

ARR for FY 2024-25

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

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

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(9) Distribution Norms:

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

Based on the above norms, the Petitioner submits its Aggregate Revenue Requirement for FY 2024-25.

Projected Energy Sales & Billed Revenue for FY 2024-25

To estimate the energy sales for the years FY 2024-25, the Petitioner has considered the underlying factors which drive the demand for electricity and past growth trend. Demand forecast is based on the standard approach looking at the past year's consumption trend. The assumptions considered for forecasting category wise sales are as below:

1. To estimate the energy sales for FY 2024-25, the petitioner has considered FY 2023-24 as base year with actual sales of first 5-months FY 2023-24- and 7-months sales as projected based on FY 2022-23 with incremental CAGR growth factor.
2. Based upon available growth trends, Compounded Annual Growth Rate (CAGR) of 5 Years is considered for the Sales forecast, Consumers and Load other than Public Utilities and E-vehicles for which 1 year (CAGR) is considered on base year of FY 2023-24.
3. For those categories where CAGR/ past growth trends are not showing any particular type of movement then the demand has been forecasted based on consumption pattern of FY 2023-24.
4. Impact of Demand Side Management due to replacement of existing electrical equipment's with the star rated equipment's have been considered while forecasting the sales.
5. Impact of Net Metering due to Solar Energy generated by the different categories of consumers has also been factored while forecasting the energy sales. Prospective plans of generation under Net metering is given below.

Category	FY 2024-25 (in MUs)
Domestic	2
Non Domestic	3
Industrial	6
Total	11

6. Impact of movement of consumers under Open Access has also been factored for future years. FY 2024-25 projection of reduction in consumption (in MU) due to open Access is given below:

Category	FY 2024-25 (in MUs)
Industrial	8
Non Domestic	6
Total	14

Previous year billed sales trends are given below:

Year on Year Category wise billed Sale from FY 2018-19 onwards is given below

From FY 2018-19 to FY 2023-24, there has been an CAGR growth of 1.96% in billed units (i.e. from the level of 8,867 Mus to 9,769 Mus.)

Table 4.1: Category wise summary of units sold from FY 2018-19 to FY 2023-24

S. No.	Category	FY19 Sales (MU)	FY20 Sales (MU)	FY21 Sales (MU)	FY22 Sales (MU)	FY23 Sales (MU)	FY24 Sales (MU) Estimated
1	Domestic	4,068.23	4,321.09	4,473.85	4,428.00	4,934.97	4,728.23
2	Non Domestic	1,540.84	1,552.30	1,182.43	1,349.27	2,094.40	2,336.15
3	Industrial	2,538.52	2,496.57	2,080.42	2,340.17	2,176.62	1,902.50
4	Agriculture & Mushroom Cultivation	13.76	15.03	16.79	14.43	17.60	16.73
5	Public Utilities	614.74	579.90	439.97	500.56	574.18	598.18
6	Own Consumption	12.27	12.75	13.11	13.63	13.30	18.70
7	Advertisement & Hoarding	0.42	0.38	0.48	0.42	0.32	0.29
8	Others**	78.58	107.70	103.38	105.74	135.35	168.55
	Total	8,867.37	9,085.73	8,310.43	8,752.21	9,946.72	9,769.33

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

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

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

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	3.05%	2.28%	1.86%	3.33%	(4.19%)
2	Non Domestic	0.77%	1.15%	9.11%	7.18%	(0.76%)
3	Industrial	0.77%	1.15%	9.11%	7.18%	(0.76%)
4	Agriculture & Mushroom Cultivation	2.15%	0.64%	(2.43%)	7.40%	(5.63%)
5	Public Utilities	(0.54%)	0.78%	10.78%	9.32%	4.18%
	Total	1.96%	1.83%	5.54%	5.65%	(1.78%)

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

Domestic

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

Based on the estimated sales of 4728 MU for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
3.05%	2.28%	1.86%	3.33%	(4.19%)

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 3.05%, (i.e. 5 year CAGR) to estimate the energy sales for domestic consumers considering FY 2023-24 as base year.

Further impact due to energy generated under roof top solar has been adjusted in the domestic consumption as per above assumptions.

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

Table 4.3: Projected billed energy for FY 2024-25

S. No.	Category	FY 2023-24 Sales (MU)	Growth (%)	FY 2024-25 Sales (MU)
A	Domestic			
I	Domestic - Others than CGHS	4,702.02	3.05%	4,845.55
	Adjusted due to			
	Metering of Roof top solar			2.00
	Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			4.00
	Open Access			-
	Net Consumption – Domestic			4,839.55
II	Single delivery point for CGHS/Hospital	26.21		27.01
	Total Domestic	4,728.23		4,866.56

Non-Domestic

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

Based on the estimated sales of 2336 MU for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
0.77%	1.15%	9.11%	7.18%	(0.76%)

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 0.77%, (i.e. 5 year CAGR) to estimate the energy sales for Non-domestic consumers considering FY 2023-24 as base year.

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

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

Table 4.4: Projected billed energy for FY 2024-25

S. No.	Category	FY 24 Sales (MU)	Growth (%)	FY 25 Sales (MU)
A	Non-Domestic			
I	Non -Domestic upto 3 kVA	2,336.15	0.77%	2,354.12
II	Non -Domestic above 3 kVA			
	Less: Open Access			6.00
	Less- Adjustment for Net Metering			3.00
	Net Consumption			2,345.12

Industrial

The consumption of energy by Industrial consumers constitutes approx. 19% part of total sales of the Petitioner.

Based on the estimated sales of 1,902 MU to industrial consumers for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
0.77%	1.15%	9.11%	7.18%	(0.76%)

Considering the available trends of CAGR, the Petitioner has considered a growth rate of 0.77% (i.e. 5 year CAGR) to estimate the energy sales for Industrial consumers considering FY 2023-24 as base year.

