. G.M-HOD Regulatory TPDDL	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp Delhi 110009	DISCOM	PPCL	30.06.2020
63.	63	Sh. OP Singh, Addnl. G.M-HOD Regulatory TPDDL	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp Delhi 110009	DISCOM	DTL	30.06.2020
64.	64	Sh. Ashok Bhasin	North Delhi Residents Welfare Federation Ashok.bhasin2015@gmail.com	RWA	DISCOMS	30.06.2020
65.	65.	Ms. Monica Rathamani	Sterlite Power Transmission Ltd. F-1 Mira Corporate Suites, Ishwar Nagar, New Delhi – 110065 Monica.rathamani@sterlite.com	commercial	DTL	01.07.2020
66.	66	Ms. Somya Tripathi Asstt. Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	Govt.	DISCOMs	01.07.2020
67	67	Sh. Ashok Kumar Gupta	H.No. D-8/13 KH. No. 37/14, Ground Floor, Rama Vihar Delhi	Domestic	DISCOMs	26.06.2020
68	68	Sh. Chander Singh	House No. 78-B Block K, Sharma Colony, Budh Vihar, Delhi 110 086	Domestic	DISCOMs	26.06.2020
69	69	Sh. Srikant Kumar	House No. 3245, Sarop Nagar, Tri Nagar, Delhi 110 035	Domestic	TPDDL	26.06.2020
70	70	Sh. Gopal Singh Badal	House No. A-2373, Gali No. 5 Rani Bagh, Delhi 110 034	Domestic	TPDDL	26.06.2020
71	71	Sh. Dharam Pal	Pal458395@gmail.com	Domestic	DISCOMs	23.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
72	72	Sh. Dharam Pal	House No. 159, Ground Floor Block Naraina, Delhi 110 028	Domestic	TPDDL	26.06.2020
73	73 73A 73B	Sh. Raju Aggarwal (Head Regulatory	BSES Yamuna Power Limited Shakti Kiran Building, Karkardooma, Delhi 110 032	Licensee	IPGCL PPCL DTL	03.07.2020 03.07.2020 03.07.2020
74	74	Sh. M.K.Poddar Ececutive Engineer (Comml.)	New Delhi Municipal Council Room No. 103, First Floor, S.B.S. Place, Gole Market, New Delhi 110001	Licensee	DISCOMs	19.08.2019
75	75	Dr. Ashok Kumar	1064, Gandhi Ashram, Narela, Delhi 110040	Association	DISCOMs	04.03.2020
76	76	Dr. Anil Kumar Sharma	National Council for Teacher Education	GOVT.	DISCOMs	22.10.2019
77	77	Sh. Sanjay Vig (General Secretary)	D.S.I.D.C. S F S Entrepreneur Association (Regd.)	Association	DISCOMs	18.10.2019
78	78	Sh. Surender Gupta (General Secretary)	Mangolpuri Industrial Area (Phase-I&II) C.E.T.P. Society (Regd.)	Association	DISCOMs	18.10.2019