DERC

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1835)/DERC/2020-21/

Petition No. 07/2021

In the matter of: **Petition for approval of True Up for FY 2019-20 along with Aggregate Revenue Requirement and Determination of Tariff for FY 2021-22.**

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001

...**Petitioner/Licensee**

Coram:
Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasht, Member

ORDER
(Date of Order: 30/09/2021)

M/s New Delhi Municipal Council (NDMC) has filed the instant Petition for approval of True Up for FY 2019-20 along with Aggregate Revenue Requirement and Determination of Tariff for FY 2021-22. The Petition was admitted by the Commission vide Order dated 19/02/2021. 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.

The comments and suggestions of the stakeholders including the submissions made during the virtual public hearing held in April, 2021 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers vested in the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby passes this Tariff Order signed, dated and issued on 30/09/2021.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised Tariff applicable from 01/10/2021.

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.

(Dr. A.K. Ambasht)
Member

(Justice Shabihul Hasnain 'Shastri')
Chairperson

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

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
AEEE	Alliance for an Energy Efficient Economy
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEE	Bureau of Energy Efficiency
BEST	Brihanmumbai 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
CER	Centre for Energy Regulation
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
DESL	Development Environergy Services Limited

Abbreviation	Explanation
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)
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
ICAR	Indian Agricultural Research Institute
IDC	Interest During Construction
IEX	Indian Energy Exchange
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

Abbreviation	Explanation
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension
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
SDMC	South Delhi Municipal Corporation
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
TERI	The Energy and Resources Institute
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

Abbreviation	Explanation
UI	Unscheduled Interchange
UoM	Unit of Measurement
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 New Delhi Municipal Council (NDMC) (hereinafter referred to as 'NDMC' or the 'Petitioner') for True-Up of Aggregate Revenue Requirement (ARR) for FY 2019-20 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 2021-22 in terms of Tariff Regulations, 2017 and *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019* (hereinafter referred to as *'Business Plan Regulations, 2019').*

NEW DELHI MUNICIPAL COUNCIL (NDMC)

1.2 New Delhi Municipal Council (NDMC) is a Municipal Council engaged in the distribution of electricity to the consumers in the New Delhi area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994. NDMC is a Deemed Licensee under the Electricity Act, 2003 in respect of the specified area in New Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by GoNCTD on 3/03/1999 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.

STATE ADVISORY COMMITTEE MEETING

1.5 The "State Advisory Committee (SAC)" have been re-constituted and notified the same vide Gazette Notification No.F.7(37)/DERC/DS/2016-19/C.F.No.5624/253 dated 23/07/2020, comprising of Chairperson and Member of DERC, officers of the Commission and Other Members of SAC (including their nominees).

1.6 The 19th State Advisory Committee Meeting was held (virtually) on 27/08/2021. Apart from the Chairperson, Member and other senior officers of the Commission, the 19th SAC Meeting witnessed participation from Department of Power, GoNCTD, Department of Food Supplies, DMRC, BIS, SDMC, BEE, DESL, NABL, IEX, TERI, AEEE, Department of Health & Family Welfare, GoNCTD, CER, Labour Department, GoNCTD, Transport Department, GoNCTD and ICAR.

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

Table 1. 1: Issues Discussed in 19th State Advisory Committee Meeting

Sr. No.	Issues Discussed
A.	Tariff Petition for True up of FY 2019-20 and ARR and Tariff for FY 2021-22 for GENCOs, TRANSCO and DISCOMs
B.	Inform the State Advisory Committee with regard to DERC's Order dated 15/04/2021 on release of electricity connections for residential buildings having premises within the height of 15 meters without stilt parking and 17.5 meters with stilt parking without insisting for fire clearance.

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 2019-20 AND ARR FOR FY 2021-22

FILING AND ACCEPTANCE OF PETITION

1.9 NDMC filed its Petition for the approval of Truing up of Expenses upto FY 2019-20 and ARR for FY 2021-22, before the Commission on 1/02/2021.

1.10 The Commission admitted the Petition vide its Order dated 19/02/2021 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 19/02/2021 is enclosed as Annexure I to this Order.

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

1.12 The Executive Summary of Tariff Petitions, was also uploaded on Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

1.13 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 for carrying out the due diligence on the Petition filed by the Petitioner for obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.

1.14 The Commission relied upon the analysis conducted by the various Divisions of the Commission for preparation of the Orders.

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

1.16 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.

1.17 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021 issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases are increasing on daily basis. In view of above, the Commission decided to conduct Public Hearing Virtually, for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice in leading newspapers and also uploaded the same on Commission's website. Alternatively, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petitions filed by the utilities.

1.18 The Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

1.19 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 20/04/2021 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.

1.20 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, five officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Performance Standards & Engineering), Joint Director (Tariff-Finance), Deputy Director (Tariff-Economics) 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.

1.21 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.

1.22 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and restricted various activities on account of COVID-19.

1.23 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.

1.24 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities.

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 in arriving at its final decision.

PUBLIC NOTICE

1.27 The Commission published Public Notice in the following newspaper on 9/03/2021 inviting comments/suggestions from stakeholders on the Tariff Petitions filed by the Petitioner latest by 26/03/2021.

(a)	Hindustan Times (English)	:	9/03/2021
(b)	The Times of India (English)	:	9/03/2021
(c)	The Hindu (English)	:	9/03/2021
(d)	The Pioneer (English)	:	9/03/2021
(e)	Navbharat Times (Hindi)	:	9/03/2021
(f)	Punjab Kesari (Hindi)	:	9/03/2021
(g)	Amar Ujala (Hindi)	:	9/03/2021
(h)	Jadid-In-Dinon (Urdu)	:	9/03/2021
(i)	Jan Ekta (Punjabi)	:	9/03/2021

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

1.29 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 26/03/2021 in the following newspapers on the respective dates mentioned alongside:

(a) The Hindu (English) :)3/2021
(b) Hindustan Times (English) : 12/03/2021
(c) Navbharat Times (Hindi) : 12/03/2021
(d) Jan Ekta (Punjabi) : 12/03/2021
(e) Siyasi Ufuque (Urdu) : 12/03/2021

1.30 The Commission issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the date and time of Virtual Public Hearing scheduled on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 and extended the time period for comments by stakeholders on the Tariff Petition filed by the Petitioner latest by 20/04/2021 and also indicated the conducting of Virtual Public Hearing.

(a) Hindustan Times (English) : 7/04/2021
(b) The Times of India (English) : 7/04/2021
(c) The Hindu (English) : 7/04/2021
(d) The Pioneer (English) : 7/04/2021
(e) Navbharat Times (Hindi) : 7/04/2021
(f) Punjab Kesari (Hindi) : 7/04/2021
(g) Amar Ujala (Hindi) : 7/04/2021
(h) Jadid-In-Dinon (Urdu) : 7/04/2021
(i) Jan Ekta (Punjabi) : 7/04/2021

1.31 Public Notice related to process for Virtual Public Hearing (VPH) was also uploaded on Commission's website. The platform for VPH was as follows:

Dates	15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021
Timings	11:00 AM to 01:00 PM and 02:00 PM to 05:00 PM
Last date for registration	12/04/2021 at 03:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

1.32 The Utilities submitted additional information on ARR & Tariff for FY 2021-22 considering impact of curfew on account of COVID-19.

1.33 Subsequently, the Commission issued Public notice on Commission's website (www.derc.gov.in) on 24/06/2019 seeking comments/suggestions on additional information from stakeholders latest by 29/06/2021.

LAYOUT OF THE ORDER

1.34 This Order is organized into six (6) 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 2019-20 and impact of past period true up based on judgement of Hon'ble Supreme Court & 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 2021-22.

e) Chapter A5 provides Tariff Design / and the approach adopted by the Commission in its determination.

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

1.35 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 2019-20 and approval of Aggregate Revenue Requirement & Tariff for FY 2021-22.

c) Annexure III – List of Stakeholders/consumers who attended the virtual public hearing.

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2019-20

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, 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, as follows:

> *"(4) These Regulations shall be deemed to have come into force from 1st February, 2017 and shall remain in force till amended or repealed by the Commission. "*

1.38 Accordingly, ARR for FY 2019-20 were Trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2017.

APPROACH FOR ARR AND TARIFF FOR FY 2021-22

1.39 The Commission vide its Notification dated 31stJanuary, 2017 issued Tariff Regulations, 2017. Further, the Commission issued Business Plan Regulations, 2019.

1.40 The Commission has evaluated 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 STAKEHOLDERS

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

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the determination of Tariff shall be as per 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 Public hearings should be carried out effectively. In earlier occasions, the consumers have raised many concerns particularly issues of Truing up of capital expenditures, physical verification of capital assets, but the Commission is yet to consider the same.

PETITIONERS' SUBMISSION

TPDDL

2.6 This issue does not pertain to TPDDL.

BYPL

2.7 This issue does not pertain to BYPL.

BRPL

2.8 As far as the Petitioner is concerned, it duly considers and replies to the objections/ suggestions/ comments of every stakeholder, whose comments in response to the ARR Petition are forwarded by the Commission.

NDMC

2.9 This issue does not pertain to NDMC.

COMMISSION'S VIEW

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

2.11 The Commission vide its Public Notice dated 1/03/2021 sought comments/suggestions on petitions for True-Up of Expenses for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22 filed by Generating Companies, Transmission Licensee and Distribution Licensees by 26/03/2021 to take a final view on issues concerning the principles and guidelines for Tariff determination.

2.12 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021 issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases were increasing on daily basis. Accordingly, the Commission decided to conduct Public Hearing Virtually, for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice publishing in leading newspapers and also uploaded the same on Commission's website. Accordingly, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petitions filed by the utilities.

2.13 The Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

2.14 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and restricted various activities on account of COVID-19.

2.15 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.

2.16 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities. 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.

2.17 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 2021-22, like Power Purchase Cost, O&M cost, CAPEX, financing cost, the gap in True-up of FY 2019-20 and carrying cost for the regulatory assets etc. The Petitioners submitted 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 furnished 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.

2.18 The Commission has therefore considered the inputs/comments received from various stakeholders along with the due diligence conducted by the officers of the Commission in arriving at its decision.

2.19 The Commission has engaged consultants for Capex Review & capitalization of the Discoms. External Consultants are engaged to verify the year-wise capitalization from FY 2004-05 to FY 2015-16. While verifying the year-wise capitalization, the Consultant have to examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice and payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment have been procured. Also examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment have been procured, analyse various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc., with respect to approvals, guidelines and instructions issued by the Commission from time to time. Further Consultants has to physically verify 100% EHV, HT and LT schemes. Reports of the external consultants are in the final stage.

2.20 The Distribution Licensees (BRPL, BYPL & TPDDL) have claimed Capital Expenditure of Rs. 10,736 Cr. for the period from FY 2004-05 to FY 2015-16 against which the Commission has provisionally approved Rs. 8,930 Cr. in its previous Tariff Orders. The balance is under scrutiny before the Commission on account of physical verification by Consultants/in-house.

2.21 The Commission decided to carry out the year wise in-house review of capitalisation for DISCOMs from FY 2017-18 onward. The capitalisation for FY 2017-18 was completed and the effect of report is given in this year true-up Order for FY 2019-20. Further, as soon as year wise capitalisation is completed by the Commission, the effect of the reports will be provided in the subsequent true up orders. For 2016-17, the Commission has decided to hire external consultant for review of the capitalisation. Review of Capitalisation for TPDDL for FY 2016-17 already started by external consultants. The Commission is in process of engaging external consultant for review of Capitalisation for BRPL and BYPL for FY 2016-17 through tendering process.

ISSUE 2: BUSINESS PLAN & SOP REGULATION

STAKEHOLDERS' VIEW

2.22 The Commission rather than protecting the interest of the consumers has been working in the interest of the private DISCOMs.

2.23 There is no such enabling provision under Section 181 and 86(1) b of the Electricity Act, 2003 to make Business Plan Regulations for the private DISCOMs. The provisions of Regulations should be ceiling norms and if the DISCOMs which are achieving better than the norms then such achieving parameters must be followed as it would bring efficiency, good performance, optimum use of resources, safeguarding consumers' interest and recovery of cost of electricity in a reasonable manner.

2.24 DERC (Business Plan) Regulations, 2017 states that own consumption is considered as 0.25% of the energy billed or the actual consumption whichever is lower. Own consumption is wrongfully considered as sale. This is because the own consumption is not saleable energy and it is same as the auxiliary consumption for Generating Companies. As per definition of auxiliary consumption in the Tariff Regulations, it is found that auxiliary consumption is the quantum of energy consumed by auxiliary equipment expressed in percentage terms. Similarly, Transmission Losses for DTL is the difference between the energy injected at the Delhi state periphery and the energy injected at the DISCOMs' periphery. Applying the same principle, the Distribution Losses is measured considering the difference between the energy input and energy billed. Therefore, own consumption must be added in the Distribution Losses. The DERC Regulations are against encouraging efficiency and against the consumers' interest.

2.25 The Commission may amend the Tariff Regulations and repeal the Business Plan Regulations, 2019 before truing up of past period and determination of future tariff for FY 2021-22.

PETITIONERS' SUBMISSION

TPDDL

2.26 Formation of Regulations in accordance with the Act is the sole prerogative of the Commission. The Commission may like to decide on the same as it may deem fit.

BYPL

2.27 This issue does not pertain to BYPL.

BRPL

2.28 The stakeholder has questioned legality of framing DERC (Business Plan) Regulations, 2019 under the provisions of 181 read with Section 61 and Section 86 (1)(b) of the Electricity Act. The Petitioner being licensee of the Delhi Electricity

Regulatory Commission (DERC), is legally bound by the Regulations notified by the Commission. The Petitioner is not in a position to comment on the legality of any Regulations notified by the Commission.

2.29 It may however be noted that Commission follows a transparent public consultation process before enactment of any Regulations, duly inviting public comments and taking the same in to consideration. Therefore, the Petitioner firmly believes that the Commission strikes a balance by protecting the rights of the consumers as well as the Licensees.

2.30 It has been pointed out by the stakeholder that 'Own consumption' should not be considered as saleable energy and should not form part of the Distribution Loss of the DISCOMs. In this regard, we wish to submit that own consumption in the electricity distribution business is of the following nature:

i) Auxiliary consumption in the 66 kV /33 kV/ 11 kV substations. Such consumption is similar to the auxiliary consumption of Generating Stations.

ii) Auxiliary consumption in offices which are responsible for operation and maintenance of the Distribution network. This type of consumption is similar to the office consumption in any Generating Station or transmission Utility.

2.31 All such consumption is allowed as essential integrated activity for any Generation, Transmission or Distribution Utility.

2.32 Presently, the energy meters installed for accounting of energy consumption at the premises of the Petitioner are read and billed on monthly basis. The own consumption is billed at zero rates and accounted for accordingly in the books of the company. This process has been clarified by the Petitioner in earlier ARR filings / technical validation sessions and has been considered and accepted accordingly by the Commission in their Tariff Orders. The Petitioner has also been providing the details of own consumption at zero rate as part of its form 2.1a duly certified by statutory auditors and filed with the Commission for each year which has been taken into account by the Commission in its various Tariff Order.

2.33 It may further be noted that the methodology for accounting of energy consumption has been approved by the Commission. In this regard, the Petitioner would also like to draw attention to the relevant extract, enumerated below, from the last Tariff

Order dated July 13, 2012 wherein Commission has confirmed the basic principle of availing credit at Zero rate for energy consumption in own premises.

2.34 As mentioned earlier, in the case of Generating Stations, auxiliary consumption (buildings, power plant, offices, etc.) is deducted to arrive at net saleable energy for calculation of Tariff, similarly the own consumption includes the consumption of energy on account of sub-stations, buildings and offices of the Petitioner Accordingly, availing credit at zero rate is in compliance to an accepted and approved methodology by the Hon'ble Commission.

NDMC

2.35 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.36 The Commission is guided by Principles of Electricity Act, 2003 and ensures to safeguard interest of consumers & ensures recovery of the cost of electricity in a reasonable manner. The relevant extract of the said Regulation is as follows:

> "61. *The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-*
>
> *…*
>
> *(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;"*

2.37 Further, the Electricity Tariff is determined in accordance to provisions of Section 62 of Electricity Act, 2003 as stated below:

> *"62. (1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –*
>
> *(a) supply of electricity by a generating company to a distribution licensee:*
>
> *Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;*
>
> *(b) transmission of electricity;*

(c) wheeling of electricity;

(d) retail sale of electricity."

2.38 The Commission in exercise of powers conferred under Section 181 read with Section 61 and Section 86(1)(b) of the Electricity Act, 2003 (Act 36 of 2003) notified DERC (Business Plan) Regulations, 2019. The said Regulations shall remain in force for a period of 3 (three) years i.e., for FY 2020-21, FY 2021-22 and FY 2022-23, unless reviewed earlier.

2.39 A transparent public consultation process before enactment of any Regulations keeping in mind the interest of consumers of Delhi, Distribution Licensees, Transmission Licensee and GENCOs. The DERC (Business Plan) Regulations, 2019 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft DERC (Business Plan) Regulations, 2019 was uploaded on DERC website and stakeholders' comments were invited via public notice and comments received from the stakeholders were considered in the final Business Plan Regulations approved by the Commission. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019. These Regulations are applicable upto FY 2022-23.

2.40 Further, the Regulation 23 (2) and 23 (3) of Business Plan Regulations, 2019 is stated below:

"(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption 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 excluding own consumption 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."

Based on above, the Petitioner reports self-consumption of energy for each financial year. The Commission carries the prudence check of accounts and validates the information in line with said Regulations.

2.41 The stakeholders are requested to submit their comments at the time when Comments will be sought on draft Regulations for next Control Period. The Commission will consider their comments appropriately.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

2.42 Imposing Renewable Purchase Obligation (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 as they already have surplus power.

2.44 RPO compliance should be deferred/waived off/carried forward due to COVID and REC purchase should not be done by DISCOMs. DERC should stop RPO compliance through REC, and RPO compliance be achieved with actual Power Purchase only.

2.45 DISCOMs should not be allowed RPO expenses if they are not fulfilling their RPO targets.

2.46 RPO should be deferred to future when sufficient Renewable Power is available.

2.47 To promote Renewable Energy, Net-metering should be promoted instead of purchasing RECs and purchase Renewable Power from generating stations outside Delhi.