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

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

Table 4.5: Projected billed energy for FY 2024-25

S. No.	Category	FY 2023-24 Sales (MU)	Growth (%)	FY 2024-25 Sales (MU)
A	Industrial			
I	Industrial	1,902.50	0.77%	1,917.12
	Less: Impact of DSM due to replacement of existing electrical equipment's with the star rated equipment's			3.58
	Less: Open Access			8.00
	Less- Adjustment for Net Metering			6.00
	Net Consumption			1,899.54

Agriculture and Mushroom Cultivation

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

Based on the estimated sales of 17 MU for FY 2023-24, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
2.15%	0.64%	-2.43%	7.40%	(5.63%)

The Petitioner has considered the CAGR of 5 Year i.e. 2.15% growth for projecting the agriculture & mushroom cultivation consumption.

Table 4.6: Projected billed energy for FY 2024-25

S. No.	Category	FY 2023-24	Growth (%)	FY 2024-25
		Sales (MU)		Sales (MU)
Agriculture & Mushroom				
I	Agriculture & Mushroom	16.73	2.15%	17.09

Public Utilities

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

Based on the estimated sales of 598 MU for FY 2023-24 the Petitioner has computed CAGR over a period of one year to five years.

Categories	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
Public Utilities	-0.54%	0.78%	10.78%	9.32%	4.18%

Based on 1-year CAGR below projected energy is considered for sale.

Table 4.7: Projected billed energy for FY 2024-25

S. No.	Category	FY 2023-24	Growth (%)	FY 2024-25
		Sales (MU)		Sales (MU)
Public Utilities				
I	Public Utilities	598.18	4.18%	623.19
	Net Consumption	598.18		623.19

Own Consumption

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

Table 4.8: Projected energy from FY 2024-25

S. No.	Category	FY 2024-25 Sales (MU)
I	Billed Sale	9,978.24
II	Own consumption @ 0.25%	0.25%
III	Own consumption MU	24.95

Adv. & Hoardings

The consumption of energy by Adv. & Hoardings consumers constitutes a very little portion of total sales of the Petitioner. The Petitioner has considered a growth of 0.77% just like Non Domestic to project the energy sales for Adv. & Hoardings.

Table 4.9: Projected energy for FY 2024-25

S. No.	Category	FY 2023-24	Growth	FY 2024-25
		Sales (MU)	Rate	Sales (MU)
I	Adv. & Hoardings	0.29	0.77%	0.30

E – Vehicle

Based on the estimated sales of 77 MU for FY 2023-24 the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
62.73%	43.14%	67.82%	82.18%	75.09%

Based on 1-year CAGR of 75.09% below projected energy is considered for sale

Table 4.10: Projected energy for FY 2024-25

S. No.	Category	FY 2023-24	Growth	FY 2024-25
		Sales (MU)	Rate	Sales (MU)
I	E-Vehicle	77	75.09%	134.18

Others (including Temporary Supply, Misuse and Theft)

The Petitioner has projected following sale for temporary, misuse, Theft and Staff category consumers.

Table 4.11: Projected energy for FY 2024-25

S. No.	Category	FY 2024-25 Sales (MU)
I	Others	92.27

Based on the above assumptions and explanations, the category wise estimated summary of billed sale (MU) for FY 2024-25 is given below:

Table 4.12: Projected Sales (MU) for FY 2024-25

S. No	Category	FY 2024-25 (Mus)
A	Domestic	4,866.56
	Domestic - Others than CGHS	4,839.55
	Single delivery point for CGHS/Hospital	27.01
B	Non –Domestic	2,345.12
C	Industrial	1,899.54
D	Agriculture	15.63
E	Mushroom Cultivation	1.46
F	Public Utilities	623.19
G	Adv. & Hoardings	0.30
H	E-Vehicle	134.18
I	Others* including Temporary Supply	92.27
J	Own consumption	24.95
	Total	10,003.19

*Others includes Staff, Theft & Misuse

Estimated Consumers for next year

To estimate the number of Consumers for year FY 2024-25, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connection and consumer growth for FY 2024-25. Also, number of consumers estimate were forecasted based on the standard approach looking at the past year's trend as follows:

- a) CAGR of five year has been considered for consumer projections for FY 2024-25 for categories like Domestic, Non Domestic, Industrial, Agriculture & Mushroom in line with CAGR used for Sales.
- b) CAGR of one year has been considered for consumer projections for FY 2024-25 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

CAGR of Consumers based on Main Category wise consumption

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
1	Domestic	4.58%	4.52%	4.74%	5.15%	6.13%
2	Non Domestic	1.58%	1.78%	2.08%	2.55%	2.72%
3	Industrial	1.58%	1.78%	2.08%	2.55%	2.72%
4	Agriculture & Mushroom Cultivation	0.27%	0.02%	-0.24%	0.68%	2.20%
5	Public Utilities	3.47%	2.64%	1.95%	1.32%	1.78%
6	E-vehicle	36.14%	29.85%	35.77%	42.92%	57.13%
	Total	4.06%	4.04%	4.29%	4.75%	5.61%

The Petitioner has projected approx. 21.54 lakhs consumers for FY 2024-25. Category wise breakup of Consumers is given below:

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

S. No.	Category	FY 2024-25
A	Domestic	1,83,7845
B	Non -Domestic	2,72,456
C	Industrial	12,911
D	Agriculture	4,263
E	Mushroom Cultivation	20
F	Public Utilities	6,674
G	Adv. & Hoardings	225
H	Others- including E vehicle	20,524
	Total	2,154,919

Estimated Consumer Load for next year

To estimate the consumer load for year FY 2024-25, the Petitioner has considered FY 2023-24 as base year for available growth trends. The Petitioner has further analyzed the underlying factors which drive the demand for new connections and consumer load growth for FY 2024-25. Also load estimate is forecasted based on the standard approach looking at the past year's trend as follows:

- a) CAGR of five year has been considered for consumer load projections for FY 2024-25 for categories like Domestic, Agriculture & Mushroom in line with CAGR used for Sales.
- b) CAGR of one year has been considered for consumer load projections for FY 2024-25 for categories like E-Rickshaw/ E- Vehicle & Public Utilities due to major change in Trend of New Connection of these categories of consumers.