2.48 TPDDL has purchased RECs of Rs.129.56/- crore for meeting the RPO in FY 2019-20. The Commission should not burden RPO on DISCOMS, as it leads to REC purchase which ultimately burdens the consumers. This amount of REC purchase should be utilized for Tariff reduction.

2.49 RPO targets for open access consumer including those procuring only from renewable sources shall be notified in Tariff Order.

2.50 The DISCOMs may meet there RPO obligations by procuring Renewable Energy from Green Term Ahead Market (GTAM) introduced by CERC on 27/08/2020.

PETITIONERS' SUBMISSION

TPDDL

2.51 RECs procurement has been mandated as per DERC Regulations to promote Renewable Energy. The 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.

2.52 Further, due to stoppage of REC trading at exchanges since July 2020, it will not be possible for DISCOMs to comply with mandated RPO targets as RECs are not available.

2.53 With regard to Renewable Energy procurement from Green Term Ahead Market, our RPO Compliance is up to date and on track till FY 20-21. If required, the Renewable Power shall be purchased from GTAM based on requirement.

2.54 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. Therefore, the Commission is requested to consider this excess Renewable Energy in the RPO compliance of DISCOM.

2.55 The Commission may enhance the RPO compliance timeline for FY 20-21 from June 2021 to March 2022 as whenever trading will be restarted, the cost of REC will be very high owing to high demand and any purchase at such high cost will only impact the end consumers.

BYPL

2.56 With regard to stakeholder view on costly power, to maintain the 24x7 power supply obligation to its consumers, the Petitioner is engaged into Long Term Power Purchase Agreements. The Long Term power is procured on RTC (Round the Clock) basis. The load curve in Delhi varies from one slot to other. Hence, the shortfall is met through purchase from open market and the surplus Power is sold in the open market as per the requirement in various time blocks.

2.57 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, GoI etc.

2.58 The petitioner has signed various PPAs for fulfillment of Solar and Non-Solar obligation in the coming future with Solar Energy Corporation of India (SECI) and Waste to Energy Plants of Delhi. The Petitioner is also facilitating the growth of Net Metering Connections in its area. Power from these Long Term PPAs and Net Metering sources would suffice most of the requirement of Renewable Power and a practical alternative to RECs.

2.59 BYPL meets most of the requirement from Long term purchases. However, given the seasonal and within a day variations in temperatures in Delhi, the demand for power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the DISCOMs like the BYPL to prepare or arrange the power deficit. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Banking, Power Exchange and other sources.

2.60 BYPL in the ARR for FY 21-22 has proposed to purchase 310 Mu power through short term sources (including exchange & GTAM).

BRPL

2.61 Purchasing RECs by DISCOMs will burden the DISCOMs and ultimately consumers with no actual power. It is always prudent to procure Renewable Energy which fulfil RPO instead of procuring REC. However, setting of RPO Targets and its associated deferment is prerogative of the Commission.

2.62 Moreover, various other States have relaxed the RPO Target in view of delayed commissioning of RE Projects and outbreak of COVID-19 pandemic. Following States have relaxed / carry forwarded the RPO Target:

i) The Punjab State Electricity Regulatory Commission (PSERC) has approved the carry forward of the shortfall in the compliance of Renewable Purchase Obligation (RPO) in FY 2019-20 to FY 2020-21.

ii) The Gujarat Electricity Regulatory Commission (GERC), in a recent ruling, directed MPSEZ Utilities Private Limited (MUPL) to make up for the past shortfall FY 2017-18 in solar RPO within the FY 2020-21.

iii) The Bihar Electricity Regulatory Commission (BERC) has approved the request of the Bihar State Power Holding Company Limited (BSPHCL) to carry forward the shortfall in its RPO for the FY 2019-20 to FY 2020-21. BERC further added that the Power Company could purchase either solar power or solar RECs to fulfil the RPO shortfall for FY 2019-20.

iv) The Rajasthan Electricity Regulatory Commission pointed out that the DISCOMs had made every effort to comply with RPO targets and had signed a sufficient number of PPAs under which the required quantum of electricity could have been obtained. The Regulatory Authority pointed out that even though the DISCOMs signed an adequate number of PPAs in the past, the generation in terms of energy was not to the expected level. Consequently, there was a shortfall in RPO compliance. The Commission noted that there was no case to initiate action against the DISCOMs or impose a penalty as they had tried their best to comply with the targets. The Commission directed the DISCOMs to assess the energy requirements more realistically in advance and sign the power purchase agreements (PPAs) accordingly in the future. It also asked the DISCOMs to make up for the RPO shortfall in the next three years.

2.63 Accordingly, it is requested that the Commission takes cognizance of various efforts made by the Petitioner in meeting the RPO Targets and all above mentioned constraints which are beyond the control of the licensees and allow carry forward/waiver of RPO Target of FY 2019-20.

2.64 As regards to stakeholder comment regarding High REC Cost, Renewable resources are limited in Delhi so the Delhi DISCOMs are bound to buy RECs (Renewable Energy Certificates) to fulfil RPO obligations.

2.65 Regarding Renewable Energy from GTAM, CERC on 27/08/2020 has approved trading of Renewable Energy in GTAM. BRPL has already procured 41 MU of Solar Power from Power Exchange within 6 months i.e. during Sept'20 to Feb'21 through GTAM. Hence, BRPL is continuously exploring the avenues of procuring actual Renewable Power.

2.66 We expect that the Commission will give due consideration to the stakeholders' comments while determining the tariffs.

NDMC

2.67 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.68 The Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for the promotion of co-generation and generation based on Renewable Energy Sources (RES). 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"

2.69 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 (RECs) to ensure that RPOs are met in the most optimum manner.

2.70 Ministry of Power (MoP), GoI 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, GoI.

2.71 The renewable power is available at competitive rates and DISCOMs are encouraged to enter long term PPAs with various Renewable Energy Generation companies. The Power Purchase Agreement with Generating Companies are valid till the term of PPA.

2.72 The Commission has promoted Net Metering in Delhi through framework of Net Metering Regulations in 2014 and issued guidelines related to Virtual Net Metering and Group Net Metering. Approximately, 207 MW of Solar Roof Top through Net Metering arrangement has been installed in Delhi.

2.73 In order to further encourage embedded Generation in the Electricity Distribution

Network without any Transmission Losses (STUs & CTU) and Distribution Losses at appropriate voltage level, the Commission issued amendments to DERC (Group Net Metering and Virtual Net Metering for Renewable Energy) Guidelines, 2021 to promote Renewable Energy by including Service Line cum Development (SLD) and network augmentation in the scope of respective DISCOMs till additional capacity doesn't exceed 75 MW, 50 MW, 30 MW and 10 MW for BRPL, TPDDL, BYPL and NDMC respectively as applicable for VNM/ GNM projects.

2.74 The Commission notified DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2021 wherein RPO targets for Obligated Entities (i.e. Distribution Licensees, Open Access consumers and Captive users) are specified for period from FY 2020-21 up to FY 2022-23. In the said Regulation, there is provision for treatment for surplus / shortfall of RPO compliance wherein Obligated Entity shall file Petition before the Commission for carry forward of RPO compliance in subsequent year(s), in case of genuine difficulty in complying with the targets RPO.

2.75 The DISCOMs have submitted that they have procured the Renewable Energy from power exchange in last six months through Green Term Ahead Market (GTAM). GTAM being a new product shall be explored for procuring Renewable Power. The Commission continually provides Regulatory support in exploring new products for purchase of Renewable Energy as a step in promoting clean sources of energy in the interest of consumer.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.76 Power Generating plants in Delhi are highly polluted and expensive. Power from these costly Fossil Fuel Plants of Government should be stopped as they pollute the environment and focus should be on Renewable Energy.

2.77 Delhi Electricity Generators are giving electricity to DISCOMs at higher rates and DISCOMs are directed to purchase it. Thus, costly electricity is sold to consumers and they have to pay higher rates. The consumer interest should be considered.

2.78 DERC should work for consumers' benefit and ask Delhi Generating Companies to reduce their cost.

2.79 The Commission may consider formalizing the optimization of Power Purchase Cost by evolving appropriate procedure to consider short term market rates while finalizing the merit order of DISCOMs.

2.80 DERC Summary does not justify purchase at Rs.6/- per unit against sale at Rs.3/- per unit.

2.81 With DISCOMs' high power cost at Rs. 6.46/- against DMRC's import at Rs. 3/- and NTPC's generation at Rs. 3/- per unit, Licences should be transferred to NTPC.

2.82 Quarterly PPAC should be converted to monthly PPAC to reduce the burden of increased carrying cost in the tariff.

2.83 The Commission should not charge electricity duty in the electricity bill as various charges, surcharges are already charged by DISCOMs.

2.84 PPAC charges have increased from 4.5 % to 17 %, need some consideration.

2.85 If DISCOMs are not able to get rebate on Power Purchase Cost, the burden should not be transferred to consumers.

PETITIONER'S SUBMISSION

TPDDL

2.86 As regards to Delhi Electricity Generators giving costly power to DISCOMs, most of the current PPAs were signed by erstwhile DVB and they were reallocated to DISCOMs by the Commission. Long term PPAs are to be honoured as breach of contract cannot be done. The GENCOs have been established for giving power on long term basis and hence form an integral part of the supply value chain. Wherever possible, the Petitioner try to get the PPAs reallocated to other states through MoP, GoI. Moreover, availability of Power from other short term sources is not guaranteed and overdependence on the same can lead to power availability issues and supply disruptions. PPAs are non-negotiable, approved by SERC and governed by Regulations.

2.87 Power Purchase Cost is based on purchase from sources approved by Commission just as Retail Tariffs are decided by the Commission.

2.88 PPAC mechanism has been implemented pursuant to the statutory provisions of Electricity Act 2003 and Hon'ble APTEL directions. Now, PPAC is in place under the Commission's Tariff Regulations, 2019 which have been finalized after detailed stakeholder consultation and keeping the interests of consumers, utilities in consideration. PPAC helps to recover any increase of power purchase in timely manner and minimize the carrying cost burden on consumers.

2.89 TPDDL has taken a number of steps to reduce the burden of high cost of Power on consumer by trying to surrender costly Power, banking and purchase of Renewable Power instead of REC etc.

2.90 Further, TPDDL has also requested Commission to consider the excess Renewable Power purchased by Open Access consumers under RPO compliance of DISCOMs. This will also help us to lower the Power Purchase Cost.

2.91 As regards to stakeholder comment on cheaper power to DISCOMs, TPDDL agrees to the suggestion and it is in overall consumer interest. The Commission is requested to take up the matter with GoNCTD in the interest of consumers as the burden of fixed cost of Generating Stations is being passed in the ARR.

2.92 As regards to Cheap power should be purchased, TPDDL welcomes the suggestion and it is in overall consumer interest. Commission is requested to take up the matter with the GoNCTD in the interest of the consumers as the burden of fixed cost of generating stations is being passed in the ARR.

2.93 As regards to stakeholder comment regarding Power Generating plants in Delhi as highly polluted and expensive, TPDDL welcomes the suggestion and it is in overall consumer interest and environment. However, most of the current PPAs were signed by erstwhile DVB they were reallocated to DISCOMs by the Commission. Long Term PPAs are shall be complied as breach of contract cannot be done. The GENCOs have been established for giving Power on long term basis and hence form an integral part of the supply value chain. Wherever possible, the Petitioner tried to get the PPAs reallocated to other states through MoP, GoI. Moreover, availability of Power from other short term sources is not guaranteed and overdependence on the same can lead to Power availability issues and supply disruptions. PPAs are non-negotiable, approved by SERC and governed by Regulations.

2.94 The Petitioner also requested the Commission to help surrender the PPAs of fossil Fuel Plant whenever the plant completes its useful life of 25 years or PPAs term is completed.

2.95 Further, Cheaper power of TPDDL share has been already allocated to other DISCOMs by Commission. Cheaper power should be restored back to TPDDL in the interest of its consumers. This will not only benefit the consumers of TPDDL area but also help in improving the critical financial position of TPDDL which has deteriorated further due to Covid-19 situation.

2.96 It is pertinent to mention that the purpose of making provision of PPAC in Tariff Regulations & Business plan Regulations was to allow timely recovery of power purchase cost variation on quarterly basis. In practice it is not being implemented and mismatch between power purchase cost payment to GENCOs/ TRANSCO and corresponding non-recovery on quarterly basis is resulting into accumulation of Regulatory Assets, which is already causing major financial hardships to TPDDL.

2.97 Therefore, it is requested to consider allowing PPAC on monthly basis instead of Quarterly basis, in view of poor financial position of DISCOMs and difficulties faced by DISCOMs in order to comply recent MoP, GoI Orders and PPAs terms.

BYPL

2.98 BYPL has inherited various long term PPAs from DTL vide the Commission order dated 31.03.2007. These PPAs are long term in nature and are for a period of more than 25 yrs. No PPAs can be amended and revised unilaterally.

2.99 With regards to reduction in Power Purchase Cost, any increase/decrease in Power Purchase Cost is factored suitably by the Commission while determining the Tariff and same is sole prerogative of the Commission.

2.100 BYPL appreciate the concern raised by the Stakeholder on having cheaper power as most of the consumer residing in BYPL area are low end consumers. It is requested to kindly consider the same while determining the Tariff for FY 2021-22.

2.101 As regards to stakeholder’s comment on Special dispensation for BYPL due to its unfavorable consumer mix, Tariff Regulations 2017 provides for adjustment of gap in power purchase cost by reassigning the allocation of power amongst the Distribution Licensees out of the overall power portfolio allocated to the NCT of Delhi. In view of the low end consumer profile of BYPL and in order to Bridge the gap between Average Power Purchase Cost and Average Revenue on account of different consumer mix of all Distribution Licensees, Commission suitably re-allocate power amongst the DISCOMs to maintain uniform Tariff. This practice has been followed by the Commission including in Tariff Order for FY 2020-21 and also in previous Orders. Given the same situation prevailing even today, we request the Commission to suitably allocate power amongst DISCOMs keeping in view the winter surplus of BYPL.

2.102 As regards to the stakeholder comment on Computation of Fixed cost of Power Purchase & the projection of PLF of Generating Plant is concerned, it is submitted that the Petitioner has estimated the energy from the Generating Station for FY 2021-22 by applying Merit Order Dispatch Scheduling principle. The power availability has been estimated based upon the allocation as per last Tariff Order dated 28/08/2020 for FY 2020-21.

2.103 With regards to Power Purchase from Market/Short term & Renewable energy from GTAM, the Petitioner meets most of the requirement from Long term purchases. However, given the seasonal and within a day variations in temperatures in Delhi, the demand for Power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the DISCOMs like the Petitioner to prepare/ arrange the Power deficit.

2.104 The deficit in Power against the demand is arranged by means of Short Term Power procurement through various sources like Banking, Power Exchange and other sources.

2.105 With respect to stakeholder's comment regarding costly power to DISCOMs, it is submitted that determination of Tariff is prerogative of Commission. The Section 61 (g) of Electricity Act 2003 mandates the Appropriate Commission to determine Tariff guided by the objectives that the Tariff progressively reflects the cost of supply of Electricity and also reduces cross subsidies within the specified period. The National Tariff Policy laid down the principle that Appropriate Commission may notify a roadmap such that Tariffs are brought within ± 20% of the Average Cost of Supply (ACoS) and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.106 Further, Power Purchase Cost is the major component of the ARR comprising 80% of the total cost, any reduction in Power Purchase Cost would result to reduction in Tariff of end consumer. Accordingly, overall interest of the consumer, the Petitioner has taken various steps for closing down /exit of PPA from such 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.

2.107 However, 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 31/03/2007. 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, GoI etc.

2.108 It is in the consumers overall interest that the gap between Revenue available and Revenue required to be filled by adjusting the Tariffs. It may reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.109 As regards to stakeholder comment regarding Purchase of Renewable Power, the Petitioner has signed various PPA's for fulfilments 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 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.

2.110 We appreciate the concern raised by the stakeholder regarding the difficulties of the BYPL serving the east Delhi consumer's. However, we would like to submit that tariff determination of any category of consumer is the sole prerogative of the Commission. Hence, we appreciate the concern raised by the Stakeholder and request the Commission to kindly consider the concern of stakeholders on time bound recovery of Regulatory Assets in this Tariff Proceedings.

2.111 We agree to suggestion of stakeholder regarding recovery of monthly PPAC instead of Quarterly PPAC. Further it is clarified that the 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 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.

BRPL

2.112 Cost of Power is market driven rate because of Long term and short term procurement of Power. Long term Power contracts are mostly done by erstwhile DVB. Rate of procurement from long term sources are determined by CERC. Short term procurement is market driven. DISCOM sale their surplus Power at market determined rate.

2.113 As regards to Stakeholder's comment on Recovery of Power Purchase , MoP, GoI has issued various communications in terms of which the DISCOMs are required to maintain adequate Payment Security mechanism for GENCOs and/or make advance payment to GENCOs otherwise power would not be scheduled to DISCOMs. Further, Delhi is a State which has both extreme summer and winter seasons, due to this the consumption of the consumers varies quickly from peak season to off-peak season. Currently, PPAC is being levied on quarterly basis and the PPAC pertaining to peak season is recovered from the consumer on the consumption of off-peak season. BYPL is bound to make payments to suppliers in terms of the applicable Regulations/PPAs. Any under recovery/deferred recovery of Power Purchase Cost would adversely affect the paying capacity of BYPL. Further, due to delay in the process of approval of PPAC beyond the specified limit of 8.75%, DISCOMs may face adverse cash flow situation. Other Regulators such as MERC has specified the limit of Suo-Moto levying of ZFAC as 20% of the variable component.

2.114 Hence, it is desirable that the Commission review the frequency of existing PPAC from quarterly to monthly. This will improve the cash flows of the DISCOMs to some extent

2.115 As regards to Stakeholder's comment on Power Purchase Cost, BRPL also contracted the Renewable Power at less than 3.0 Rs/ kWh. BRPL optimizes its Power Purchase

Cost and leaves no stone unturned to reduce the cost of its consumer.

2.116 As regards to Stakeholder's comment on allocation of cheaper Power, the stakeholder has suggested that cheaper power should be reallocated to Delhi DISCOMs and this will give relief to consumers in times of COVID-19 by reduction in power purchase cost. It is observed that the observation made by the stakeholder pertains to State Generating Stations. The Commission is empowered to look into the issues pertaining to State Generating Stations.

2.117 As regards to Stakeholder's comment on Power Purchase from Market/short term, BRPL will continuously optimize its Power Purchase cost by taking competitive electricity from Power Exchange as per applicable Regulations/Order of the Commission.

2.118 The Distribution Licensees are taking all necessary steps to exit from the costly PPA's, and the comments on the matter shall be duly considered by the Commission.

2.119 Furthermore, the determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003.

2.120 The stakeholder has submitted that costly power of state power plants should not be purchased and such generating stations with costly power should be shut down. Power should be purchased from generating stations with cheaper power. In this regard, it is that 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.

2.121 The stakeholder has submitted that DISOMs are directed to purchase power from Delhi Generating Stations at high rates, due to which the consumers are made to pay for expensive power sold to them. He has further submitted that DERC should take care of the interest of consumers. It is submitted that the Distribution Licensees procure power from central generating stations and state generating stations through the long-term power purchase agreements and through short-term purchases.

2.122 It is submitted that most of the PPAs with the long term plants were done by DVB and were passed on to the Distribution Licensees of Delhi during privatization.

2.123 The Petitioner has time and again raised the issue of surrendering of costly power plants with the Commission. However, we appreciate the concern of the stakeholder and hope that your concern will be appropriately considered by the Commission.

2.124 The stakeholder has requested the Commission in the Tariff Order dated 28 /08/ 2020 has increased the pension trust surcharge to 5%. He has further submitted that the Delhi consumer is already paying the regulatory surcharge of 8% towards recovery of accumulated deficit. Thus, he has submitted that the Delhi consumers are paying the total surcharge of 13% over the required tariff. In this regard, we would like to submit 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.

2.125 Further, with regard to the pension trust surcharge, 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 July, 2017. The rationale given by the Commission in its Tariff Order is as under:

> *"2.298 The Commission vide letter dated 8/12/2016 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. Thereafter, the Commission vide its tariff order dated 28/08/2020 has further revised this surcharge to 5%.

2.126 The Commission vide its Tariff Order dated 28/08/ 2020 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:

"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.

….

A6: 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

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

2.128 For remaining issues, the Commission may take an appropriate view on the matter.

COMMISSION'S VIEW

2.129 As regards to Delhi Electricity Generators giving costly power to DISCOMs, APM Gas, which is cheap fuel, is currently not available to GTPS and PPS-I, which are GoNCTD Gas based Plants. Accordingly, Delhi Govt. plants are compelled to use costly R-LNG fuel and consumers are loaded with costly Power. GoNCTD has taken up this matter with Ministry of Petroleum and Natural Gas (MoPNG), GoI by requesting them to restore APM Gas availability for Delhi Gas based plants in the interest of Delhi consumers and Delhi environment.

2.130 Further, the State Electricity Generator i.e. PPCL is advised to explore options for procurement of RLNG Gas like Gas exchanges, short/ medium term contracts rather than relying on spot purchase and make their generation rate competitive.

2.131 As per MoP, GoI Guidelines dated 22/03/2021, the DISCOMs may either continue or exit the PPA after completion of the terms of PPA i.e. beyond 25 years of useful life. Subsequent to the request of DISCOMs, the Commission vide its letter dated 16/03/2021 & 7/07/2021, has requested MoP, GoI for non-scheduling of full quantum of Power from Dadri-I (756 MW) and reallocate Delhi's share to other needy states on urgent basis. Also, the DISCOMs have submitted the request for surrender of full quantum of allocated Power from Gas/ Coal based Generating Stations such as Anta Gas, Auraiya Gas & Dadri Gas, Farakka, Kahalgaon-I and Unchahar-I which have completed/ on verge of completing of their useful life. The power requirement in future will be replenished with Renewable Energy sources (including but not limited to Wind-Solar Hybrid projects) to ensure Round the Clock (RTC) Renewable Power to the consumers of Delhi.

2.132 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.

2.133 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 DERC (Business Plan) Regulations, 2017 and DERC (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.

2.134 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.

2.135 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.

2.136 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.

2.137 The Commission invited Stakeholder Comments/ Suggestions on Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2021 and Draft DERC (Business Plan) (Second Amendment) Regulations, 2021 wherein it is proposed to recover incremental Power Procurement Cost on monthly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year. The Stakeholder comments on the Draft Regulation have been received by the Commission and it will be considered during finalisation of the Regulations accordingly.

2.138 The rebate on payment of bills of GENCO and Transmission Utilities is determined in accordance with Regulation 138 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as follows:

> *" 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 :*
>
> *Provided that in case payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed."*

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.139 Increase in losses in DISCOMs reflect inefficiency.

2.140 Distribution Loss has been reduced significantly and should be continued.

2.141 Distribution Losses may not be applicable on DMRC for accounting of DISCOM's conventional and open access power.

2.142 The TPDDL achieved distribution loss @6.83% against 8% of target level and took TDPPL share of Rs. 47.06 Crores as incentives for the FY 2019-20 but the Commission made the illegal Business Plan Regulations in such a manner that in the next Financial Year of 2021-22 the target loss level shall be again 7.90%. There is no such logic that for the next year loss level was fixed at higher level of the loss actually achieved. It reduces the efficiency of the DISCOM and also against the consumers' interest. Similarly, the case for other DISCOMs too. Therefore, it is apprehended that the Commission made those Regulations in such a manner that the private DISCOMs are benefitted.

2.143 Bench mark should be set for loss reduction.

PETITIONER'S SUBMISSION

TPDDL

2.144 There has been a consistent decrease in losses from 53% to 6.83% and is one of the lowest in the country with same consumer profile. The benefit of such low AT&C losses is also being passed to consumers in terms of reduced Aggregate Revenue Requirement for the year.

2.145 Rebate has already been in-built in the Tariff design for any consumer drawing power at higher voltage. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV is provided according to the latest Tariff Order which is a benefit given only to EHT/HT consumers by the Commission.

2.146 TPDDL agrees with the suggestion and request the Commission to expedite the True Up of Capital Expenditure of DISCOMs.

BYPL

2.147 As regards to stakeholder's comment on Distribution loss, since the unbundling of erstwhile Delhi Vidut Board(DVB) or privatization in FY 2002, Petitioner has always focused on reduction of Distribution Losses which is evident from the aggressive loss reduction of more than 50% i.e.; from 2003 to 2020. During FY 2019-20, the Distribution Loss of Petitioner is 7.31% which is way lower than the national average. BYPL has been able to drive its business excellence journey through effective AT&C loss reduction by way of infusing automation, simplifying process and curtailing theft of the Electricity.

2.148 The issue raised by the Stakeholder regarding safety measures pertains to M/s BRPL and hence is not commented upon by BYPL.

2.149 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.

2.150 Other stakeholder's comments/ suggestions do not pertain to the BYPL.

BRPL

2.151 BRPL has been consistent in delivering high performance by meeting the performance standards prescribed by the Commission. Also, as far as efficiency is concerned, we wish to state that BRPL is frequently hailed as a textbook example of privatization model for all DISCOMs across the country and has been a pioneer is several aspects of privatization and modernization. We further take pride and feel more responsible in citing the Hon'ble Supreme Court's observations in a power crisis writ petition vide its Order dated 23/11/2012 that "the power situation in the city has improved tremendously".

2.152 The contentions raised by DMRC regarding voltage-wise Distribution Losses are wholly misconceived and denied since availing supply at higher voltages also entitles DMRC to avail voltage rebate which has been determined by the Commission to incentivize consumers availing supply at higher voltages and also to some extent compensate for higher losses at lower voltages.

2.153 As such DMRC cannot contend that it does not contribute to the Distribution Losses of BRPL since it is an embedded consumer and part of the Distribution System in terms of Rule 4 of Electricity Rules, 2005.

2.154 As regards to stakeholder's comment on T&D level targets, it is highlighted that for the purpose of unbundling/ privatization of the electricity business in Delhi, AT&C losses were the only criteria for assessing the bids submitted by various bidders. Also the Policy Directions indicated that the AT&C loss for the purpose of Tariff computation by the Commission for each DISCOM in a year shall be based on the opening AT&C loss and the reductions proposed for the year in the accepted bid of the investor selected by the Government for purchase of 51% equity in the Distribution Company. The Policy Directions also stipulate the mechanism for treatment of under-achievement and over-achievement of loss reduction with respect to the accepted bid levels and minimum levels specified by the Government.

2.155 It may also be noted that when the Petitioner took over the business in July 2002, the actual opening loss levels were higher (51.5%) than the bid opening loss levels

(48.1%). Since privatization, the AT&C losses in the Petitioner's license area has been reduced from 48.1% in FY 2002-03 to the current level of losses of around 8%. This reduction has resulted in savings to the tune of thousands of crores, benefit of which has been passed to the consumers by way of significantly reduced retail electricity tariffs.

2.156 It is also pertinent to highlight that on achievement of T&D losses, the incentive allowed to the Petitioner is also shared with consumers thus, reducing their tariff burden.

NDMC

2.157 The issue does not pertain to NDMC.

COMMISSION'S VIEW

2.158 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.

2.159 The target for Distribution losses for the control period from FY 2020 till FY 2023 is specified as Regulation 25 of DERC (Business Plan) Regulations, 2019. The amount of over achievement/under achievement on the distribution loss target shall be computed as per formula specified in the Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

2.160 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.

2.161 The Actual Distribution Losses of DISCOMs for FY 2019-20 is 7.30% , 7.02%, 9.50% & 6.83% for BRPL, BYPL, NDMC & TPDDL respectively as submitted during True up of the Petitions which is far below the National Average Loss Level i.e. 21.92%.

2.162 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 year Tariff Orders which are available at Commission website (www.derc.gov.in).

2.163 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.

2.164 The Distribution Losses are applicable on Open Access consumers in line with clause 8.5.1 of the Tariff Policy 2016 as stated 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*."

2.165 The Cross-Subsidy Surcharge and the Additional Surcharge to be levied from consumers, who are permitted open access. However, a consumer shall avail open access only if the payment of all the charges leads to a benefit to them.

2.166 The stakeholders views regarding resetting of Distribution Loss Target of Distribution Licensees will be considered appropriately for next control period and stakeholders are requested to submit their comments when sought by the Commission on the Draft Regulations for the next control period.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.167 Review the formation and implementation of Installation of smart meters.

2.168 Electricity network (wires) should be underground.

2.169 DISCOMs are taking up various capital works such as changing bare conductors by Ariel bunch Cable (ABC), changing OH distribution lines and meters. The DISCOMs changed only a part of the OH conductors and meters but claimed and shown entire amount as Capitalization in their books of accounts.

2.170 Pending domestic connection will be installed with stipulated time. Pending connection cases should be solved at the earliest to avoid harassment of the consumer.

2.171 Time taking process of load reduction or new connection should be reduced and done on immediate basis by the DISCOMs as due to high fixed charges, consumers have to pay more on the bill and during this COVID-19 situation, the consumers are passing through various hardships like low production etc.

2.172 New Transformers shall be installed, Electricity wire should be underground, LED Lights should be installed.

2.173 Land is not available for Transformers. Amendment and new Guidelines may be issued to DISCOMs for land availability for installation/ setting up new Transformers so that new electricity meter connection can be obtained in lesser period.

2.174 Instead of repairing the old street light which are 20 to 21 years old, the same may be replaced with new LED street light to reduce the Maintenance Charges.

2.175 Street light maintenance should not be given. Street light surcharge should not be charged from the consumers.

PETITIONER'S SUBMISSION

TPDDL

2.176 Queries pertain to BYPL.

BYPL

2.177 As regards to stakeholder comment on income from Street Light Maintenance, the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCD to maintain Street lighting system which is reproduced below:

> *"42. Obligatory functions of the Corporation….*
>
> *(o) the lighting, watering and cleansing of public streets and other public places;…*
>
> *(w) the maintenance and development of the value of all properties vested in or entrusted to the management of the Corporation;"*

2.178 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner as matter of course, though as distribution licensee the maintenance of public lighting was not their function.

2.179 Therefore, Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. MCD, NHAI, PWD in the areas comprising East and Central Delhi.

BRPL

2.180 A perusal of the Stakeholder's letter indicates that the observations made pertains to BYPL and the consumer is being served by BYPL. We therefore, would not be in the right position to address the observations of the Stakeholder.

NDMC

2.181 The party is not in NDMC area

COMMISSION'S VIEW

2.182 The installation of smart meters has been mandated in the revised National Tariff Policy dated 28/01/2016 issued by MoP, GoI. Accordingly, the Commission has accorded 'In-principle' approval to the proposal of DISCOMs for installation of Smart Meters, in phased manner.

2.183 The Central Electricity Authority (CEA) 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. Accordingly, the bare conductors are being replaced with the cables in a phased manner by the Distribution Licensees on case to case basis.

2.184 The domestic connections shall be installed as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. For delay in energizing connection, the License shall be liable to pay the applicant compensation as per regulation 11 (v) of said order. Relevant clause as stated below:

> *"11 (V). In case the Licensee fails to provide the connection to an applicant within the prescribed time lines, the Licensee shall be liable to pay the applicant compensation as specified in Schedule-I of the Regulations."*.

2.185 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.

2.186 The Regulation 24 of Business Plan Regulations, 2019 outlays the tentative Capital Investment Plan including investment on smart meters for the petitioners. The relevant clause of said Regulation is as follows:

> *" 5. The Distribution Licensee shall submit an application including details of actual Capitalisation on quarterly basis for physical verification and true up of capital cost within 1 (one) month of the completion of the relevant quarter".*
>
> *In line with said regulation, the petitioner submits the details of actual capitalization on quarterly basis."*

2.187 The formation and implementation of capitalization plan may be referred from section A3: True up upto FY 2019-20 under the head of capital expenditure and capitalization.

2.188 The Commission has considered the submission that the expenses on account of street light maintenance is separate than the normal O&M expenses. However, the contract for maintenance of the street light has been given to the Petitioner due to its distribution business. Accordingly, the Commission has considered the net amount from Street Light Maintenance as part of Non-tariff income of the Petitioner.

ISSUE 7: TRUE-UP OF PAST CLAIM UP TO 2017-18

STAKEHOLDERS' VIEW

2.189 True Up for FY 2019-20 should be completed urgently:

- i) Distribution Loss Target and Collection Efficiency for FY 2019-20
- ii) Rebate on Power Purchase Cost
- iii) Sale of Surplus Power
- iv) RPO Obligation
- v) O&M Charges
- vi) Retirement of Assets
- vii) Legal Expenses
- viii) Income from Street Light Maintenance
- ix) Commission on Collecting Electricity Duty

x) ARR for FY 2019-20

2.190 It is not proper to determine O&M expenditures due to pending physical verifications of Asset and Truing up of capital expenditure (CAPEX). Had there been the Truing up of capital expenditures and physical verification of the assets, the Net Annual Revenue Requirements of the DISCOMs could have been much lesser resulting much less retail Tariff. The DISCOMs are claiming Return on capital employed on provisional capital cost and the Commission also provided it. Furthermore, O&M expenditures of the DISCOMs are also based on physical assets which are never verified. Therefore, the Tariff provided on provisional capital cost and non-verified physical assets are provisional Tariff. Under these circumstances, the Commission before taking the Tariff Petitions of DISCOMs into consideration, must True-up capital expenditures of DISCOMs.

2.191 In 2019-20, DISCOMs collection was less due to COVID-19 lockdown. DISCOMs have collected 1% less. So notional profit / notional loss will not work and notional profit should not be allowed.

PETITIONER'S SUBMISSION

TPDDL

2.192 Prudence check exercise related to Capitalisation is carried out in accordance to Business Plan Regulations,2019 wherein Distribution Licensee shall submit details of actual capitalization on quarterly basis for physical verification and True up of Capital Cost of the relevant year. Till the time prudence check of Capitalisation is completed, there must be 100% allowance of Capitalization for FY 2019-20 as per our audited books instead of current practice of 90% ad hoc. Our proposal of 100% allowances as per audit books of accounts is similar to the treatment extended to DTL.

2.193 Four issues /claims pertaining to True up of FY 2018-19 on TPDDL Tariff order dated 28/08/2020 were taken up in Review Petition dated 19/11/2020 filed under section 94 of the Electricity Act,2003. The adjudication of the same is pending before the Commission. Since these issues related to error apparent on face of records therefore, we request Commission to correct its error and consider consequential impact of all these issues in ensuing Tariff Order so that carrying cost burden on consumers minimised.

2.194 TPDDL agrees with the suggestion and request Commission to expedite the True Up of Capital Expenditure of DISCOMs.

2.195 Other Queries did not pertain to TPDDL

BYPL

2.196 The Commission in the last Tariff Order dated 28/08/2020 has partially allowed the impact of Review Order dated 13/12/2019 (in Petition No. 31 of 2018) and Petition No. 49 of 2020, stating that the impact of the pending issues is under consideration and will be allowed based on prudence check. We request the Commission to implement both Review Orders in true spirit and allow the impact in this Tariff Order. Also, Order in Review Petitions i.e. 64 of 2019 is reserved since January 2021 and yet to be given. We request that the Orders on the same may be issued and impact of the same be allowed in this Tariff order. Any further delay in allowing the impact will not be in the interest of the consumers as well the DISCOMs.

2.197 The Commission has not done final True-up of CAPEX and Capitalisation on account of pendency of the physical verification exercise for all the years since FY 2004-05 to FY 2019-20. DERC Tariff Regulations issued from time to time mandates review of actual capital investment at the end of each year of the Control Period.

2.198 Further, the Regulations provides for allowance of adjustment to depreciation and return on capital employed to be done at the end of the Control Period. However, three MYT Control periods have passed, FY 2019-20 being the last year of the third Control Period. Its being over 15 years that the DISCOM is not allowed its entitlements in terms of Return, Depreciation, Interest Cost, carrying cost, etc. in the ARR. For the period FY 2004-05 to FY 2015-16, Consultant's Report were shared for BYPL comments in December'20. On 25/01/2021, BYPL submitted its response within specified timelines. However, the Reports are pending finalization. For FY 2017-18 and FY 2018-19, Capitalisation has been disallowed on provisional basis. Verification exercise for both the years has been completed. However, the Reports are pending finalization. It is apprehended that finalisation process may take some more time. Hence, we request the Commission to allow atleast 95% of its total claim on account of Capex and Capitalisation pending finalisation of Consultants report as 100% physical verification has already taken place. This is also in line with DERC's past Tariff

Orders. Moreover, this will avoid further burdening of Carrying cost on the consumers.