CAGR of Consumers Load based on Main Category wise consumption

S. No.	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
A	Domestic	4.34%	4.85%	5.52%	6.17%	6.12%
B	Non Domestic	(0.14%)	0.55%	2.00%	2.08%	3.42%
C	Industrial	(0.14%)	0.55%	2.00%	2.08%	3.42%
D	Agriculture & Mushroom Cultivation	2.63%	2.87%	3.72%	3.73%	5.99%
E	Public Utilities	4.91%	(6.47%)	2.43%	2.46%	1.66%
F	E -vehicle	81.38%	88.48%	121.89%	121.09%	104.10%
	Total	2.56%	2.73%	4.18%	4.70%	5.36%

For the purpose of computing fixed charges, the Petitioner has projected load of 7047 MW for FY 2024-25. Category wise break up of consumers load is given below:

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

S. No.	Category	FY 2024-25
A	Domestic	3,881.06
B	Non –Domestic	1,924.83
C	Industrial	820.82
D	Agriculture	33.88
E	Mushroom Cultivation	0.48
F	Public Utilities	230.88
G	Adv. & Hoardings	0.51
H	Others- including E vehicle	156.01
	Total	7,047.47

Estimated Revenue at existing Tariff for next year

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

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

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

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

Methodology for Computation of Fixed Charges for Domestic Consumers

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

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

Methodology for Computation of Energy Charges for Domestic Consumers

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

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

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

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

Category wise estimated Revenue Billed for respective year of control period is given below:

Table 4.15: Estimated Billed Revenue for FY 2024-25 (Rs Cr)

Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Domestic	243.91	1,779.18	0.00	2,023.08	4.16	141.62
Non –Domestic	577.15	2,008.09	10.95	2,596.19	11.07	181.73
Industrial	246.24	1,570.02	10.47	1,826.73	9.62	127.87
Agriculture	5.08	2.34	0.00	7.43	4.75	0.52
Mushroom Cultivation	0.12	0.51	0.00	0.63	4.29	0.04
Public Utilities	69.26	417.40	0.35	487.01	7.81	34.09

Category	Fixed Charges	Energy Charges	TOD Tariff	Total Revenue	ABR Rs kWh	7% PT
Adv. & Hoardings	0.15	0.25	0.00	0.41	13.72	0.03
E Vehicle	0.01	60.38	0.25	60.64	4.52	4.25
Others	4.41	67.22	0.00	71.63	6.11	4.99
Total	1,146.34	5,905.40	22.02	7,073.75	7.07	495.14
8% Deficit Revenue Surcharge				565.87		

Collection efficiency

The Hon'ble Commission has approved collection target of 99.80% for 5th Control period vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2023.

Relevant extract of the same is given below:

26. TARGET FOR COLLECTION EFFICIENCY

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

Based on above, collection efficiency at 99.80% level is considered for FY 2024-25.

Table 4.16: Estimated Energy Collection

(Rs. Cr)

S. No.	Particulars	Amount	Remark
A	Estimated Billing at Current Tariffs –without DRS, E tax & Pension Trust	7,073.75	Table 4.15
B	Collection Efficiency	99.80%	
C	Estimated Collection	7,059.60	(A*B)

Target for Distribution Loss Level

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

Table 4.17: Distribution loss level for 5th Control Period

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

Based on above table, distribution loss level of 6.83% for FY 2024-25 has been considered and corresponding energy requirement at the Petitioner periphery comes to 10,736 MU for FY 2024-25.

Table 4.18: Estimated Energy Requirements for FY 2024-25

S. No.	Particulars	UoM	Amount	Remark
A	Expected Sales	MU	10,003	Table 4.12
B	Distribution Loss	%	6.83%	Table 4.17
C	Energy Input (at TPDDL periphery)	MU	10,736	A/(1-B))
D	Distribution Loss	MU	733	(C-A)

Power Purchase Projections for FY 2024-25

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

Allocation of Power from Central and State Generating Stations

- Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the latest allocation order has been considered.
- Further, allocation from various stations has been considered as per the Hon'ble Commission Tariff Order for FY 2021-22.
- It is further clarified that no power from unallocated quota has been considered for projection purposes.
- Medium Term Hydro Purchase from NVVNL has been considered from May'2024 to Sep'2024.
- No other Bilateral Purchase has been considered.

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

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

- (i) To estimate the energy (MU) which would be scheduled from the long-term sources; stations like Hydro, Nuclear, Renewable & Delhi Genco stations have been considered as must run stations. All other plants have been considered to be running at minimum technical limit (MTL) and further, it has been assumed that the plants having Energy charge rate (ECR) less than the estimated sale rate at exchange shall be scheduled to the maximum allocation for maximizing the sale rate of surplus power.
- (ii) Interstate STOA Charges have been considered as 5 Paise for the short-term purchase.
- (iii) The generation expected from Own TPDDL- Solar installed capacity and roof top solar has been considered at 15% Capacity Utilization Factor (CUF).
- (iv) No energy is considered to be scheduled from Rithala in view of DERC directive.

- (v) The ECR's have been considered as per following:
- a. Thermal stations: As per latest ECR of Aug'2023 (ECR with Zero/Minimal coal blending has been considered since no further update is available on percentage of blending in next FY).
 - b. Hydro Stations: Apr to Aug: - As per FY 2023-24 & for Sep to Mar as per FY 2022-23
 - c. Nuclear Stations: Apr to Aug: - As per FY 2023-24 & for Sep to Mar as per FY 2022-23
 - d. Renewable Stations: As per their PPA tariffs
- (vi) PGCIL Transmission charges have been considered as per the last year billing trend. Billing of Approx. Rs. 56 cr. has been considered for each month. No arrears have been considered.
- (vii) New Plant additions considered in FY 2024-25 are:
- a. SECI Solar ACME 100 MW added for full year at 24% CUF considering ECR of Rs. 2.51/-unit.
- (viii) Others
- a. Flue Gas Desulfurization (FGD) has been considered in plants (Dadri 2, Aravali Jhajjar, CLP Jhajjar) in line with MoEF&CC notification dated 05th Sept' 2022 regarding the FGD which has been categorized under "A" based on certain parameters. As per the communications from the generators the same have been considered for complete year. However, the same has not been considered in Energy balance table 4.28
 - b. Compensation charges of Rs. 6.7 Cr. has been considered to the extent of the Aravali Jhajjar being backed down during Oct' to Mar' based on last year trend.
 - c. REC cost of Rs. 42 Cr. has been considered for meeting the RPO compliance against the shortfall of RPO quantum. The same has been considered @ Rs. 1 + GST (18%).