2.199 Other Stakeholder's comments/ suggestions do not pertain to the Petitioner/BYPL.

BRPL

2.200 The Commission in the last Tariff Order dated 28/08/2020 has partially allowed the impact of Review Order dated 13/12/2019 (in Petition No. 30 of 2018) stating that the impact of the pending issues is under consideration and will be allowed based on prudence check. We request the Commission to implement both Review Orders in true spirit and allow the impact in this Tariff Order. Order on Review Petition No. 63 of 2019 is awaited. We request that the Order in the same may be issued and impact of the same be allowed in this Tariff Order. Any further delay in allowing the impact will not be in the interest of the consumers as well the DISCOMs.

2.201 The Commission has not done final true-up of CAPEX and Capitalisation on account of pendency of the physical verification exercise for all the years since FY 2004-05 to FY 2019-20. DERC Tariff Regulations issued from time to time mandates review of actual capital investment at the end of each year of the Control Period. Further, the Regulations provides for allowance of adjustment to depreciation and Return on Capital Employed (RoCE) to be done at the end of the Control Period. However, three MYT Control periods have passed, FY 2019-20 being the last year of the third Control Period. Its being over 15 years that the DISCOM is not allowed its entitlements in terms of Return, Depreciation, Interest Cost, carrying cost, etc. in the ARR. For the period FY 2004-05 to FY 2015-16, Consultant's Report were shared for BRPL comments in January'20. On 5/04/2021, BRPL submitted its detailed response. However, the Reports are pending finalization.

For FY 2017-18 and FY 2018-19, capitalisation has been disallowed on provisional basis. Verification exercise for both the years has been completed. However, the Reports are pending finalization. It is apprehended that finalisation process may take some more time. Hence, we request the Commission to allow atleast 95% of its total claim on account of Capex and Capitalisation pending finalisation of Consultants report as 100% physical verification has already taken place. This is also in line with DERC's past Tariff Orders. Moreover, this will avoid further burdening of Carrying cost on the consumers.

2.202 We would like to state that the comment of the stakeholder pertains to another Distribution Licensee of Delhi vis-à-vis BYPL and thus we are not in a right position to respond to the same.

2.203 With regard to physical verification of assets and allowance of capitalization in provisional basis, it is respectfully submitted that the Petitioner has been requesting for True-up of Capitalization to the Commission. The stakeholder has requested the Commission for True-up of Capital Expenditure.

NDMC

2.204 Does not pertain to NDMC

COMMISSION'S VIEW

2.205 Finalization of Capital Expenditure and Capitalisation of the DISCOMs is under process. Pending completion of True up exercise for capitalisation, the Commission has approved the capitalisation on provisional basis so that the future consumers are not burdened with past costs.

2.206 The impact of various Judgements of Hon'ble APTEL & review Orders of the Commission has been appropriately considered in this Tariff Order.

ISSUE 8: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.207 Regulatory Assets of DISCOMs are created and increasing (Rs.58000 Crore). Why Regulatory Assets are increasing.

2.208 Regulatory Assets has to be wiped off.

2.209 Surcharge be increased to 12% from present 8%.

2.210 Delhi consumers are already paying 8% surcharge, Pension trust surcharge, PPAC and Interest on carrying cost to the DISCOMs.

2.211 DERC should take measures to bridge the revenue gap.

2.212 Tariff should be hiked for liquidation of Regulatory Assets, avoid their accumulation and also avoid carrying cost burden to consumers. The Commission should liquidate regulatory assets within the stipulated time period.

2.213 Recovery of Regulatory asset. DERC has approved 8% surcharge which is recovered through Electricity bill. And in future also more surcharges will be charged.

2.214 DERC should increase the 8% surcharge to 15% to clear all Regulatory Assets since it is better than paying carrying cost every year which has been paid for past 9 years.

2.215 Commission should come with plan for timely Liquidation of Regulatory Assets.

2.216 Consumers are bearing the additional burden of carrying cost on the Regulatory Asset in the Tariff, which is also very huge seeking the size of ARR of the DISCOMs. It is requested that DERC should rethink on the existing recovery mechanism and approve a methodology wherein the burden of carrying cost and Regulatory Asset would be recovered in a time bound manner.

2.217 Regulatory Assets are not being nullified and consumers are also paying interest on loans taken by DISCOMs to bridge this gap. 8% Surcharge cannot be paid endlessly. Either Govt. should pay this or appropriate mechanism should be made to clear Regulatory Assets.

PETITIONER'S SUBMISSION

TPDDL

2.218 Need for timely liquidation of the Regulatory Assets has been emphasized in the amendments to the National Tariff Policy. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets.

2.219 Since last 8 years, we are struggling with past-accumulated Regulatory Assets for which no concrete liquidation plan, roadmap has been provided by the Commission. The uncertainty on recovery, liquidation of Regulatory Assets is a major cause of concern for the stakeholders, financial institutions, lenders etc. Some of the Distribution Companies in Delhi have been served with notices under Insolvency and Bankruptcy Code, 2016 by creditors seeking liquidation of their outstanding failing which resolution process will be initiated against them. Further, there are various Judgements from APTEL for timely liquidation of Regulatory Assets. MoP, GoI vide No. 23/02/2021-R&R [257091) dated 1/04/2021 released advisory advising against creation of Regulatory assets in business as routine situation. We appeal to the Commission to take decisive steps on recognition, liquidation of Regulatory Assets for TPDDL

2.220 As regards to stakeholder comment regarding Delhi consumers paying 8% surcharge, TPDDL agrees to the suggestion. It is in overall consumer interest and Delhi Power Sector

2.221 The absence of the cost reflective tariff in the past years has resulted in creation of the Regulatory Asset and Delhi DISCOMs have already been facing problem of non-liquidation of this accumulated Revenue Gap in time bound manner creating a liquidity crunch situation. Accordingly, DRRS of 8% is levied.

2.222 The current rate of 8% Deficit Revenue Surcharge (DRS) towards liquidation of Regulatory Assets is not sufficient and considering the quantum of Regulatory Assets prevailing as of now along with the carrying cost it would take another 10 years. Whereas Tariff Policy, 2016 mandates maximum period of 7 years for Regulatory Asset recovery, which has already passed. The recent Order from MoP, GoI as mentioned above stating the immediate liquidation of Regulatory Assets and its non-creation in ordinary course of business is mandating the Commission to take corrective steps. Considering the Statute in place and current stressful position of TPDDL in sustained operations at present level in near future, we submit to the Commission, that current rate of DRS should be increased to 15%. Various scenarios on proposed enhancement in the DRS have been filed in our ARR petition for FY 2021-22, for consideration of the Commission.

2.223 There is substantial difference in Regulatory Assets recognised by Commission (Rs.1890 as on 31/03/2019) and as appearing in our books of accounts (Rs.4926 on same date). This is because of non-implementation of Orders passed by the Commission/APTEL in favour of TPDDL but not implemented in various Tariff Orders and pending True up of Capitalisation starting from FY 04-05 to 18-19. We request Commission to give effect of all such issues in ensuing Tariff Order so that we could survive in this most difficult time.

2.224 Refer our True up & Tariff Petition for FY 21-22 followed by our latest letters dated 31/03/2021 & 15/04/2021, we have submitted vide our Letter No TPDDL/REGULATORY/2020-21/03/275 dated 29/12/2020 against Physical Verification Report dtd. 11th September 2020 from M/s. Shridharan & Associates for assets created during FY 2004-05 to FY 2015-16. Approximately Rs.1300 Crores is the impact of pending recognition of capitalization under Regulatory Assets. Commission is well aware that this issue is pending since long without our faults. We have been able to provide response for all observations with supporting documents and almost all assets physically verified upto the satisfaction of Commission's appointed consultants, we request that on provisional basis, 95% of claims towards this should be allowed in ensuing tariff order and balance 5% may be trued up after completion of this exercise.

2.225 TPDDL agrees with the suggestion and 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.

2.226 TPDDL agrees with the suggestion and proposes hike in Surcharge to atleast 15% along with cost reflective tariff for FY 2021-22 to recover the past accumulated Revenue Gap and its carrying cost. Regulatory Assets got created due to non-cost reflective Tariff for previous years. Thus, in order to fund the Regulatory assets TPDDL is availing loans from the market and paying interest on the same to the banks/FIs. To overcome the problem of further creation of Regulatory Assets, the Commission had introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest. However, current 8% surcharge is not sufficient to recover even the interest cost of Regulatory Assets and it should be enhanced to atleast 15% with cost reflective tariff for FY 21-22 to recover the past accumulated Revenue Gap and its carrying cost.

BYPL

2.227 The Regulatory Assets is created due to non-approval of legitimate cost in the past to avoid sudden tariff shock to the consumers of Delhi. Regulatory Asset Surcharge of 8% is being levied to recover those Regulatory Assets in the phased manner.

2.228 BYPL submits that the 8% Regulatory Assets (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.

2.229 The approved RA of BYPL is Rs. 2292 Cr and there is huge unrecognised RA of Rs. 16553 Crore on account of pending implementation of APTEL Judgment, Review Petitions etc. There are various APTEL Orders in favour of DISCOMs pending implementation by the Hon'ble Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay. Due to the different consumption mix across various categories of consumers, the recovery of RA through existing Surcharge of 8% is not comparable for all DISCOMs i.e. the recovery would be slower for DISCOMs with lower revenue base would enable BYPL to recover its recognized RA in 12 Years starting from 2019-20 onwards. During FY 2020-21, COVID-19 has considerably reduced the revenue billed and thus, recovery of RA is adversely impacted. MoP, GoI in its recent communication has issued an advisory relying upon the prevailing legal provisions in the Tariff Policy and APTEL judgments (O.P. 1 of 2011) which states that the recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within the 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 problem of cash flow to the Distribution Licensee.

2.230 We agree with the stakeholder's suggestion that new Regulatory Asset should not be created by adopting the cost reflective tariff. It will improve the financial sustainability of DISCOMs so that they continue to provide un-interrupted and quality power of supply to the consumers of Delhi.

2.231 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.

2.232 We agree with the alternative approach of stakeholder to recover the Regulatory Assets for past years by providing one-time package as also being provided to consumers of other State DISCOMs.

2.233 As regards to stakeholder comment on accumulated gap over the years, it is submitted that the Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The revenue gap is the difference between Revenue available to meet the ARR and the Aggregate Revenue Requirement. The same is to be 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.

2.234 We appreciate the concern raised by the stakeholder that Regulatory Assets should not be created further. BYPL from time to time has also been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

2.235 This huge un-recovered Regulatory Asset is detrimental to the Power Sector Reforms in the state of Delhi. Also, the accumulation of huge regulatory assets is severely impact the consumer of Delhi as it further impacts the Tariff by adding the carrying cost. Hence, the Commission should provide some remedial measures for amortization of the Regulatory Assets in a time bound manner such that it neither cripples the DISCOMs nor the consumers.

BRPL

2.236 BRPL appreciate the comments on closure of the huge accumulated Regulatory Assets till FY 2019-20 along with carrying costs. It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. 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. Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before the Hon'ble Supreme Court of India, BRPL had requested the Commission to adjust 8% surcharge so as to ensure recovery within the time frame specified in the amortization plan submitted before the Hon'ble Supreme Court of India.

2.237 BRPL has projected the revenue requirement of Rs. 10638 Cr for FY 2021-22 and a gap of Rs 1703 Crore In this regard, we request the Commission for a cost reflective Tariff. It is submitted that the Commission's Regulations itself provide for recovery of Fixed cost through Fixed charges and variable cost through Energy Charges. Currently the ratio of the same is not adequate to reflect the intend of the Regulations. The commission in the past had tried to bridge that gap through rationalisation of Fixed Charges. We request that the Commission should review Fixed Charges and rationalise the same in order to allow a cost reflective Tariff. This will not only help improve the cash flows of the DISCOMs but will also avoid creation of RA during FY 21-22 as advised by MoP, GoI in its guidelines on Timely determination of Tariff Order and Non creation of Regulatory Assets.

2.238 Currently, the approved RA of BRPL is Rs. 3475 Crore and there is huge unrecognised RA of Rs. 24062 Crore on account of pending implementation of APTEL Judgment, Review Petitions etc. There are various APTEL Orders in favour of DISCOMs pending implementation by the Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay. MoP, GoI in its recent communication has issued an advisory relying upon the prevailing legal provisions in the Tariff Policy and APTEL judgments (O.P. 1 of 2011) which states that the recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within the 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 problem of cash flow to the Distribution Licensee.

2.239 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.

2.240 Clause 8.2.2 of the Tariff Policy dated 6/01/2006 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."

2.241 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."

2.242 The rationale given by the Commission in its Tariff Order is as under:

"5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs 1402.32 Crore While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs 6919 Crore Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.

5.10 For meeting carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission has decided to introduce a *surcharge of 8% over the revised tariff."*

2.243 The Commission vide its Tariff Order dated 13/07/2012 had introduced the concept of Fixed & Energy Charges for liquidation of accumulated Revenue Gap.

2.244 However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.

2.245 We appreciate the 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 Hon'ble 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 Hon'ble 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.

2.246 It is requested to Implement various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court. The Commission also issued an Order on 4/02/2021 stating that issues like relaxation in AT&C Loss targets for TPDDL and financing charges of loans to be implemented in current exercise. Same dispensation ought to be allowed for BRPL so as to maintain parity. Similarly, issues covered under review Order of BYPL issued on 11/03/2021 may also be granted to BRPL. Similar issues are also pending in current review petition of BRPL which is required to be adjudicated. Further, BRPL is also having favorable APTEL Judgments on similar issues. Accordingly, pray to the Commission to recognize Regulatory Assets. DISCOMs have taken loans from PFC for payment of outstanding dues to Delhi GENCO and TRANSCO. One of the primary conditions for disbursement is that additional RA shall be recognized going forward on past APTEL claims.

NDMC

2.247 Regulatory Assets issue doesn't not pertain to NDMC. The Commission may decide on the same.

COMMISSION'S VIEW

2.248 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."*

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

2.250 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 fixing 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. Desired level of dedication could not take place due to petitioner burden on account of implementation of Hon'ble APTEL Judgment and Review Orders. It will be reviewed in future Tariff Orders.

2.251 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.

2.252 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.

2.253 The Commission has submitted before Hon'ble 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.

2.254 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 2021-22, 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 9: PENSION TRUST

STAKEHOLDERS' VIEW

2.255 DERC to provide funds towards regular pension and benefits including arrears for the erstwhile DVP Pensioners/family Pensioners for the year 2021-22.

2.256 Pension Trust surcharge should be discontinued.

2.257 Giving pension to the erstwhile DVB pensioners is the responsibility of the Govt.

2.258 Pension trust account may be audited and checked.

2.259 Pension is the liability of Govt. Besides, there is no transparency in Pension Trust as they do not share their records with public or get them audited. DERC should discontinue the pension trust surcharge.

PETITIONER'S SUBMISSION

TPDDL

2.260 The Pension Trust was mandated to get an annual actuarial valuation of its corpus to ascertain its solvency on a year on year basis. Till date, Pension Trust has not conducted the actuarial valuation in terms of the statuary framework ordained for the functioning and funding of the Pension Trust.

2.261 The responsibility of Pension Trust solely lies with Delhi Govt. and it should meet the shortfall in the Trust at any stage and ensure benefits of the pensioners.

2.262 The Commission had decided to levy the Pension Trust Surcharge towards recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. We have also requested the Commission that the liability for pension fund should be borne by GoNCTD and not by consumers.

2.263 The Commission had directed the Delhi Government to have a forensic audit of the Pension Trust conducted, which has not been done till date. The responsibility solely lies with Delhi Govt. and it should meet the shortfall in the Trust at any stage and ensure benefits of the pensioners. This will ensure that electricity consumers are not directly impacted with this burden.

BYPL

2.264 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.

2.265 BYPL is complying with the aforesaid directive of the Commission by billing and collecting the Pension Surcharge for servicing the liabilities, pension of the Pension Trust.

BRPL

2.266 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.

2.267 The Commission vide its tariff order dated 31 August, 2017 had notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD, and the same was revised to 3.80% in tariff order dated 28 March, 2018. Thereafter, the Commission vide its tariff order dated 28/08/2020 has further revised this surcharge to 5%.

2.268 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 FY 2002-03 to till date to ascertain the actual liability of Pension Trust, the Audit has not been conducted till date..

2.269 The Commission vide its Tariff Order dated 28/08/2020 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*

..."

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

NDMC

2.271 The party is not in NDMC area

COMMISSION'S VIEW

2.272 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 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 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 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.

2.273 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.

2.274 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.

2.275 The Commission has already made provision on the ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Crore, Rs. 470 Crore, Rs. 573 Crore, Rs. 573 Crore, Rs. 694 Crore, Rs. 792 Crore , Rs. 839 Crore and Rs. 937 Crore 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 , FY 2019-20 and FY 2020-21 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.

2.276 The Commission vide letter dated 8/12/2016 and 13/7/2020 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. 1506 Crore (1046 + 1380/3), sought for FY 2021-22 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide its letter dated 18/06/2021. Rs. 1380 Crore is revision of Pension & Arrears w.e.f. 1/1/2016 which is to be disbursed in three instalments in three consecutive years in order to minimize the impact of surcharges to consumers.

2.277 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgment dated 3/05/2010) 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 10: OPEN ACCESS

STAKEHOLDERS' VIEW

2.278 To review the steep increase in Cross-subsidy charge and exempt DMRC from its applicability. Cross-subsidy surcharge may not be applicable to DMRC in open access.

2.279 Additional surcharge should be determined based on credible data and demonstration by DISCOM that there is standard capacity on account of open access.

2.280 Suggesting to compute wheeling charge on power purchased/power input rather than the sales.

PETITIONER'S SUBMISSION

TPDDL

2.281 The generation capacity remains stranded because of consumers moving to open access. TPDDL has signed PPA's with generators for meeting the power requirement of consumers which is leading to Generating Stations being backed down/ plants scheduled to their technical minimum/ on reserve shutdown while paying their fixed cost because of consumers moving to open access. On similar lines, CTU and STU transmission charges are also stranded charges which are paid by other non-open access consumers. Further, using normative fixed cost of Generating Station for determination of Additional Surcharge will not be correct as the payments towards the same is not done on normative basis, the payment is done towards the plant availability and energy scheduled. Additionally, with increase in RPO, additional surcharge is bound to increase. Hence the methodology used by Commission is correct and needs no moderation in the same.

2.282 As regards to stakeholder's comment on Computation of Wheeling Charge, the Tariff determination and Tariff design is the sole prerogative of the Commission.

BYPL

2.283 The stakeholder has specifically raised the issue towards other DISCOM, hence the Petitioner has no submission in this regard.

2.284 The determination of Tariff or surcharge is sole prerogative of the Commission.

BRPL

2.285 The issue of applicability of Distribution Losses upon DMRC is mainly due to the following reasons:

i) DMRC is connected to the Distribution System of BRPL at various drawl points in BRPL's area of supply and as such DMRC is an embedded consumer of BRPL. DMRC takes supply of electricity from BRPL for the purposes of operating the Metro rail, metro stations and various other non-traction offices and establishments of DMRC. The total Contract Demand of DMRC from BRPL is 140 MVA.

ii) On and from 24/04/2019, DMRC, upon seeking consent from BRPL and NOC from DTL, has availed of Long-Term Open Access (LTOA) to the distribution system of BRPL to partly meet its requirements from other sources of supply. The injection point for the LTOA quantum of electricity is the 220 kV side of 220/400 kV substation of Rewa Ultra Mega Power Project and the drawl point is the distribution system of BRPL within Delhi at Eight (8) locations (sub-station/location). The total quantum of electricity sourced through LTOA by DMRC is 47.5 MW.

iii) Section 2 (19) of the Electricity Act, 2003 provides for the definition of the Distribution System as under:

"(19)"Distribution System" means the system of wires and associated facilities between the delivery points on the transmission lines or the Generating Station connection and the point of connection to the installation of the consumers".

iv) Rule 4 of the Electricity Rules, 2005 provides for the "Distribution system" to include the Transmission System which is being utilized for distribution of electricity, as under:

"4. Distribution System: The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others"

Accordingly, Distribution Losses have to be included in the calculation of the Open Access Charges.

v) In terms of Regulation 12 of DERC Open Access Regulations, DMRC being an open access customer is mandated to pay all applicable charges to BRPL including the adjustment of losses into the system, as under:

"12. Applicable Charges:

…(2). The Commission while determining the charges for open access charges to the transmission system or the distribution system, provides for adjustment of losses in the system either in terms of money or in the quantum of electricity to be delivered at the destination, after the transmission and/or wheeling of electricity as the Commission considers to be appropriate."

vi) In view of the said Regulation, it is noteworthy to point out that the Commission by its Tariff Orders issued from time to time for BRPL, has provided for the adjustment of losses in the Distribution System which the open access customer is liable to bear. The Distribution Loss approved by Commission for FY 2018-19 and FY 2019-20 for BRPL is 1.20% loss at 33/66 kV voltage level which is precisely the voltage level at which DMRC is connected to the Distribution System of BRPL.

vii) Further, Para 6 of the Open Access Order dated 1/06/2017 issued by Commission, provides that the applicable charges for Open Access and related matters were determined, exemption from charges of Wheeling and Additional Surcharge were made applicable only in case of Renewable Power Procurement and not otherwise, as under:

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

(1) Open Access consumer shall fulfill its RPO as per DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time.

(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.

(3) No banking facility shall be provided for supply of electricity from renewable energy sources through Open Access."

viii) In terms of the methodology and calculation provided in the Commission Order dated 1/06/2017, Cross Subsidy Surcharge is computed after taking into consideration the Distribution Loss Value as per the stipulated formula provided therein.

ix) DMRC is continuously taking supply throughout the day and in accordance with the same it is liable to bear the Distribution Losses and the same are applicable to DMRC. The Transmission Licensee, i.e., DTL can only transmit electricity, and cannot supply electricity to DMRC, which is the mandate and function of a

Distribution licensee i.e., BRPL. As such DMRC is getting supply of electricity from BRPL only and not otherwise. Therefore, the losses in the system of BRPL at the relevant voltage level have to be distributed to all consumers including DMRC as per the Tariff Orders of the Commission.

2.286 The contention of DMRC regarding the issue of Cross Subsidy Surcharge merits no response. As regards the comments on the Open Access, we restrict our comments to ARR petition only. Matters relating to Open Access have been dealt separately by the Commission.

2.287 As regards to stakeholder's comment on computation of Wheeling Charges, the issue raised is concerned with the Determination of Open Access Charges and related matters and not ARR Petition. Hence, no submission on the same, as we are confining our response to the issues relating to the present ARR Petition only.

NDMC

2.288 As regards to stakeholder comment on Wheeling charges & surcharge methodology, the Issues raised are generic in nature. Hon'ble commission may take an appropriate view.

2.289 For remaining comments, the party is not in NDMC area.

COMMISSION'S VIEW

2.290 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.

2.291 The Open Access Charges will be governed by Order dated 1/6/2017 , 3/9/2021 as amended from time to time.

2.292 The distribution licensee shall be compensated by consumer for permitting open access. 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 is trued up during calculations of ARR.

ISSUE 11: TARIFF HIKE

STAKEHOLDERS' VIEW

2.293 Tariff should not be lower than overall cost of purchase of electricity. Tariff should be cost reflective.

2.294 Tariff should be equal to the cost of supply for Domestic category and higher for Non-domestic categories.

2.295 Industrial Tariff should not be increased due to COVID-19.

2.296 Cost Reflective Tariff should be made.

2.297 The Tariff of Commercial and Industrial consumers should not be increased due to COVID-19. Tariff of Low rate category like electric vehicle and public lighting may be increased to reduce the burden of consumers.

2.298 Public Utilities should not be given cross subsidy as they are government owned.

2.299 Commercial category Tariff is kept very high in order to reduce the Domestic Category Tariff. So instead of Commercial category, Public Utilities Tariff should be increased to give benefit to Domestic Category.

2.300 No concession or benefit should be given to the consumers consuming more than 400 units as they are in the higher income group.

2.301 Surcharge be increased to 12% from present 8%.

2.302 Consumers are paying 8% Surcharge and interest on loan year after year. To discontinue and clear them, appropriate Tariff hike is suggested.

2.303 Tariff of Domestic Consumers should not be increased due to Socio-Economic Difficulties of COVID-19.

PETITIONER'S SUBMISSION

TPDDL

2.304 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.

2.305 Cost reflective Tariff determination by the Commission will ensure that TPDDL is able to render quality and uninterrupted power supply and other operational activities in its area of supply. The Commission while determining Distribution Tariff has to be guided by principles enshrined in Section 61 of The Electricity Act, 2003 and Tariff Policy,2016 and various judgments of APTEL. Recently MoP, GoI vide Letter No. 23/02/2021-R&R [257091) dated 1/04/2021 advised all SERC to give cost reflective Tariff.

2.306 Since last 6 years, there has not been any increase in Electricity Tariff in Delhi whereas cost of various services has gone up because of various un-controllable factors like inflation, increase in minimum wages, introduction/increase in taxes like GST impact on power distribution business etc. Our present Average cost of supply is Rs 9.21 /kWh whereas our Average Billing Rate is Rs. 7.08 / kWh.

2.307 The current Tariff structure is not cost reflective and is at variance with the provisions of Tariff Policy and Electricity Act,2003. Due to continued non cost reflective Tariff determination year on year there has been huge built up of Regulatory Assets. Regulatory Assets in case of TPDDL have already reached around 5500 crores till December 2020-21 FY.

2.308 This alarming state of affairs is owing to nominal DRS of 8% permitted for recovery in the Tariff structure which needs suitable enhancement. Therefore, we request the Commission to give due weightage to this aspect and issue Tariff Order adequate enough to cover revenue gap of Rs.1108.90 crores as submitted in our Tariff Petition for FY 21-22.

2.309 Accumulated Revenue Gap would lead to additional carrying cost burden on the consumers in addition to the financial difficulties on DISCOMs in running the business smoothly.

2.310 Need for timely liquidation of the Regulatory Assets has also been emphasized in the amendments to the National Tariff Policy. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets. In the interest of the consumers and financial viability of the power sector, TPDDL agrees with the suggestion for hike in Surcharge to recover the past accumulated Revenue Gap and its carrying cost.

2.311 Other Queries didn't pertain to TPDDL.

BYPL

2.312 The Tariff Determination exercise is the sole prerogative of the Commission. Further, we appreciate the concern raised by the stakeholder that there should be cost reflective Tariff so that Regulatory Assets should not be created further. BYPL from time to time has also been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

2.313 Costly tariff for High usage domestic Consumer: With respect to the stakeholder responses, we would like to submit that tariff determination is sole prerogative of the Commission.

2.314 We agree to the concern raised by the stakeholder regarding the burden on consumer due to non-cost reflective Tariff and inadequate recovery of accumulated Regulated Assets. Although, 8% RA surcharge was allowed by the Commission vide order dated 13/07/2012, it is not sufficient enough for time-bound recovery of the accumulated Regulatory Assets.

2.315 As regards to stakeholder comment on Non-Cost Reflective Tariff, the Section 61 of Electricity Act 2003 mandates that while determining Tariff, the Appropriate Commission shall be guided by the objective that the Tariff progressively reflects the efficient and prudent cost of supply of Electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner. Hence, it is in the consumer's overall interest, that the gap between Revenue available and Revenue required is to be 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.

2.316 Further, DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, also mentions that the fixed charge should be comprising of fixed components of ARR and Energy Charge should be comprising of variable component of ARR. In this way, the consumer would be benefitted as the energy charge component of Tariff will be reduced and on the reduced energy charge consumer would save the electricity duty payable to some extent.

BRPL

2.317 BRPL has been consistent in delivering high performance by meeting the performance standards prescribed by the Commission. Also, as far as efficiency is concerned, we wish to state that BRPL is frequently hailed as a textbook example of privatization model for all DISCOMs across the country and has been a pioneer is several aspects of privatization and modernization. The Supreme Court's observed in Writ petition vide its order dated 23/11/2012 that "the power situation in the city has improved tremendously.

2.318 The stakeholder has suggested for creation of a new slab above 500 units with higher fixed tariff so that irresponsible consumers will be made to pay more for their willful excess consumption by removing slab benefits given in domestic Tariff. He has further suggested for some changes in law for encouraging electricity conservation. In this regard, DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission.

2.319 For Adjustment in tariff to avoid accumulation of Regulatory Assets, the stakeholder has submitted that the 8% surcharge towards recovery of past accumulated deficit of revenue is grossly inadequate to recover accumulated dues of DISCOMs. He has further submitted that no timeframe has ever been provided for its recovery, and also, burden of carrying cost is imposed on these Regulatory Assets which is ultimately paid by consumer and all these are never ending burden on the consumers. In this regard, a surcharge of 8% have been allowed for recovery of 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.

2.320 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BRPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt. /State Govt. owned Generating stations & IPPs. In addition to this, the Petitioner also purchases power from other sources such as Energy Exchanges, Bilateral & Banking arrangements 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 BRPL including DMRC. It is submitted that any increase in Tariff for DMRC is on account of increase in power purchase cost and other components forming part of the ARR of the distribution licensees.

2.321 As regards to stakeholder' requests to not increase Tariff of Domestic consumers, especially in light of the outbreak of the COVID-19 pandemic. The stakeholder has further pointed out that any tariff hike would aggravate the hardships of the consumers who are already dealing with the effects of the pandemic. Regarding hike in retail electricity tariffs, it is submitted that as a responsible corporate, we fully sympathize with our consumers and at all times stand at their side during this time of hardship. We as a responsible DISCOM are doing our best to ensure continued and un-interrupted power to all our consumers despite braving all odds at a time when there is an acute outbreak throughout the license area of the Petitioner.

2.322 While we understand that any increase in Retail Tariff may impose additional burden on consumers, we urge the stakeholder to appreciate that:

i) To continue providing un-interrupted power, the petitioner needs a cost reflective tariff so that it can make timely payments to generators from whom the petitioner procures power.

ii) Further, in order to ensure un-interrupted power, the petitioner needs sufficient cash flow to maintain, up-keep and upgrade its network / physical infrastructure so that the same can cater to an ever increasing load demand.

iii) The petitioner has also sought cost reflective tariff so that all other payment obligations are met in a timely manner so that the burden of carrying costs are minimized on consumers.

NDMC

2.323 The party is not in NDMC area

COMMISSION'S VIEW

2.324 Post the Tariff determination exercise, the Commission has not increased Tariff for FY 2021-22 in the existing structure providing reliable and affordable Power to the consumers of Delhi.

2.325 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 2021-22, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in True up to FY 2019-20 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.

ISSUE 12: CAG AUDIT

STAKEHOLDERS' VIEW

2.326 In the 2003-04 reports, AT&C Loss was 61.89% and in 2019-20 it was 8.65%. They are reducing. So where is the surplus and still consumers are paying higher rates. CAG audit should be done and in coming years no Tariff should be increased.

2.327 Regulatory Audit not done in this year. Properly Regulatory Audit should be done.

2.328 Need more transparency in Regulatory Audit by DERC.

2.329 Regulatory Audit should be done before Tariff Order issuance.

2.330 CAG Audit matter is pending in the Hon'ble Supreme Court since 2017 till date. It should be taken up immediately.

2.331 Forensic Audit of DISCOMs should be done.

2.332 CAG Audit matter should be taken on immediate basis.

2.333 Related Party Transaction and Physical verification of DISCOMs from 2002-20 should be done on immediate basis.

2.334 Stop one company internal selling, no internal transactions.

2.335 As regards to Related Party Transfer, DISCOM purchased certain materials from REL their sister concern for about Rs. 850 Crore and charges Rs. 1428 Crore as expenses from the Commission and when Commission wanted to know the details, the details were not furnished. But the Actual cost was less. As the related party transfer was carried out in 2004-05 after doing prudence check by the Commission, so there is no question arises for reopening of it and giving DISOMs any more money and interest

2.336 Proper audit of DISCOMs should be done and Tariff should not be increased.

PETITIONER'S SUBMISSION

TPDDL

2.337 Queries pertain to BRPL and BYPL.

BYPL

2.338 Did not provide any Comment.

BRPL

2.339 The comment of the stakeholder pertains to another Distribution Licensee of Delhi vis-à-vis BYPL and thus we are not in a right position to respond to the same.

NDMC

2.340 The party is not in NDMC area.

COMMISSION'S VIEW

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

2.342 The audit is crucial for preventing mis-statements 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 empaneled auditor.

2.343 The Commission was carrying out verification of Books of Accounts of Distribution

Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG empanelled Auditor. Similarly, for FY 2019-20, Commission floated tender twice for the appointing C&AG empanelled Auditor for verification of Books of Accounts of Distribution Licensees, but the bids could not be finalized even till April '21 due to procedural and Technical issues with the tender. Apprehending problem in tender finalisation, the Commission started in-house verification of Books of Accounts for FY 2019-20 from March '21 onwards, however, decision of in-house verification instead of Regulatory Audit by C&AG empanelled Auditors, was taken in the month of June '21. If, any, variation/deficiency in the in-house verification is being noticed in future it will be dealt accordingly.

ISSUE 13: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.344 Include the activities of processing of fruits and vegetables under Agricultural Tariff and not in Industrial Tariff category in the interest of the consumers. This industry consumes large quantity of electricity in various stages to supply fruits and vegetables to end consumers like dehydration process, cold storage, freezing and storing and thermal processing etc. This will help in providing the fruits and vegetables at affordable prices also.

2.345 Processing of Vegetables & Fruits to be classified under Agricultural Tariff.

2.346 Large number of slabs need to be reduced and cross subsidy be stopped.

2.347 People belonging to low income group are the consumers of the BYPL. Therefore, BYPL have low revenue as compared to other DISCOMs. Power Purchase cost of BYPL should be decreased to benefit the consumers. Therefore, it is requested to approve different Tariff for different DISCOMs based on their profile and difficulties.

2.348 DMRC be treated as special category consumer whose Tariff is based on actual cost of supply.

2.349 Green Tariff should be implemented in Delhi also.

2.350 Creation of Residential Category high consumption (e.g. above 500 units) high Tariff slab with elimination of benefits given in slabs.

2.351 Domestic slabs should be reduced to three slabs i.e.

(i) upto 150 units

(ii) 151 to 300 units and

(iii) more than 300 units.

No subsidy should be given on more than 300 units.

2.352 Highest domestic slab should start from 500 units onwards and no slab benefits should be provided to them for motivating to reduce the consumption and be more responsible towards environment.

2.353 East Delhi has low end Domestic consumers. Accordingly, if Commission decreases the power purchase cost, DISCOMs will be able to invest more in upgrading network.

2.354 Domestic Category should have separate Tariff slabs for more than 400 units consumption without giving benefit of lower tariff of lower consumption slabs

2.355 It is requested to approve different Tariffs for different DISCOMs.

2.356 Domestic Category should have separate tariff for more than 400 units consumption and all units should be billed on this Tariff without giving benefit of lower tariff of lower consumption slabs.

2.357 The commission should determine the Tariff for Domestic consumers where consumer's having more than 400 units of consumption should not get the benefit of lower slabs and should be charged with different Tariff slabs.

2.358 No subsidy should be given to the consumers who are consuming more than 300 units.

2.359 Benefit/subsidy saved from avoiding subsidy should be given to industry and their Tariff should be reduced as industries have been subsidizing the domestic tariff till now.

2.360 In key metro cities, highest Domestic slab starts from 501 Units, while in Delhi the highest slab Starts from 1201 Units. Highest Domestic slab Tariff in other cities is more than or equal to average cost of supply however in Delhi it is lower than that. At present, high consuming Domestic consumers also get the benefit of lower Tariff according to the slabs. Consumers with more than 400 units monthly consumption should pay cost of supply as they are well off and can afford to pay.

2.361 Re-categorize the pumping load of the SDMC under the Public Utility category from the present Non-Domestic category.

2.362 Re-categorize the Community Halls, Toilet Blocks, Office Buildings and Car Parking of South DMC under Public Utilities from the present Non-Domestic category as these are used for public convenience.

2.363 Considering no contribution of DMRC in the Distribution Loss of DISCOM, DMRC Tariff may be reviewed accordingly.

2.364 DMRC be treated as special category consumer whose tariff is based on actual cost of supply.

2.365 Re-categorize the Horticulture nursery under Agriculture Category from the present Non-Domestic Category. Tariff should be charged on Domestic rates rather than Non-Domestic or temporary connection as the stakeholder is providing the houses to the Domestic consumer.