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

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

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

- (i) Fixed Cost is considered as per Current Billed AFC's.
- (ii) Variable cost for FY 2024-25 for each generating station, considered as per above assumptions.
- (iii) Scheduling from Delhi Gencos has been considered as follows: GT (Half Module from April'2024 to Mar'2025), Pragati- 1(Full Module from April'2024 to September'2024 and half module for October'2024 and for remaining period Nil) and for Pragati 3 (Full Module from April'2024 to Septemebr'2024 and half module from October'2024 to Matrch'2025).

Table 4.19: Projected Power Purchase from State Generating Stations for FY 2024-25

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
A	State Generating Stations				
I	Pragati	243	29	238	267
II	Pragati III	745	285	476	760
III	GT	96	16	117	133
	Total SGS	1,084	330	830	1,160

Central Sector Generating Stations

- (i) Thermal Plants: The estimates for energy availability from coal-based plants are based on the normative month wise availability (PAFM) of the stations.
- (ii) Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.
- (iii) Hydro Plant: The energy estimation is based on the actual energy received from these plants in previous years.
- (iv) To estimate the energy (MU) which would be scheduled from the CSGS, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to 85% of allocation.

- (v) Scheduling from these Central Generating Stations Plants have been 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)
- (vi) From April to September Plant availability of 85% has been considered for three units of Aravali Jhajjar (578 MW) & two units of CLP Jhajjar (124 MW) and from October to March 55% Plant availability is being considered for scheduling purposes.
- (vii) No New Thermal capacity addition has been considered.

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

Table 4.20: Projected Power Purchase from Central Generating Stations

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
Central State Generating Stations					
A	NTPC				
I	ANTA	4	6	4	10
II	Auriya GPS	9	12	11	23
III	Dadri GPS	13	11	15	25
IV	Rihand STPS-I	211	17	34	51
V	Rihand STPS-II	271	21	43	64
VI	Unchahaar-I TPS	50	5	20	25
VII	Unchahaar-II TPS	98	11	36	47
VIII	Unchahaar-III TPS	60	7	25	32
IX	Dadri (Th)	0	0	0	0
X	Dadri (Th) II	22	3	10	13
XI	Kahalgaon-I TPS	106	11	33	44
XII	Kahalgaon-II TPS	339	31	99	130
XIII	Aravali	3,546	674	1,486	2,160
XIV	Farakka	48	4	15	20
XV	Singrauli STPS	319	24	52	77
	Total	5,096	839	1,882	2,721
B	NHPC				
I	Bairasul	21	2	2	5

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
II	Tanakpur	15	4	3	8
III	Chamera-I	51	5	6	10
IV	Chamera-II	50	6	5	11
V	Chamera-III	38	9	8	17
VI	URI	88	9	7	16
VII	URI II	62	13	12	24
VIII	Dhauliganga	47	7	6	13
IX	Sewa II	25	6	7	13
X	Dulhasti	75	17	17	34
XI	Parbati III	16	11	2	13
	Total	486	90	74	165
C	THDC				
I	Tehri HPP	68	12	13	26
II	Koteshwar HEP	38	9	10	19
	Total	106	21	23	44
D	DVC				
I	DVC (CTPS 7&8)	618	101	172	273
II	DVC (MTPS 6)	206	24	72	96
	Total	824	125	244	369
E	NPCIL				
I	NAPS	107	0	32	32
II	RAPS	128	0	48	48
	Total	234	0	79	79
F	SJVNL				
I	Naptha Jhakri	191	27	23	49
	Total	191	27	23	49
G	Others				
I	Tala	16	0	4	4
II	Sasan, MP	405	6	47	53
III	CLP Jhajjar	761	64	291	355
IV	MPL	2,094	307	534	840

S. No.	Source	Petitioner Share	Fixed Charges	Variable Charges	Total Charges
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
	Total	3,276	378	874	1,252
	Total CSGS (A+B+C+D+E+F+G)	10,213	1,479	3,200	4,679

Renewable Power Purchase Obligation

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

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

Table 4.21: Targets for Renewable Power Purchase Obligation

S. No.	RPO Targets for Distribution Licensees	FY 2024-25
1	Wind RPO	2.46%
2	Other RPO	26.37%
3	HPO Target	1.08%
4	Total RPO Target	29.91%

Based on above targets, following RPO/REC cost has been considered for FY 2024-25:

Table 4.22: RPO Compliance for FY 2024-25

S. No.	Particulars	UoM	FY 24-25		
			Wind	HPO	Other RPO
A	Projected Energy sale for FY 2024-25	MU	10,003		
B	RPO target–Solar & Non-Solar	%	2.46%	1.08%	26.37%
C	RPO target –Solar & Non-Solar	MU	246.08	108.03	2,637.85
D	RPO Compliance through	MU			2,763.02
i	Purchase from TPDDL Solar	MU			1.40
ii	Purchase from SECI 20 MW	MU			41.98
iii	Purchase from SECI 100 MW [ACME]	MU			211.78
iv	Purchase from SECI 200 MW [SBSR]	MU			246.64
v	SunEdison	MU			326.36

S. No.	Particulars	UoM	FY 24-25		
			Wind	HPO	Other RPO
vi	Net Metering- at Gross (Rooftop)	MU			98.55
vii	Suryakanta	MU			45.02
viii	Nanti Hydro	MU			42.08
ix	Medium Term Hydro 200 MW	MU			547.35
x	Purchase from Singrauli Small Hydro	MU			6.72
xi	Purchase from DMSWL	MU			40.65
xii	SECI Wind	MU			135.47
xiii	Purchase from TOWMCL	MU			48.20
xiv	Cosmos Hydro	MU			75.68
xv	Taranda Hydro	MU			40.63
xvi	SDMC	MU			55.85
xvii	Purchase from Large Hydro	MU			798.67
E	(Excess)/ Shortfall= (C-D)	MU	246.08	108.03	(125.17)
F	Inter head adjustment which can be done	MU	-	-	-
G	Available inter head quantum	MU	246.08	108.03	(125.17)
H	REC rate + 18% GST	Rs/kWh	1.18	1.18	1.18
I	Cost for REC purchase	Rs Cr	29.04	108	
L	Total REC Cost				41.79

Power Procurement through NET Metering

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

Solar Capacity	Target / Milestone FY 2024-25
Capacity in MW	75
Energy in MU	98.6

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

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

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

S. No.	Stations	Petitioner Share	Total Charges
		(MU)	(Rs Cr)
A	Solar		
I	Purchase from TPDDL Solar	1	1.23
II	Purchase from SECI 20 MW	42	23.09
III	Purchase from SECI 100 MW	212	8.86
IV	Purchase from SECI 200 MW	247	66.10
V	SunEdison	326	129.24
VI	Net Metering	35	19.59
	Sub-Total	863	248.11
B	Non-Solar		
I	SECI Wind 1	135	34.14
II	TOWMCL	48	27.67
III	Singrauli Small Hydro	7	3.39
IV	Suryakanta	45	17.11
V	Nanti Hydro	42	18.08
VI	Medium Term Hydro (200 mw)	547	330.87
VII	DMSWL	41	28.58
VIII	Cosmos Hydro	76	33.60
IX	Taranda Hydro	41	17.43
X	SDMC @100%	56	24.01
	Sub-Total	1,038	534.89
	Total	1,901	782.99

Short Term Sale

Surplus unit: Based on the energy required at the Petitioner's periphery and Gross Power Purchase schedule to the Petitioner, the surplus power available for sale is determined which shall be sold and the sale proceeds shall entirely go towards reducing the net power purchase cost charged to consumers. Given below is the surplus power available for sale in FY 2024-25:

Table 4.24: Short Term Power Sale

Source	Amount
Sale of Surplus Power – MU	(2,000.90)
Revenue from Sale of Surplus Power – Rs Cr	(800.36)
Per unit Rate- Rs/kWh	4.00

Transmission Losses

Transmission losses have been considered @ 4% for PGCIL & DTL as a whole.

Given below is the year-on-year projected transmission losses for FY 2024-25:

Table 4.25: Transmission Losses for FY 2024-25

Source	Mus
Inter-State Transmission	(362.16)
Intra-State Transmission (DTL)	(98.54)
Total Transmission Losses	(460.70)

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

Table 4.26: Transmission Charges for FY 2024-25

Source	Amount (Rs Cr.)
PGCIL Charges	672.00
DTL & SLDC Charges	360.00
Other Transmission charges, LDC charges, STOA Charges	46.88
Total (excluding Pension Trust)	1,078.88

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

Additional Impact due to CERC Tariff Regulations, 2019 on FGD and arrears impact due to CERC orders

- Fleu Gas desulfurization (FGD) expected in plants (Dadri 2, Aravali Jhajjar, CLP Jhajjar) in line with MoEF&CC notification dated 05th Sept' 2022 regarding the timelines for compliance for FGD and categorized the power plants in category A, B & C as per location of plant. As per the communications from the generator i.e Aravali Jhajjar (Major contributor is Aravali

Jhajjar for TPDDL due to allocation of 578 MW) they are going to install FGD & operational in current FY 2023-24, so the additional expected cost would be tentatively Rs. 139 Cr for full FY based on the FGD rates quoted in petition by plant. However, the same has not been considered in Energy balance table 4.28.

- b. No Arrear has been considered in energy balance due to uncertainty of the amount and duration of the legal cases to get complete.
- c. Compensation charges of Rs. 6.7 Cr have been kept to the extent of the Aravali Jhajjar backed down from Oct'2024 to Mar'2025.

Normative Rebate

CERC in its Tariff Regulations (2019-24) has reduced rate of normative rebate from the existing rate of 2% to 1.50%. However, the Hon'ble Commission has kept the normative rebate at 2.00% and considered 1.50%, 2.00% and 2.50% normative rebate. Therefore, normative rebate for the purpose of Power Purchase cost is computed in table below:

Table 4.27: Computation of Normative Rebate

Genco's	Rate	Amount (Rs Cr)
State Generating Stations		
Pragati	2.00%	5.34
Pragati III	1.50%	11.41
GT	2.00%	2.66
Central Generating Stations		
NTPC	1.50%	40.81
NHPC	1.50%	2.47
NPCIL	2.50%	1.98
Others	1.50%	25.72
Transmission		
DTL & SLDC	2.00%	7.20
PGCIL/CTUIL	1.50%	10.08
Total		107.67

Energy balance for FY 2024-25

Based on above submissions, Energy balance for FY 2024-25 is given below:

Table 4.28: Energy Balance Summary and Power Purchase Cost for FY 2024-25

S. No.	Particulars	Energy	Amount	Rate
		MU	Rs. Cr	Rs/unit
A	Power from CSGS	10,213	4,679	4.58
B	Power from SGS	1,084	1,160	10.70
C	Short Term Power Purchase (Medium Term 200 MW)	-	-	-
D	RPO obligation to be met through purchase from renewable sources	1,901	783	4.12
E	RPO obligation to be met through purchase of REC & HEC		42	
F	FGD		139	
G	Arrears/Compensation			
	TOTAL Purchase	13,198	6,810	5.16
H	Transmission losses (Intra state & Interstate)	(461)		
I	Transmission charges		1079	
	Total Purchase with Tx	12,737	7,889	6.19
J	Less: Short Term surplus power sale	(2001)	(800)	4.00
K	Less: Normative Rebate		(108)	
	Net Power Purchase Cost	10,736	6,981	6.50

Operation & Maintenance Expenses for FY 2024-25

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

The Petitioner is seeking O&M Expenses for FY 2024-25 as given in table below.