2.366 All AAYUSH Doctors Clinic should be covered under Domestic Category instead of Commercial Category.

2.367 Peak rate charges for domestic/ non-domestic, industrial, commercial categories should be given minimum reduction of 25%.

2.368 Cross Subsidy should be removed or given at the lower units i.e. upto 200 units.

2.369 Domestic Consumers are being provided cross subsidy of 69% which is against the Tariff policy resulting in Higher Tariff of Non Domestic Consumers. Tariff policy mandates that cross subsidy should be in range of +20% to -20%.

2.370 Lower income group in Juggies are misusing the electricity as they are getting subsidy on their bill and this will burden the middle class/ tax payers.

2.371 DISCOMs own consumption is at zero rate but status of electricity tax is not provided.

PETITIONER'S SUBMISSION

TPDDL

2.372 Processing of Vegetables & Fruits is not considered under agricultural Tariff and the same is in parlance with other States, especially the agriculture states of Haryana and Punjab.

2.373 With regards to reduction in slabs, any such suggestion is in overall consumers interest. Section 61(d) and 61(g) of the Electricity Act, 2003 provides that the State Regulatory Commissions should ensure the recovery of the cost of electricity in a reasonable manner such that the Tariff progressively reflects the cost of supply of electricity with elimination of cross-subsidies within the period to be specified by the Appropriate Commission.

2.374 As regards to stakeholder comment related to people belonging to low income group of BYPL, the Commission cannot decrease Power Purchase Cost for plants regulated by the CERC. Further, DISCOMs are allowed schemes based on their criticality and necessity after due prudence by DERC. Power Purchase Costs do not govern the decision for investment in such schemes. Thus, a particular area requiring new scheme, up-gradation in infrastructure, the same must be put up to Commission with data of breakdowns, poor supply, load shedding etc. for approval.

2.375 Moreover, according to the National Tariff Policy, direct subsidy by State Governments 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 by giving direct subsidies to only needy consumers.

2.376 In key metro cities, highest Domestic slab starts from 501 Units while in Delhi the highest slab Starts from 1201 Units. Highest Domestic slab Tariff in other cities is more than or equal to average cost of supply however in Delhi, it is lower than that. At present, high consuming Domestic consumers also get the benefit of lower Tariff according to the slabs. Consumers with more than 400 units monthly consumption should pay cost of supply as they are well off and can afford to pay. The Commission has recently issued a Statutory Advice dated 19/10/2020 to the GoNCTD on reformation of slabs and subsidy implementation.

Tariff for Units >500 units should be more than ACoS- Rs. 9.21/ unit

1. As per Tariff Policy 2016, cross subsidy should not exceed by + 20% but in Delhi it is up to 43% in case of domestic customers.
2. Effectively entire domestic category is getting cross-subsidized Tariff even consumer with consumption > 1500 Units Per Month.
3. Scope of increase domestic Tariff for higher consuming households (>500 units per month)
4. This will only impact ~10% of consumers

2.377 Regarding re-categorization of loads, Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

2.378 Other queries regarding DMRC pertains to BRPL & BYPL.

BYPL

2.379 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.

2.380 As regards to Stakeholder's comment regarding DMRC to be treated as special category consumer, 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. Further, the determination of Tariff for all category of consumers including DMRC is the sole prerogative of Commission.

2.381 Stakeholder in its comments stated that the different tariff for consumption more than 400 units of consumption. It is submitted that Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that Tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.382 Regarding the large number of slabs and stopping of cross subsidy, the determination of Electricity Tariff to be charged from a consumer and Tariff categories is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003. Furthermore, clause 8.3(2) of the Tariff Policy, 2016 provides as under:

"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."

2.383 We agree to concern raised by the stakeholder regarding the difficulties of the BYPL serving the east Delhi consumer's however the Tariff determination of any category of consumer is the sole prerogative of the Hon'ble Commission.

2.384 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.

2.385 In terms of Tariff Policy, the Tariff for any category of consumer shall be within +/- 20% of ACOS. DMRC is billed under the public utility category which is billed within the +/- 20% of ACOS and within the norm specified in Tariff Policy.

2.386 As regards to stakeholders' query regarding the determination of slab for tariff and determination of differential tariff for the consumer consuming above than 400 units, Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that Tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.387 Section 61 of Electricity Act 2003 mandates that while determining tariff the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. Further, the

Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner.

2.388 With respect to stakeholder comment regarding asking Generating companies to reduce cost, in terms of the provisions of the Electricity Act, 2003, determination of Electricity Tariff charged to consumers is the sole prerogative of the Commission and DISCOMs are bound to oblige the same.

BRPL

2.389 The stakeholder from their instant representation seems to suggest to the Commission to determine higher fixed rate of Tariff for domestic consumers consuming above 500 units in a month (as opposed telescopic Tariff which is prevalent for all domestic consumers under the present tariff regime). The rationale explained by the stakeholder for such a change is that consumers consuming more than 500 units in a month are economically well off and can afford such higher fixed rate tariffs and hence should not be provided the benefit of telescopic Tariffs. It is submitted that determination of Tariff and Tariff categories is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003. We trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.390 Regarding New slab for Domestic Consumption above 400 units, the stakeholder has suggested for creation of a new tariff slab for domestic consumers with consumption above 400 units. He has further submitted that such domestic consumers with consumption above 400 units should not get any benefit given in lower slabs in domestic tariff as they are high income groups. In this regard, it may kindly be noted that DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission. The stakeholder's plea may be duly considered by the Commission.

2.391 As regards to Stakeholder's comment on People belonging to low income group of BYPL, the comment pertains to a different distribution licensee and hence not been replied to.

2.392 In view of the role of DMRC as a public utility service, BRPL has special consideration for maintaining quality of power supply to DMRC. BRPL endeavors to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure 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.

2.393 Regarding the change in Tariff Category of Pumping Stations, Tube Wells, Sewage Treatment Plant and other institutions under SDMC, the stakeholder has submitted that for the services of storm water pumping stations, tube wells and sewage treatment plant, SDMC is billed under commercial/Non-Domestic category. He has submitted that SDMC pumping stations are used for clearing storm water drains and tube wells are used for watering the plants/grass in SDMC parks, and thus, such services of SDMC are used for the benefit of general public. In this regard, he has further submitted that same nature services of storm water pumping stations, tube wells and sewage treatment plant are billed under public utility Tariff for Delhi Jal Board. Thus, he has requested that the services of storm water pumping stations, tube wells and sewage treatment plant, being used for general public, may be considered under Public Utility category in place of Non-Domestic Category.

Further, he has submitted that in states of BEST Mumbai, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Haryana, Jharkhand, Maharashtra, Madhya Pradesh, and Uttar Pradesh, the services of pumping load have been considered under Public Utilities/ Public Water Works category and not under the Non-Domestic/Commercial category. Thus, he has submitted that SDMC is being charged more than Delhi Jal Board for providing the same services, i.e. pumping of water.

2.394 Regarding the change in Tariff Category of other institutions/assets including Community Halls, Toilet Blocks, Office Buildings, Car Parking and Horticulture Nursery, the stakeholder has submitted that for the services of Community Halls, Toilet Blocks, Office Buildings, Car Parking and Horticulture Nursery SDMC is billed under commercial/Non-Domestic category, in spite of the fact that such services are for the welfare of the community. He has further submitted that in BEST- Mumbai, facilities like Public Sanitary services, Office Building are considered under Public Services Consumer category. Also, in the States of Himachal Pradesh and

Maharashtra, the horticulture is considered under Irrigation and Drinking Water Pumping Supply category.

2.395 He has submitted that since the services of Community Halls, Toilet Blocks, Office Buildings and Car Parking are used for public welfare, therefore, such services may be billed at lower Tariff of Public Utility and not under the Non-Domestic category. He has further submitted that Horticulture may be billed at lower tariff of Agriculture category. He has requested the Commission to allow lower Tariff to the services of SDMC, so that it will be able to save funds and utilize it for benefit of general public.

NDMC

2.396 Query is not related to NDMC

COMMISSION'S VIEW

2.397 The categorization of consumers in various Tariff categories by the Commission is governed by Section 62 (3) of Electricity Act, 2003 as follows:

"(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

2.398 Various suggestions regarding re-categorization of load and slabs has been received from stakeholders. Accordingly, the details of applicable electricity tariff for various categories of consumers shall be dealt in Other Terms and Conditions of Tariff Schedule of this Tariff Order.

2.399 The Commission has noted the suggestion of stakeholder regarding Green Tariff.

2.400 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.

2.401 Providing subsidy is the prerogative of the State Government.

2.402 As per DMC (Assessment and collection of Tax on the consumption, Sale or Supply of

Electricity) Bye Laws 1962, electricity tax can be levied on consumption, Sale or supply of electricity and also levies a tax on electricity generated for own consumption

2.403 The Commission is of the view that Electricity tax is levied and collected by respective DISCOMs on the basis of DMC (Assessment and collection of Tax on the consumption, Sale or Supply of Electricity) Bye Laws 1962. As the matter of applicability of Electricity Tax pertains to MCD, the same is subject to the Order of MCD.

ISSUE 14: RETURN ON EQUITY

STAKEHOLDER'S VIEW

2.404 Return on Equity as 16% is allowed till date. 16% is Post tax and 17.15% is pre tax charged. It should be given on current rate of interest (6% or 7%).

PETITIONER'S SUBMISSION

TPDDL

2.405 Did not provide any comment.

BYPL

2.406 Did not provide any comment.

BRPL

2.407 Did not provide any comment.

NDMC

2.408 Did not provide any comment.

COMMISSION'S VIEW

2.409 The return of equity post tax and pre-tax is computed as per Regulation 3 of Business Plan Regulations, 2019. The relevant extract of said Regulation is as follows:

> *"3. RATE OF RETURN ON EQUITY*
>
> *Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Generating Entity shall be computed at the Base Rate of 14.00% on post tax basis:*
>
> *Provided that the Equity for the purpose of Return on Equity shall be lower of the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year."*

2.410 The Suggestion of the stakeholder will be considered appropriately during framework of new Regulations.

ISSUE 15: FIXED CHARGE

STAKEHOLDER'S VIEW

2.411 Fixed Charges should be reviewed and reduced due to COVID-19 situation

2.412 In view of extreme situation faced by DMRC during COVID-19 lockdown period, it is requested to extend the relief given in Fixed Charges to non-domestic consumers to DMRC as well.

2.413 Fixed Charge should be rationalized and reduce upto 25%

2.414 Fixed Charges should be fixed on Maximum Demand Indicator (MDI) due to lockdown.

2.415 Fixed Charges are higher on commercial charges.

2.416 Fixed Charges should be adjusted in electricity Bill.

2.417 Fixed Charges for Commercial category upto 5 kW to 10 kW should be reduced for new small ventures.

2.418 Fixed Charges should be introduced in E.V. Charging.

2.419 During Lockdown period, Industrial consumers should be given relief by completely waiving off the Fixed Charges or one time relief may be given to them.

2.420 Waiving off the fixed charges as SDMC provides services free of cost to the consumers.

2.421 As per DERC, their total expenses are covered under Fixed Charges and Variable Charges. But as per DISCOMs statement they cover their total expenses through most of the Fixed Charges. So, it should be made clear by a Regulation that what are Fixed Charges, why it is required and the proportion of the Fixed Charges from the total expenses. It will relieve the burden of consumers as consumer base is also increasing during last two years.

PETITIONER'S SUBMISSION

TPDDL

2.422 Concept of two-part Tariff rely on premise that Fixed Cost should be recovered from Fixed Charges and Variable Charges out of Energy Charges. Commission has released an approach paper in Feb' 2018 and Niti Aayog also did study on this and recommended the same. In fact, they have appreciated the approach of Commission of Delhi and described as right step was initiated while issuing Tariff Order for FY 2018-19 increasing Fixed Charges and reducing Energy Charges. Recovery of fixed cost out of Fixed Charges is more beneficial to consumer because non-consumption will benefit them. This may motivate them for energy conservation. Fixed Charges & Energy Charges should be restored to the previous level for recovery of ARR. 61% of ARR consists of Fixed Cost whereas against that recovery of 16% only out of Fixed Charges Making current Tariff structure unsustainable. The fixed charges may be restored to the level of Tariff Order dated 28th March 2018 for FY 2018-19.

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

2.424 Other Queries pertain to BRPL.

BYPL

2.425 The COVID-19 relief was approved by the Commission during FY 2020-21. The Public utilities categories including DMRC was also eligible to avail the benefit of the relief approved by the Commission vide its order dated 7/04/2020.

2.426 In terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of consumer is the sole prerogative of the Commission.

2.427 The DMRC query/comment does not pertains to the petitioner.

2.428 Other Stakeholder's query/comment does not pertain to the petitioner.

BRPL

2.429 The contention of DMRC regarding relief for Fixed Charges during the COVID-19 lockdown is denied and cannot be considered. 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. The Fixed Cost of the utility should be recovered to a certain extent through Fixed Charges to ensure revenue stability. Hence, the Commission has determined Tariffs in a manner so that a reasonable part of the Fixed cost is recovered through a Fixed charge. The Fixed charges are usually levied on the basis of demand charges on sanctioned load or contract demand/billing demand.

2.430 When a consumer is connected to the system, the utility has to provide/allocate certain capacity of the Distribution System to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption. Ideally, the Fixed Charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the fixed cost of such system and diversity of load in the system. Also, DMRC had issued a Force Majeure Notice dated 28/04/2020 which was duly responded to by BRPL on 14/05/2020 stating that DMRC is required to make payments on account of the Fixed Charges as per the applicable Tariff Category.

2.431 It is noteworthy that for FY 2020-21, the Commission by an Order dated 7/04/2020 granted moratorium on the payment of Fixed Charges for next three billing cycles beginning from 24/03/2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories. The Fixed Charges accumulated over the said period were to be spread over the next three billing cycles after 30/06/2020 without any LPSC. Further, the consumers of these categories, who desired so, could have paid the Fixed Charges for the bills raised during the period starting from 24/03/2020 till 30/06/2020.

2.432 Furthermore, in terms of the Order dated 4/05/2020 passed by this Commission, BRPL had raised only provisional bills for the Fixed charges considering the energy consumption as nil. It is evident that the benefit has already been passed onto DMRC by BRPL and in view of the same, there cannot be any waiver of the Fixed Costs to DMRC.

2.433 The stakeholder has submitted that SDMC is required to pay fixed Charges on street lights and other electric connections. He has requested the Commission to waive off Fixed Charges to SDMC since it provides services to the general public without taking any charges for the same.

2.434 With regard to the above submissions of the stakeholder, it may kindly be noted that

DISCOMs charge consumer categories on the Electricity consumed in accordance with the Tariff determined by the Commission. In accordance with Section 45 of the Electricity Act, 2003, the Commission is the sole authority to determine the Electricity Tariff to be charged from a certain category of consumer.

NDMC

2.435 Not related to NDMC.

COMMISSION'S VIEW

2.436 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.

2.437 In line with revised Guidelines and standards on charging infrastructure for Electric vehicles, 2021 issued by MoP, relevant clauses as stated under

"Objectives

(b) To promote affordable tariff chargeable from EV and charging station operators/ owners

…

7.1 The tariff for supply of electricity to EV public charging shall be determined by appropriate commission in accordance with tariff policy issued under section-3 of electricity act 2003 as amended from time to time.

7.2 Tariff applicable for domestic consumption shall be applicable for domestic charging."

Increased usage of E-Vehicles will lead to a substantial reduction in consumption of conventional fuels such as petrol and diesel and the consequential pollution. Thus, any major change in the existing Tariff methodology for charging of E-Rickshaw/ E-Vehicle is not envisaged at this stage.

2.438 The Commission in the present Tariff Schedule for FY 2021-22 has not hiked Tariff i.e. Fixed Charge and Energy Charge for any category of consumers.

ISSUE 16: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.439 DTL has submitted that BRPL, BYPL, TPDDL & NDMC have not provided bifurcation for Intra State Transmission for FY 2020-21. DTL has further requested the Commission to direct BRPL and BYPL to follow the provisions of BTPA and direct them to make payment of the outstanding amount along with surcharge.

2.440 Further, DTL has also mentioned that BRPL & BYPL shall establish the Letter of Credit (LC) to the extent of 105% of average monthly billing and to deposit all their receivable in an escrow amount from which the payment will be released to DTL.

2.441 Loss reduction programme in 2019-20. It should be comedown upto 2% after 21 years.

2.442 BRPL has claimed/mentioned different Intra-State Transmission Charges i.e. Rs. 197.88 Crore and Rs. 201.50 Crore (i.e. Rs. 197.88 Crore as rebatable amount and Rs. 3.62 Crore as non-rebatable amount) paid to DTL for FY 2019-20 against the bill raised by DTL amounting to Rs. 359.28 Crore towards wheeling charges (including. incentive/disincentive). Further for FY 2021-22, BRPL has projected an amount of Rs. 1381 Crore as Transmission charges, however, no bifurcation for Intra-State Transmission Charges is given.

2.443 BRPL in its ARR petition has considered 455.7 MU as to Intra-State Transmission Losses for FY 2019-20, however, BRPL has neither specified any percentage nor any bifurcation for Intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.88% for FY 2020-21. Further for FY 2021-22, BRPL has projected Intra-State Transmission Losses as 0.90% i.e. 154

MU.

2.444 BRPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme Court vide date 12/05/2016 has directed to BRPL to clear the 70% of the current dues. Last hearing was held on 17/07/2020. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.445 BYPL has claimed Rs. 111.22 Crore (i.e. Rs. 111.22 Crore as rebatable amount) towards DTL Wheeling Charges for FY 2019-20 against the bill raised by DTL amounting to Rs. 203.85 Crore towards Wheeling Charges (including incentive/disincentive). However for FY 2021-22, BYPL has projected an amount of Rs. 231 Crore as Intra-State Transmission Charges (including SLDC).

2.446 BYPL in its ARR petition has considered 257 MU as Intra-State Transmission Losses for FY 2019-20, however, BYPL has neither specified any percentage nor any bifurcation is given for intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.90%. Further for FY 2021-22, BYPL has projected Intra-State Transmission Losses as 0.92% i.e. 74 MU.

2.447 In the additional information, BYPL has again submitted 74 MU as Intra-State Transmission Losses, however the percentage has not been provided. Further, as per SLDC data, the actual Intra-State Transmission Losses is 0.88% for FY 2020-21.

2.448 BYPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme Court vide their Order dated 12/05/2016 has directed BYPL to clear the 70% of the current dues. Last hearing was held on 17/07/2020. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.449 TPDDL has claimed Rs. 275.12 Crore as DTL wheeling charges for FY 2019-20, against the bill raised by DTL amounting to Rs. 274.87 Crore towards wheeling charges (including incentive/ disincentive). Further for FY 2021-22, TPPDL has projected an amount of Rs. 287.74 Crore as DTL & SLDC charges.

2.450 In the additional information, for FY 2021-22, TPDDL has projected Rs. 437.18 Crore / Rs. 442.18 Crore as DTL and SLDC Charges, which is on higher side even in comparison to the actual wheeling charges (excluding incentive/ disincentive) of Rs. 331.26 Crore billed by DTL for FY 2020-21.

2.451 The actual Intra-State Transmission losses are 0.90% for FY 2019-20 as per SLDC data, however, TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 184.88 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses @ 3.5% of PGCIL and DTL i.e. 363.97 MU.

2.452 In the additional information, the Transmission Losses units for FY 2021-22 has been revised to 368.31 MU / 378.48 MU, however, TPDDL has neither specified any percentage nor any bifurcation is given for Intra-State Transmission Losses. Further, as per SLDC data, the actual Intra-State Transmission Losses is 0.88% for FY 2020-21.

2.453 NDMC has claimed Rs. 38.28 Crore for FY 2019-20 towards Intra-State Transmission Charges (including SLDC Charges) against the bill raised by DTL amounting to Rs. 40.14 Crore towards wheeling charges (including incentive/disincentive). Further for FY 2021-22, NDMC has projected an amount of Rs. 50.00 Crore as Intra-State Transmission Charges.

2.454 NDMC has been making short payment to DTL on account of Wheeling Charges to DTL since September, 2020. As per the directions of Hon'ble DERC in Tariff Order of DTL of FY 2020-21 dated 28/08/2020, DTL has been regularly disbursing STOA charges to NDMC in spite of NDMC making short payment to DTL. Thus, NDMC has been violating the terms and conditions of BPTA (Bulk power transmission Agreement). Despite making the short payment to DTL, NDMC is deducting rebate from the payments remitted to DTL by NDMC. The details of outstanding dues on NDMC are tabulated as under:

INR Crore

Billed Amount on account of Wheeling Charges (Billing Period Mar-20 to Feb-21)	Sum of TDS	Sum of payment received from NDMC	Sum of STOA charges	Sum of balance pending on NDMC
53.03	5.97	29.01	0.86	17.19

2.455 The actual Intra-State Transmission losses are 0.90% for FY 2019-20 as per SLDC data, however, NDMC has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 14.36 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses as 0.92% i.e. 16.10 MU.

2.456 NDMC has not paid the Pension Trust bills from November, 2012 onwards, though DTL has raised the bills of Pension Trust as per the directions of DERC. According to NDMC, they are not liable to pay the Pension Trust beneficiaries of DVB. The amount not paid by NDMC is to the tune of Rs. 3.82 Crore from November, 2012 to March, 2013. It is pertinent to mention here that NDMC paid the full amount on account of Pension trust upto October, 2012.

2.457 Target for Distribution Loss for the Control Period 2020-21, 2021-22, 2022-23, for BRPL is 8.10% ,8.00%, 7.90% respectively, BYPL is 9.00%, 8.75%, & 8.5% ; for TPDDL 7.90% ,7.80% &7.70% respectively, For NDMC is 9.00%, 8.75%, 8.5% respectively. However, it is noted that the DISCOMS have already achieved lesser AT&C than the targeted loss level and took all the incentives as due under the Regulations. But in the next year, the target for Distribution Loss is considered at much higher level thereby providing higher incentives to the private DISCOMs.

PETITIONER'S SUBMISSION

2.458 Against the claim of Rs. 275.12 Crores of DTL wheeling charges, as per the bills received, DTL has raised wheeling charges amounting to Rs. 274.89 Cr for FY 2019-20. while the balance of Rs. 22.60 Lakhs of DTL SLDC Charges for the month of Feb 2020 which have been inadvertently included under the DTL-Wheeling Charges head instead of DTL-SLDC Charges head.

2.459 It is clarified that, DTL-Wheeling charges are shown as Rs. 275.12 Crores and DTL-SLDC Charges as Rs. 2.55 Crores wherein Rs. 22.60 Lakhs of DTL SLDC Charges for the month of Feb 2020 are not included in Rs. 2.55 Crores of DTL-SLDC Charges and there is no double claim.

2.460 Regarding the projected amount of Rs. 287.74 Cr for FY 21-22, we have projected the amounts by escalating the amount paid in FY 2019-20 by approximately 5%.

2.461 The losses considered for FY 2019-20 are on actual basis. Further, Inter-State

Transmission Loss of 184.90 MU and Intra-State transmission loss of 92.30 MU have been submitted in our FY 19-20 True Up petition in description but inadvertently the two losses have been mentioned vice versa.

2.462 The projected transmission loss includes 0.90% DTL loss and the remaining is PGCIL losses for FY 2021-22. With respect to the losses considered in the projections as 3.5%, as per CERC Sharing of Inter State Transmission Charges and Losses Regulations, 2020, Transmission losses for ISTS are calculated on all India average basis and since the time it has come into effect, the losses on weekly basis are varying from 3.1 % to 3.9 %. Hence, the actual losses shall be on higher side only.

2.463 Moreover, DTL SLDC releases the Regional Energy Accounts (REA) in which certain information is ex-bus and certain information is at NR/Delhi periphery. Also, source wise energy received at TPDDL periphery is not made available by SLDC to ascertain the exact losses. Hence, it is requested that Delhi SLDC may kindly provide the same.

2.464 TPDDL for FY 2019-20 has claimed Rs.275.12 Crore as DTL wheeling charges, against the bill raised by DTL amounting to Rs. 274.87 Crore towards wheeling charges (including incentive/ disincentive). Further, for FY 2021-22, TPPDL has projected an amount of Rs.287.74 Crore as DTL & SLDC charges.

2.465 As per SLDC data, the actual Intra-State Transmission losses are 0.90% for FY 2019-20, however, TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 184.88 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses @ 3.5% of PGCIL and DTL i.e. 363.97 MU.

BYPL

2.466 BYPL has considered the Intra-State Transmission Charges on the basis of audited data for FY 19-20. Further, the Petitioner has applied escalation of 11%. on actual transmission charges of FY 2020-21. The escalation is based upon the analysis of DTL ARR which has an escalation of ~15% in FY20 v/s FY19 Cost and ~25% in FY21 v/s FY 20 Bill.

2.467 The Intra-state Transmission Loss during FY 2021-22 has been considered @0.92% based on previous Tariff Order of the Commission.

2.468 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.

2.469 Further, the matter regarding payment to DTL is pending before 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

2.470 Our response to the comments, suggestions and issues raised by the stakeholder on Intra-State Transmission Charges are as follows:

(i) Petitioner has shown DTL-Wheeling charges only, the Petitioner has provided DTL Wheeling and DTL SLDC Charges also. Hence, the bifurcation of DTL Charges claimed in True-up are as follows:

Sr. No.	Particulars	Amt. (Rs. Cr.)
1.	DTL- Wheeling Charges	197.88
2.	DTL – SLDC Charges	3.62
	Total	201.50

(ii) The SLDC charges, as approved for SLDC in their Tariff Orders, cannot be the basis for allowing the charges for BRPL as the same is contrary to the DERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2007 ("SLDC Regulations, 2007") and Directive of the Appellate Tribunal for Electricity in Judgment dated 11/11/2011 in O.P. No. 1 of 2011. In addition to the above, the SLDC has to act upon the directions issued by the Commission in terms of the Order dated 5/12/2013, which pertains to determination of ARR of SLDC for FY 2012-13. The Commission by the said Order had directed SLDC to file separate petition for ARR for FY 2014-15.

(iii) SLDC is the apex body constituted under Section 31 of the Act, to ensure integrated operation of the power system in a State. In terms of Section 32(3) of the Act, SLDC may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity, as may be specified by the State Electricity Regulatory Commission, as under:

"32. Functions of State Load Despatch Centres …

(2) The State Load Despatch Centre shall-

(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;

(b) monitor grid operations;

(c) keep accounts of the quantity of electricity transmitted through the State grid;

(d) exercise supervision and control over the intra-State transmission system; and

(e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

(3) The State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission."

(iv) In terms of Section 32(3) of the Act, the Commission has framed the SLDC Regulations, 2007. As such, SLDC was mandated to comply with the procedure prescribed under Regulation 4 and 5 of the SLDC Regulations, 2007, for approval of its ARR for FY 2017-18, as under:

"4. Levy of SLDC Charges…

(2) For the discharge of its functions as specified in Section 32 of the Act, the annual expenses incurred by the SLDC shall be recovered from the Beneficiaries using the Intra-State transmission system.

(3) The annual charges to be recovered by the SLDC shall include the component of Return on Equity/Investments and also the following expenses: a) Employee Cost; b) Administrative and General Expenses; c) Repairs and Maintenance Expenses; d) Depreciation; e) Advance against Depreciation; f) Interest and Finance charges; g) Interest on working capital, if any; h) Any other expenses incidental to discharging the functions of SLDC as deemed appropriate by the

Commission."

(b) Regulation 5 of the SLDC Regulations, 2007 pertains to filing by the SLDC and reads as under:-

" 5. Filings by the SLDC…

(8) Based on the information furnished by SLDC and after due examination, scrutiny and consultation process, the Commission will approve the annual budget covering the expenses of the SLDC and determine the SLDC Charges.

(9) The SLDC charges so determined by the Commission shall be valid till the approval of next revision of charges.

(10) In the event of non-revision of SLDC charges during any year, any variation (shortfall or excess) in recovery of SLDC charges, shall be carried forward to the next financial year and adjusted as may be decided by the Commission.

(11) The SLDC shall submit periodic returns containing operational and cost data, as may be prescribed by the Commission.

(12) All filings and application for determination of SLDC Charges shall be made in conformity with the stipulations made in these Regulations."

2.471 As evident from the above, SLDC was mandated to file an application for Determination of SLDC Charges. Accordingly, the Commission would have then allowed the SLDC Charges, in terms of the Application filed by SLDC.

2.472 It is therefore submitted that SLDC, being a statutory authority and nodal agency, erred in complying with the procedure of seeking determination of its legitimate charges as enumerated under the SLDC Regulations, 2007 and the directions of Commission in Order dated 5/12/2013 in Petition No. 38/2012. Accordingly, the Delhi Commission ought not to determine SLDC charges on an ad-hoc basis in contradiction to the specified mode.

2.473 Regarding bifurcation of Intra- and Inter- State Transmission losses during FY 2019-20, the Commission may consider the actual data as submitted by SLDC while Truing-up of FY 2019-20. However, for FY 2021-22, BRPL has projected 0.90% of Intra-state losses based on past trends.

2.474 BRPL 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 which had not been allowed by the Commission. The same has constrained the capability of BRPL to make timely payments to generation and Transmission utilities including DTL and has led to the accumulation of alleged overdue which has been beyond the reasonable control of BRPL and not attributable to it.

2.475 At the outset, the matter regarding alleged outstanding overdue is pending before Hon'ble Supreme Court and there are several disputes pending between the Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by the Delhi Government and diversion of funds earmarked for subsidy which have been wrongly allocated to DTL. This is against the mandate of Section 65 of the Electricity Act, 2003 as well as directions issued by this Commission in various Tariff Orders, that subsidy has to be paid in advance to the Petitioner, which has on the contrary been unilaterally adjusted against the alleged dues of DTL.

2.476 Hon'ble Supreme Court vide its order dated 12/05/2016 directed BRPL to make payment of only 70% of current dues. Since Nov-2017, BRPL is paying 100% of the current dues of DTL. Accounting of the Subsidy amount released by the Delhi Government to DTL (as an interim measure) is being done and its adjusted towards the current dues of DTL in order to comply with the Orders passed by the Hon'ble Supreme Court. There seems to be a divergence of views and a dispute between DTL and BRPL, relating to accounting of the subsidy amounts which DTL is not treating towards the current dues, which apart from being unlawful is also an incorrect methodology adopted by DTL.

2.477 On the contrary, since BRPL has to meet and cater to power purchase obligations in respect of the benefit of subsidy provided to its consumers, therefore the subsidy amounts have to be treated as current revenue and accounted towards payment of current dues. Accordingly, subsidy amounts unlawfully diverted has to be treated as part of BRPL's current revenue.

2.478 Accordingly, BRPL has maintained a consistent stand of accounting the diversion of subsidy amounts towards current payments of DTL. Further BRPL, has also endeavoured to make additional payments to DTL, since June 18 onwards, which is over and above and in addition to the current dues payable to DTL as per the Chart below:

Rs. Cr.

Year	Amount Paid
FY 2018-19	100.00
FY 2019-20	57.50
Total	157.50

2.479 As illustrated in the Chart above, BRPL has made payment of an additional amount of Rs.157.50 Crores over and above the current dues from June 2018 onwards to establish its bonafide and intent to pay the overdues of DTL on an ability to pay basis. The status of 70% payment of current dues as on 31/03/2021 is as follows:

DTL	Total Dues Jan'14 to Mar'21	Payment Details									Payment %
		Subsidy Adjustment									
		Amount paid including TDS upto Mar"21	Total subsidy received in FY 15-16	Total subsidy received in FY 16-17	Total subsidy received in FY 17-18	Total subsidy received in FY 18-19	Total subsidy received in FY 19-20	Total subsidy received in FY 20-21	Total subsidy Adjustment	Total payment	
A	B	C	D	E	F	G	H	I	J=(D+E+G=H=I)	K= (C=J)	L=(K/B)
Wheeling Charges	2,317	1,023	102	145	269	173	267	211	1,168	2,191	95%

NDMC

2.480 The amount paid to DTL including SLDC charges may please be treated as Rs. 40.14 Crore as due to oversight same has been mentioned as Rs. 38.28 Crore. Accordingly, the power purchase cost, will increase by Rs. 1.86 Crore and which may be corrected as Rs. 972.89 Crore and revenue gap will now increase to Rs 137.50 Crore.

2.481 The Transmission loss considered for FY 2019-20 is matching with the figures provided by SLDC. NDMC has projected Intrastate Transmission Losses @ 0.92% for FY 2021-22. Any increase / decrease in Transmission losses will be adjusted in true up for FY 2021-22.

COMMISSION'S VIEW

2.482 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 in the petitions with due analysis and ensuring proper justification.

2.483 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.

2.484 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.

2.485 Further, Directives has been issued in previous Tariff Order to DISCOMs 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.

2.486 The DISCOMs are given an incentive if the distribution losses are reduced below the fixed target. 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.

ISSUE 17: GROUP HOUSING SOCIETY TARIFF CHARGES

STAKEHOLDER'S VIEW

2.487 As there is no method to calculate the individual load like total common load of the GHS, in this connection, then how will the GHS charge Fixed Charges from its individual members.

2.488 To Reduce the Fixed Charges for Single Point Delivery Supply for GHS to Rs. 50/- Per kW Per Month.

2.489 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.

PETITIONER'S SUBMISSION

TPDDL

2.490 Single Point Delivery (SPD) connections to Group Housing Society (GHS) are sanctioned in compliance to prevailing Regulations. DISCOM charges Fixed Charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating load of individual members as well as that of common services for charging Fixed Charges is under the purview of SPD.

2.491 The Commission has also provided the option for conversion of such single point connection to individual connection if they desire so.

2.492 TPDDL is billing all its consumers as per Tariff Order FY 20-21. Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.493 In terms of section 62 of the electricity Act 2003, the tariff determination for any category of consumer is the sole prerogative of the Commission. Further, the Commission in its Tariff Order dated 31/08/2019 has stated that 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.

2.494 In addition, the Commission has approved the modalities for passing on the GoNCTD's subsidy on the existing tariff to the individual members residing in the Group Housing Societies. For purpose of the same, the actual consumption recorded from the meter of the individual members of the society must be taken and audited by the CAG empaneled auditor. Hence, the individuals residing in the GHS are eligible for the subsidy approved by GoNCTD subject to the adherence to the modalities approved by the Commission.

2.495 Further in terms of Regulation 13-15 of the DERC Supply code, 2017, Commission has approved the procedure for conversion from Single point connection to individual Connection.

2.496 In BYPL area, currently three group housing societies are complying with the directions of the Commission and getting the benefit of subsidy approved by GoNCTD to the domestic consumers.

2.497 The Central Government has been launching various schemes to strengthen the financial viability of the DISCOMs. However, those schemes exclude private DISCOMs although they are also similarly placed today (Huge RA and comparatively better operational performance). We request for the Commission support in this direction that it represent before MoP, GoI for extending these supports to Delhi DISCOMs as well, which would ultimately benefit the consumers at large.

BRPL

2.498 With respect of the reduction of the Fixed charges, it is submitted that finalization of Tariff is sole prerogative of Hon'ble Commission.

2.499 Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively.

2.500 The fixed charges as part of the Tariff are levied so as to be able to recover 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. Same has also been approved by the Hon'ble Commission in Regulation 130 & Regulation 131 of DERC (terms & Conditions for Determination of Tariff) Regulations 2017. Extract of the same is reproduced below:-

"Regulation 130 – the Fixed Charge of the Distribution Licensee shall consist of the following components:

(a) Capacity Charges of Generating Stations as approved/ adopted by appropriate Commission;

(b) Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/ adopted by the appropriate Commission;

(c) Fixed cost of Distribution Licensee:

(i) Return on Capital Employed;

(ii) Depreciation; and

(iii) Operation and Maintenance expenses.

Regulation 131 – The Variable Charge of a Distribution Licensee shall consist of the following components:

(a) Energy Charges (Power Purchase Cost excluding Capacity Charges);

(b) Trading Margin, if any,; and

(c) Open Access Charges, if any. "

2.501 Additionally, the present retail Tariff applicable in Delhi includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRASNCOs irrespective of the quantum of power procured besides their own fixed cost liabilities. As the major part of fixed cost is recovered through Energy Charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through Tariff.

2.502 While we respect the views shared by the stakeholder, it is submitted that the facts presented and interpreted by the stakeholder is not entirely correct. The fixed charges (as determined by the Commission in the last tariff order) for domestic consumers ranges from Rs.20 /kW/month to Rs. 250/kW/month depending on the sanctioned load of respective consumer. Therefore, considering the fixed charges for all domestic consumers to be Rs.50/kW/month is factually not correct.