Table 4.29: O&M Expenses entitlement for FY 2024-25

S. No.	Particulars	Rate Paise/unit	Amount Rs. Cr	Remark
A	Normative O&M Expenses	62.09	673.05	As specified in page no. 59 SOR of BPR 2023
B	FRSR Employee Cost (Net of capitalization)		271.24	To be allowed on actuals as per clause no 23 (5) of BPR 2023
C	Statutory Levies			To be allowed on actuals as per clause no 23 (6) of BPR 2023
i	DERC License Fee		4.50	As per actual Payment for FY 2023-24
ii	Land License Fee		16.21	As per actual of FY 2023-24 4.66% inflation as per BPR 2023
iii	Property Tax		2.27	As per actual of FY 2022-23 + 4.66% inflation for 2 years as per BPR 2023
iv	Rates and Taxes		0.15	
v	CETP Charges		0.43	
vi	Other Regulatory Charges		0.93	
D	Legal Expenses		24.41	
E	Replacement cost against FRSR retirees		36.12	Refer note below
	Total amount Sought towards O&M Expenses		1,029.31	

The Petitioner has considered normative O&M expenses at Rs. 673.05 Cr for FY 2024-25 as per the estimated O&M expenses considered by the Hon'ble Commission. Since there seems to be an ambiguity in CAGR considered by the Hon'ble Commission while deriving sales (Mus) for FY 2024-25, therefore the Petitioner has not considered O&M expenses based on estimated sales per unit rate as prescribed in BPR 2023. Further the above computation shall be subject to any subsequent amendment/relief provided by the Hon'ble Commission against O&M regulations of BPR 2023.

FRSR employee cost (on Actual Basis)

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

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

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

Therefore, FRSR employee cost for FY 2024-25 has been computed based on FY 2022-23 estimated actuals with following assumptions:

- a) Total increase of 12% on account of DA hike (twice a year), promotions & annual increment
- b) Net of capitalization
- c) Net of estimated savings due to retirements expected in FY 2024-25

FRSR Replacement Cost

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

The Petitioner based on the expected superannuating employees from FRSR structure has estimated replacement cost at Average Employee cost payable for additional recruitment of Non-FRSR employees against superannuating FRSR Employees at Rs. 36.12 Crs.

Statutory Levies to be allowed on actual basis

As per regulations 23 (6) Statutory levies like license fee paid to the Hon'ble Commission has been considered on the basis of actual payment for FY 2023-24 & one year inflation as allowed in Business Plan Regulation, 2023. Property tax amount has been considered based on FY 2022-23 actual expense & two years inflation as allowed in Business Plan Regulation, 2023.

As per Statement of Reasons [point (e) page no. 55] for Business plan Regulations 2023, the Hon'ble Commission has specified to allow rates and taxes on actual basis. Apart from license

fees and property tax, Rates and taxes also include CETP Charges, stamp duty, court charges etc. Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2022-23 & two years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2024-25.

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

Other Regulatory Expense

The '**Other Regulatory expense**' include statutory expense like contribution towards expenses of electricity ombudsman & Consumer Grievance Redressal Forum (CGRF) as per the direction of the Hon'ble Commission and petition filing fee with the Hon'ble Commission for various petitions like ARR & Tariff, Power purchase agreement approval, PPAC petition etc.

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

The Formation of forum for redressal of grievances of the consumer by licensee is governed by clause 5, Section 42 (Duties of distribution licensee and open access) of Electricity Act'2003. Further the payment of electricity ombudsman is released as per communication received from the Hon'ble Commission from time to time.

Therefore, it is requested to the Hon'ble Commission to include these expenses based on actual expense of FY 2022-23 & two years inflation as allowed in Business Plan Regulation, 2023 for determination of ARR of FY 2024-25

Legal Expenses

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

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

With respect to above, the Petitioner would like to mention that the legal expenses should be allowed to the Petitioner. Non allowance of legal expenses amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The distribution business is a regulated business under the aegis of this Commission. The majority of issues in Distribution Business will arise out of orders/ directions issued by the Commission. In all such cases, the Petitioner has right to challenge the same before the Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses without any distinction should be allowed as an expense in the ARR.

Therefore, it is requested to the Hon'ble Commission to allow Rs 24.41 Cr. as part of ARR of FY 2024-25 basis last year actual expense. The said amount can be trued up based on prudence check of actual expenses.

Capitalization for FY 2023-24

The Hon'ble Commission in its Business Plan Regulations, 2023 has approved capitalization of Rs 430 Cr. for FY 2024-25 (excluding Rs. 50 Cr towards Capital Deposit). However, The Petitioner has considered capitalization for FY 2024-25 as following:

Table 4.30: Approved Capitalization for FY 2024-25

Particulars	Amount (Rs Cr)
Capitalization including deposit work	413
Less- Deposit work	50
Total Capitalization excluding deposit work	363

It is worthwhile to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2024-25 is considered as given below:

Table 4.31: Capitalization considering Deposit work for FY 2024-25

Particulars	Amount (Rs Cr)
Capitalization without deposit work	300
Employee cost capitalization & IDC	63
Deposit Work	50
Total including Deposit Work	413

Considering the capitalization of Rs. 413 Cr, gross block of fixed assets for FY 2024-25 works out as follows:

Table 4.32: Capitalization of Fixed Assets

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening balance of Gross Fixed Assets (as on 1st April'2020)	5,996.08	Table 3.82 of Tariff Order 2021-22
B	Add- Capitalization during the FY 2020-21	501.39	Table 3.45 of True up Petition 2020-21
C	Less- Retirement/ De-capitalization for the FY 2020-21	41.17	Table 3.45 of True up Petition 2020-21
D	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2021)	6,456.30	(A+B-C)
E	Add- Capitalization during the FY 2021-22	415.76	Table 3.44 of True up Petition 2021-22
F	Add - 7th Pay LSC/PC capitalization	8.62	Table 3.45 of True up Petition 2021-22
G	Less- Retirement/ De-capitalization for the FY 2021-22	79.68	Table 3.45 of True up Petition 2021-22
H	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2022)	6,801.01	(D+E+F-G)
I	Add- Capitalization during the FY 2022-23	447.65	Note 4 of the Audited Financial Statement-Annexure I
j	Less- Retirement/ De-capitalization for the FY 2022-2023	54.94	Note 4 of the Audited Financial Statement-Annexure I
k	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2023)	7,193.71	(H+I-J)
L	Add- Projected Capitalization for FY 2023-2024	448.70	Table 2.33 of ARR Petition 2023-24
M	Less- Retirement/ De-capitalization for FY 2023-2024*	-	

N	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2024)	7,642.41	(K+L-M)
O	Add- Estimated Capitalization for FY 2024-2025	413.00	Table 4.31
P	Less- Retirement/ De-capitalization for FY 2024-2025*	-	
Q	Closing balance of Gross Fixed Assets (net of Retirement) (as on 31st Mar'2025)	8,055.41	(N+O+P)
R	Average Balance of Fixed Assets	7,848.91	((N+Q)/2)

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

Contributions, Grants, subsidies towards cost of Capital Assets

The contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized. It is estimated that Rs 50 Cr will be capitalized towards consumer contribution in FY 2024-25.

Table 4.33: Estimated Consumer Contribution capitalized

S. No.	Consumer Contribution/Grant	Amount (Rs Cr)	Remark
A	Opening Balance (as on 1st April'2020)	900.94	Table 3.84 of Tariff Order 2021-22
B	Add- Capitalized during the FY 2020-21	27.98	Table 3.46 of True up Petition 2020-21
C	Less- Refund during the FY 2020-21	16.89	Table 3.46 of True up Petition 2021-22
D	Closing balance (as on Mar'2021)	912.03	(A+B-C)
E	Add- Capitalized during the FY 2021-22	52.47	Table 3.46 of True up Petition 2021-22
F	Closing Balance (as on March'2022)	964.51	(D+E)
G	Add- Capitalized during the FY 2022-23	60.77	Note 21.1(ii) of Audited Financial Statement- Annexure I
H	Closing Balance (as on March'2023)	1,025.28	(F+G)
I	Add- Projected Capitalized for FY 2023-24	105.00	Table 2.32 of ARR Petition 2023-24
J	Closing Balance (as on March'2024)	1,130.28	(H+I)
K	Add- Projected Capitalized for FY 2024-2025	50.00	Table 4.31
L	Closing Balance (as on March'2025)	1,180.28	(J+K)
M	Average Cumulative Capitalized Consumer Contribution	1,155.28	(J+L)/2

Depreciation and Provision of Depreciation

The Hon'ble Commission in its 5th Control Period has followed same methodology for allowance of Depreciation as in 4th Control Period. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Thus, for the purpose of computation of Depreciation for FY 2024-25, the Petitioner has considered Depreciation rate of 4.80% equivalent to the rate considered for FY 2022-23 True up petition.

Table 4.34: Estimated Depreciation for FY 2024-25

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening GFA	7,642.41	Table 4.32
B	Net Additions to Asset during the year	413.00	Table 4.31
C	Closing GFA	8,055.41	A+B
D	Average GFA	7,848.91	(A+C)/2
E	Less: Average Consumer Contribution	1,155.28	Table 4.33
F	Average GFA net of Consumer Contribution	6,693.63	D-E
G	Average rate of depreciation	4.80%	Table 3.45 of True Up for FY 2022-23
H	Depreciation for the year (FY 2024-25)	321.22	F*G
I	Opening Depreciation (as on 1st April' 2023)	2,764.80	Table 3.47 of True Up for FY 2022-23
J	Add: Depreciation for the FY 2023-24	314.27	Table 2.35 of ARR for FY 2023-24
K	Closing Depreciation (as on March' 2024)	3,079.07	I+J
L	Closing Depreciation (as on March'2025)	3,400.29	H+K
M	Average Depreciation	3,239.68	(K+L)/2

Working Capital Requirement

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

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

(4) Distribution Licensee as follows:

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

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

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

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

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

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

Table 4.35: Computation of Change in Working Capital

S. No.	Particulars	Amount (Rs Cr)		Remark
A	Annual revenue requirement	9,557.18		Table 4.42
B	Receivables equivalent to 2 months ARR		1,592.86	A/12*2
C	Power Purchase expenses	6,981.23		Table 4.28
D	Add: 1/12th of power purchase expenses		581.77	C/12
E	Total working capital		1,011.09	B-D
F	Opening working capital		1,037.73	Table 3.48 of True Up of FY 2022-23 & Rs. 32.87 for FY 2023-24 (Table 2.36 of ARR FY 2023-24)
G	Change in working capital		(26.64)	(E-F)

Means of Finance for Capitalization for FY 2024-25

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 4.36: Means of finance

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Capitalization	413.00	Table 4.34
B	Less- Consumer Contribution Capitalized during the year	50.00	Table 4.33
C	Funding Requirement	363.00	(A-B)
D	Through- Debt @ 70%	254.10	C*70%
E	Through Equity @ 30%	108.90	C*30%

Regulated Rate Base

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

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

Based on the approved capitalization and corresponding depreciation thereon, estimated consumer contribution and estimated working capital requirement as computed above, computation of Regulated Rate Base for FY 2023-24 is given below:

Table 4.37: Computation of Regulated Rate Base

S. No.	Particulars	Amount (Rs Cr)	Remark
A	Opening Balance of OCFA	7,642.41	Table 4.32
B	Opening Balance of Accumulated Depreciation	3,079.07	Table 4.34
C	Opening Balance of Accumulated Consumer Contribution	1,130.28	Table 4.33
D	Opening balance of working capital	1,037.73	Table 4.35
E	RRB – Opening	4,470.79	(A-B-C+D)
F	Capitalization during the year	413.00	Table 4.34
G	Depreciation for the year (Including AAD)	321.22	Table 4.34
H	Consumer Contribution, Grants,	50.00	Table 4.36
I	Change in Working Capital	(26.64)	Table 4.35

J	ΔAB (Change in Regulated Base)	(5.75)	(F+G+H)/2+I
K	RRB – Closing	4,485.93	(E+F-G-H+I)
L	RRB(i)	4,465.04	(E+J)

Computation of WACC

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

Further, based on expected cost of debt for capex loans & working capital loan, the weighted average rate of interest has been considered @ 9.55% for FY 2024-25 i.e 8.55% SBI MCLR as on 15th Oct' 2023 plus 1% Margin.

Considering the above cost of debt and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2024-25.

Table 4.38 (i): Computation of Equity

S. No.	Particulars	Amount Rs Cr	Remark
A	Opening Equity for FY 2023-24	1,791.16	Table 3.52 of True Up for FY 2022-23
B	Capitalization during the FY 2023-2024	448.70	Table 4.32
C	Less: Consumer contribution & de-capitalization	(105.00)	Table 4.33
D	Net Capitalization	343.70	B+C
E	Equity for FY 2023-24	103.11	D*30%
F	Closing Equity FY 2023-24	1,894.27	A+E
G	Average Equity for FY 2023-24	1,842.72	(A+E)/2
H	Equity for FY 2024-25	108.90	Table 4.36
I	Average Equity for FY 2024-25	1,897.17	G+H/2
J	Closing Equity for FY 2024-25	2,003.17	F+H

Table 4.38 (ii): Weighted Average Cost of Capital (WACC) sought for FY 2024-25

S. No.	Particulars	Amount Rs Cr	Remark
A	Equity	1,897.17	Table 4.38 (i)
B	Debt- Capex	1,556.78	Balancing figure
C	Debt- working capital	1,011.09	Table 4.35
D	Return on Equity	14.00%	
E	Income Tax Rate	17.92%	Table 3.53 of True Up for FY 22-23
F	Grossed up Return on Equity	17.06%	D/(1-E)
G	Rate of Interest	9.55%	8.55% SBI MCLR as on 15 th Oct' 2023 plus 1% Margin
H	Weighted Average Cost of Capital	12.74%	

Considering the above computed WACC of 12.74% the Petitioner has computed ROCE for FY 2024-25 as follows:

Table 4.39: Computation of Return on Capital Employed

S. No.	Particulars	Amount Rs Cr	Remark
A	RRB (i)	4,465.04	Table 4.37
B	WACC	12.74%	Table 4.38 (ii)
C	Return on Capital Employed	568.82	(A*B)

Non-Tariff Income

The Petitioner has kept non-tariff income for FY 2024-25 at Rs 101.69 Cr which is in line with the methodology followed by the Hon'ble Commission in the past.

Table 4.40: Non-Tariff Income

S. No.	Particulars	Amount (Rs Cr)
A	Non-Tariff Income/Interest on Security Deposit	101.69
B	Additional Open Access charges	
C	Total	

Computation of Carrying Cost Rate

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

Further, based on the prevailing borrowing rate of carrying cost loans, rate of interest has been taken at 9.55% (SBI MCLR as on 15th Oct' 2023 plus 1% Margin) for FY 2024-25 for funding of regulatory gap.

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

Table 4.41: Computations of Carrying Cost Rate

S. No.	Particulars	FY 2024-25
A	Rate of Return on Equity	13.00%
B	Rate of Interest on Loan	9.55%
C	Rate of Carrying Cost	10.59%

Computation of Aggregate Revenue Requirement

Based on the above submissions, the total Aggregate Revenue Requirement for the FY 2024-25 comes to Rs. 9,557.18 Cr. Component wise breakup of the same is given below:

Table 4.42: Summary of Aggregate Revenue Requirement

S. No.	Particular	Amount (Rs Cr)	Remark
A	Cost of Power Purchase	6,981.23	Table 4.28
B	O&M Expenses including Legal expenses	1,029.31	Table 4.29
C	Depreciation	321.22	Table 4.34
D	Return on Capital Employed	568.82	Table 4.39
E	Carrying Cost	758.28	Table 4.44
F	Less: Non-Tariff Income/ Interest on consumer security deposit	(101.69)	Table 4.40
G	Annual Revenue Requirement	9,557.18	

Computation of Revenue (Gap)/surplus without carrying cost & DRRS for FY 2024-25

Based on the above submission, the Petitioner has estimated Revenue Gap of Rs. (1,739.30) Cr for FY 2024-25.

Table 4.43: Computations of Revenue (Gap) for the year without carrying Cost

S. No.	Particular	FY 2024-25	Remark
		Estimated Rs Cr	
A	Aggregate Revenue Requirement for the year without carrying cost	8,798.90	Table 4.42
B	Revenue available for the year without DRRS	7,059.60	Table 4.16
C	Revenue (Gap)/surplus for the year	(1,739.30)	(B-A)

Computation of Closing Revenue Gap (on Provisional basis) along with Carrying Cost upto FY 2024-25

For the FY 2024-25, the Petitioner has estimated an amount of Rs 564.74 Cr towards 8% Deficit recovery surcharge and thereafter adjusted the said amount against the total of closing revenue gap for the year.

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

Table 4.44 Computations of Closing Revenue Gap

S. No.	Particular	Amount Rs Cr	Remark
A	Opening Provisional trued up Revenue Gap up to FY 2019-20	(1,762.82)	Table 5.3 of tariff order FY 2021-22
B	Add: Revenue Gap sought for FY 2020-21 (including carrying cost & DRRS)	(587.35)	Table 3.67 of True up petition FY 2020-21
C	Add: Revenue Gap sought for FY 2021-22 (including carrying cost & DRRS)	(789.04)	Table 3.67 of True up petition FY 2021-22
D	Closing Provisional trued up Revenue Gap up to FY 2021-22	(3,139.20)	(A+B+C)
E	Impact of Various favourable Judgements	(2,232.80)	Table 3.65 of True up petition FY 2022-23
F	Revised Opening Revenue Gap up to FY 2022-23	(5,372.00)	(D+E)
G	Add: Revenue Gap sought for FY 2022-23 (including carrying cost & DRRS)	(846.92)	Table 3.65 of True up petition FY 2022-23
H	Opening Revenue Gap for FY 2023-24	(6,218.92)	(F+G+H)
I	Add- Projected Revenue Gap for FY 2023-24	(2,132.41)	Table 2.47 of ARR for FY 2023-24
J	PPAC @ 29.13% as per DERC order 07.06.23	2,057.30	
K	Closing Revenue Gap for FY 2023-24	(6,294.04)	(I+J+K)
L	Revenue (Gap)/Surplus for the year	(1,739.30)	Table 4.43
M	Closing Revenue (Gap)	(8,033.33)	(L+M)
N	Carrying Cost Rate	10.59%	Table 4.41
O	Carrying Cost	(758.28)	(L+N)/2*O
P	Recovery of carrying cost from 8% Deficit Revenue Recovery Surcharge	564.74	Table 4.15 (DRRS@99.80%)
Q	Closing Revenue Gap (including carrying cost)	(8,226.87)	N+P+Q