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

Table 2. 1: 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 Units	3.00	4.50	600	900
201-400 Units	4.50	4.50	900	900
401-800 Units	6.50	4.50	2,600	1,800
801-1200 Units	7.00	4.50	-	-
1200+ Units	8.00	4.50	-	-
RA Surcharge	8.00%	8.00%	344.00	336.00
PT Surcharge	5.00%	3.80%	163.40	159.60
E Tax	5.00%	5.00%	215.00	210.00
Voltage Rebate	0.00%	-3.00%	-	-108.00
Total Bill			**5,064**	**4,818**
Average Billing Rate			**6.33**	**6.02**

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. The 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.

2.504 In case of CGHS societies, the fixed charges have been determined by the Commission to be Rs.150/kW/month at a flat rate. The most likely logic applied by the Commission in determining this fixed charge for CGHS is considering a mid-point between the range of Rs.20 /kW/month to Rs. 250/kW/month applicable to individual domestic consumers. This seems logical as it is safe to assume that within a CGHS society (which typically has hundreds of individual consumers) there would a mix of consumers with varying load profile which makes it logical to determine fixed charges at or around the midpoint.

2.505 The Central Government has been launching various schemes to strengthen the financial viability of the DISCOMs. However, those schemes exclude private DISCOMs although they are also similarly placed today (Huge RA and comparatively better operational performance). We request for the Hon'ble Commission support in this direction that it represent before MoP, GoI for extending these supports to Delhi

DISCOMs as well which would ultimately benefit the consumers at large.

NDMC

2.506 The party is not in NDMC area

COMMISSION'S VIEW

2.507 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.

2.508 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.

2.509 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 above mentioned 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.

2.510 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.

2.511 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.

2.512 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.

2.513 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.

2.514 The Commission, for the ease of consumers, has uploaded on its website : Public Awareness Bulletin- 12 "*Sample Electricity Bill for the Group Housing Society*".

ISSUE 18: EV CHARGING STATION

STAKEHOLDER'S VIEW

2.515 EV Charging tariff is very low and has no fixed charges. It is used by rich people. MoP, GoI has issued directions that upper limit of this Tariff can be 1.15 times cost of supply. DERC should increase this cost of supply to avoid misuse.

2.516 Subsidy shall be removed from EV Charging Tariff.

2.517 E.V. Charging discount should not be given as it burdens the consumers.

PETITIONER'S SUBMISSION

TPDDL

2.518 Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the principle that the Tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by the Commission. Even National Tariff Policy states that tariff design shall be linked to cost of service and Tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.

2.519 Accordingly, in line with the objectives of the Electricity Act, 2003 and National Tariff Policy, tariff of EV charging should be made equal or higher than the average cost of supply in the interest of consumers

BYPL

2.520 As per the provisions of the Electricity Act, 2003, determination of Electricity Tariff of all consumers irrespective of any category is the sole prerogative of the

Commission.

BRPL

2.521 The Commission vide its Tariff Order dated 31/08/2017 had introduced a new Tariff Category for charging of batteries of E-Rickshaw / E-Vehicle at Charging Stations and also held that the Tariff for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations 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.

2.522 We appreciate the suggestion of the stakeholder regarding removal of Subsidy from EV Charging Tariff. Furthermore, the determination of electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003.

NDMC

2.523 The party is not in NDMC area

COMMISSION'S VIEW

2.524 Increased usage of E-Vehicles will lead to a substantial reduction in consumption of conventional fuels such as petrol and diesel and the consequential pollution. Thus, any major change in the existing tariff methodology for charging of E-Rickshaw/ E-Vehicle is not envisaged at this stage. In line with revised guidelines and standards on charging infrastructure for Electric vehicles, 2021 issued by MoP, GoI relevant clauses as stated under

> *"Objectives*
> *(b) To promote affordable tariff chargeable from EV and charging station operators/ owners*
> *…*
> *7.1 The tariff for supply of electricity to EV public charging shall be determined by appropriate commission in accordance with tariff policy issued under section-3 of electricity act 2003 as amended from time to time.*
> *7.2 Tariff applicable for domestic consumption shall be applicable for domestic charging."*

2.525 In order to Promote Pollution Free Transportation and Clean Environment, the Commission has decided to continue with the existing Subsidized Tariff Rates for E-

Rickshaw/E-Vehicle category.

2.526 DISCOMs should step up their enforcement activities to avoid misuse of E-vehicle charging facility. The Petitioner should make all efforts to prevent theft/pilferage of electricity by strengthening their enforcement activities without harassing honest consumers.

ISSUE 19: E-BILL & ONLINE PAYMENT

STAKEHOLDER'S VIEW

2.527 E-bill and Online payment be made mandatory as it is environment friendly.

2.528 To improve cash flow and for better revenue recovery, mandatory Online Payment for consumers above 10 kW or with bill more than Rs. 20,000/- should be done.

2.529 Cash collection more than Rs.4000/- should not be allowed because everyone has bank accounts.

2.530 To improve collection efficiency of DISCOMs and to reduce wastage of resources, online payment with bill more than Rs. 25,000/- and higher sanctioned load be made mandatory.

2.531 Mandatory online payment and e-bill for consumer above 11 kW sanctioned load because it is hassle free, convenient, safe, time saving, environment friendly.

2.532 To improve cash flow and for better revenue recovery, mandatory online payment for consumers above 10 kW sanctioned load or with bill more than Rs.8000/- should be done to avoid late payment.

2.533 Online payment should be made compulsory for bill amounting to more than Rs. 10,000 or sanctioned load is more than 6kW because it is hassle free, convenient, safe, time saving, environment friendly.

2.534 E-bill be made mandatory for consumers with load 11 kW and above.

2.535 Bill amounting to more than Rs.4000 should be taken in part payment/cash as people in JJ Cluster colony don't have cheque books.

2.536 Collection efficiency is 99.5% but DISCOMs are collecting 101%.

2.537 Security should not be adjusted in the bill but directly credited in bank account of the consumer.

PETITIONER'S SUBMISSION

TPDDL

2.538 In this era of internet, DISCOMs sending paper electricity bills to lakhs of consumers every month means thousands of trees are cut every year just to send electricity bills to consumers. This wastage can be saved by sending a soft copy of the bill on email or WhatsApp. This can be made mandatory for those connections having sanctioned load of above 5 kW. These consumers, one can hope, to definitively have internet connectivity.

2.539 These consumers can as well be asked to pay bill by digital modes only like e-wallets, Net Banking, NEFT, RTGS, debit card etc. Following are the Benefits of e-payment for the consumers using it:

i) Hassle-free
ii) Safe & Secure
iii) Environment Friendly
iv) Saves Time
v) Cashback

This will help in improving collection efficiency of DISCOMs which in turn help consumer with reduced tariff burden.

BYPL

2.540 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. A numbers of consumers have already opted for e-bills and have decided to stop their physical bills. However, this is still optional for all consumers. 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.

2.541 Making mandatory E bill and online payment is the prerogative of the Commission. However, the online payment and e-bill facility should be optional as many consumers are not well acquainted with the internet usage and may face difficulty in accessing the e-bill or payment through online mode. Additionally, as per the direction of Commission, the cash payment of electricity bills at petitioner's counter is restricted to a limit of Rs 4000/-.

2.542 Making online payment mandatory is the prerogative of the Commission, though for ease of consumer only, as per the direction of Commission online payment system is already in place in BYPL, interested consumer can easily opt for any medium of online payment in BYPL's website and Mobile-APP.

BRPL

2.543 We hope the Commission considers making e-bill and online bill payment mandatory while issuing the Tariff Order.

2.544 The stakeholder has submitted that in order to improve cash flow and have better revenue recovery, consumers having sanctioned load above 11 kW and/or electricity bill value more than Rs. 20,000/- should mandatorily make online payments. In this regard, 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 Late Payment Surcharge (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/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit. 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.

2.545 BRPL has put in place multiple options and interfaces to enable consumer make payment online such as:

1. Payment through Unified Payment Interface (UPI) is already enabled at our web site www.bsesdelhi.com and through our authorized collection agencies.

2. Dynamic UPI QR Code - We have enabled Bharat QR Code since October 2017 and the QR code is printed on all the electricity bills regularly.

3. Debit / Credit Card – Card payments are already enabled at our collection centers as well as at Website and collection agencies.

4. Internet Banking – Internet banking payments are already enabled at our collection centers as well as at Website and collection agencies.

2.546 We have given the option to consumers to get e-Bill from application or through our website. However we cannot make it mandatory because there are some remote areas where people are not digitalized and therefore it is not feasible for them to rely upon the E-Bills. Any delay in access of the bills may further lead to delay in revenue collection. Furthermore, it is the Commission's prerogative to decide whether to make e-bills mandatory or not.

2.547 We hope that the Commission will evaluate suggestion of making various mode of digital payments mandatory for connections with higher sanctioned load.

2.548 The stakeholder has submitted that online payment of bill should be done so that generator is paid on time. However, only Jhuggi connections should be given paper bills.

2.549 As a responsible corporate entity, the BRPL is well aware of the benefits (both environmental and commercial) of sending e-bills. BRPL 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. 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. The suggestion may be duly considered by the Commission. However, while considering to make e-bills mandatory, there may be lakhs of consumers especially in the lower economic strata who may still lack the technical resources to access e-bills.

NDMC

2.550 The party is not in NDMC area

COMMISSION'S VIEW

2.551 The e-bill and online payment along with other multiple mode of payment is voluntary for customers. Consumer can pay the bill by Cash, Cheque, Demand Draft, Money Order or through electronic modes. The date of realisation of cheque or Three (3) days from the submission of cheque shall be deemed to be the date of receipt of the payment provided that the cheque is not dishonoured.

2.552 Provided that if cheque of a Consumer dishonoured for Two (2) occasions in any Financial Year, then such Consumer shall not have facility of paying electricity bill through cheque for balance period of Financial Year. Provided further that cash payment limit for each monthly bill shall not exceed Rs 5,000/- or as may be decided by the Commission from time to time.

2.553 Accordingly, the Directive has been issued regarding the Cash Collection in current Tariff Order, as follows:

> *"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."*

2.554 Further, in this Tariff Order the Commission has mandatorily made the payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.

2.555 When collection exceeds the Normative target of 99.5% the benefit uptil 100% is shared between Distribution Licensee and consumer. The treatment of security deposit and its interest thereof is governed by provisions indicated in DERC (Supply Code and Performance Standards) Regulations, 2017.

ISSUE 20: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.556 Some people are using Domestic connection for Non-Domestic purpose.

2.557 Defaulters should not be given rebate benefits. Their subsidy should be stopped.

2.558 Reconciliation statements of the expenditure should be provided to the stakeholder.

2.559 In rural areas, new connection facility should be simplified.

2.560 Even after 18 years, DISCOMs are still not under RTI Act, therefore data authenticity is at stake and there is revenue gap.

2.561 DISCOMs own consumption is at zero rate but status of electricity tax is not provided.

2.562 Direct DISCOMs for tracing defaulters, they should have their details like mobile no. Aadhar and Pan Card details etc. in their records.

2.563 Strict rules to be made for tracing the defaulters.

2.564 Direct DISCOMs to take Aadhar 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.

2.565 Aadhar, mobile no. and PAN details be made mandatory for Application of new connection.

2.566 DERC should direct DISCOMs to keep Aadhar, mobile no. and PAN details of all consumers for tracing defaulters who have left dues thus avoiding new connection applicants to pay them.

2.567 DISCOMs to take Aadhaar, mobile no. and PAN details of all the applicants 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.

2.568 Defaulters should not be given rebate benefits. Their subsidy should be stopped.

2.569 Tariff Order should be issued on 1st April of every financial year so that one Tariff is applicable for one financial year.

2.570 DERC should issue Tariff for 5 years instead of one year like Mumbai.

2.571 Five years Tariff should be issued for better clarity and long term planning.

2.572 Public Utilities should not be given cross subsidy as they are government owned.

2.573 Hon'ble APTEL Judgments should be strictly implemented.

2.574 Compliance to Regulatory Directives to be ensured for Timely payment to Central and State Generating Stations and Transmission Utilities.

2.575 Theft cases and misuse of electricity should be carefully examined and stopped.

2.576 Un-authorized use of electricity by authorized occupant of the flat should be checked and stopped by the DISCOMs.

2.577 Effects of fumes emitted out of thermal plants in Delhi should be taken into consideration in respect of Pollution and health hazard created by it.

2.578 Direction of APTEL in various Appeals for Tariff for FY 2021-22 to be implemented.

i) Collection Efficiency and Distribution Loss Target

ii) ARR FY 2021-22

2.579 Aadhaar, mobile no. and PAN details of all the applicants 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 property purchase and a new connection is applied and help in recovery suits filed against the actual defaulters

2.580 More than One Crore rupees should not be allowed for legal expenses.

2.581 While purchasing a new property, how to check and clear 20-30 years old outstanding dues.

2.582 While purchasing a land, they have to submit the scheme to DTL and network up gradation cost has been included.

2.583 As per DERC Order 2017 as amended time to time, for getting new connection 500 sq. mtr. area for transformer should be provided by the consumer earlier it was 300 sq. mtr. Now it is defined as 1000 covered area. Due to this consumers are not getting new connections. Parking area is included under covered area. This is creating problems for getting new connections as RWA don't have space to provide.

2.584 New meter should be installed on the same day, after removing the temporary meter from the new construction site. At present the new connections is provided after the gap of 8-10 days.

2.585 Meters are running fast due to neutral looping. DISCOMs are making unearned profits. Meters are doctored so that they cannot be checked.

2.586 While constructing additional floors on the existing house, sometimes the wires touches the walls of the house, as the connection was old and given at ground floor. Due to this consumer are facing problems in getting new connections.

2.587 DISCOM is refusing to give new connection and charging commercial Tariff from the consumers who are doing small business with one or two machines in their house. But as per DDA guidelines factory having 9 workers or having 11 kW meter are allowed.

2.588 Removing and Installing of Temporary connections again and again should be stopped.

2.589 Problem in getting temporary connection.

2.590 DISCOM charged for shifting of meter, it should not be charged.

PETITIONER'S SUBMISSION

TPDDL

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

2.592 Electricity Tax is levied by MCD in accordance with its Delhi Municipal Corporation Act.

2.593 The Commission always does prudence check at the time of True-Up.

2.594 DISCOMs are not under RTI Act.

2.595 Sometimes outstanding dues on premises remain unrecovered due to consumer default and it is not always possible to recover without establishing the liability on the defaulter who has left the premises. Such recovery suits also take time and sometimes do not give the desired result of dues recovery as the defaulter cannot be pinned due to lack of documents that can identify him like Aadhar, Mobile no and PAN details. Whenever a consumer applies for new connection, DISCOM checks the dues on premises applied for and the applicant has to pay these dues to get the new connection. This is unnecessary burden and harassment for the applicant.

2.596 As regards to stakeholder's comment on consumer engaging in theft of Electricity, the burden of which is passed on to other consumers. Therefore, all such consumer should not get the following benefits if they engage in Payment Default of Theft of Electricity:

i) Such Consumers should be charged on Flat Tariff corresponding to Highest Slab.

ii) No TOD or Other Rebate should be provided.

iii) No Security Interest should be provided.

iv) LPSC to be charged on monthly basis.

This will help in reducing the ARR of DISCOMs and also the burden of honest paying consumers.

2.597 Legal Provisions in Electricity Act, 2003, National Tariff Policy 2016 and Appellate Tribunal for Electricity order dated 11/11/2011, provides that the State Regulatory Commissions should issue Tariff Order of the licensee before 1st April of the Tariff Year. Regarding Tariff Order to be issued on 1st April of every financial year, TPDDL agrees to the suggestion and it is in overall consumer interest and that of overall power sector.

2.598 Timely issue of tariff order not only helps DISCOMs in maintaining business financial sustainability but also help preventing the carrying cost burden on the consumers.

2.599 Further, Issue of Tariff Schedule for entire MYT period brings clarity to consumers as well DISCOMs for long term planning. Industrial and commercial consumer can estimate in advance regarding its input cost of electricity and thereby plan for future productions.

2.600 Timely release of Tariff Order is an important element for recovery of ARR. We request to release tariff order for 21-22 at the earliest so that required ARR is recovered in timely manner and on Financial Year basis. MoP,GoI vide communication no. 23/02/2021-R&R [257091) dated 1/04/2021 has released advisory in this regard. Further, appropriate and suitable provisions for this exists in Electricity Act,2003 and Tariff Policy,2016.

2.601 TPDDL agrees that 5 years Tariff should be issued. It is in overall consumer interest and Delhi Power Sector.

2.602 Fixed charges as part of Tariff is 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.

BYPL

2.603 The issue raised by the Stakeholder regarding safety measures pertains to M/s BRPL and hence is not commented upon by BYPL.

2.604 With respect to the stakeholder responses on Costly Tariff for High usage domestic Consumer, it is submitted that Tariff determination is sole prerogative of the Commission. We request the Commission to consider the comments of the Stakeholder.

2.605 We would like to say that theft issue applies to the entire service sector (e.g. water, telephone, railways, road transport, etc.), Taxes (e.g. Income tax, Custom and Excise, Sales Tax, VAT, property Tax, etc.). The electricity sector cannot be isolated from this menace. Carrying out more load shedding in high loss/theft area will not be appropriate as the honest consumers in these areas will also suffer without being at fault. BYPL is making efforts to prevent theft of electricity by strengthening their enforcement activities without harassing the honest paying consumers.

2.606 Given this background control of power theft needs active participation and support from all the stakeholders including Government, public representatives, Citizens, RWAs and NGOs reinforced with effective legal and enforcement framework

2.607 BYPL is providing new connections as per the Regulation 11 of DERC (Supply Code and Performance Standards) Regulations, 2017. All processes regarding documentations of the consumers, dues transfers are being followed with respect to these regulations only.

2.608 Regarding the issue of paying dues due to nonpayment of previous dishonest consumer, it is submitted that this issue of honest vs. dishonest consumer equally applies to the entire service sector (e.g. water, telephone, railways, road transport, etc.). The electricity sector cannot be isolated from this menace.

2.609 BYPL provide new connections as per the Regulation 11 of DERC (Supply Code and Performance Standards) Regulations, 2017. All processes regarding documentations of the consumers, dues transfers are being followed with respect to these regulations only.

2.610 With respect to the stakeholder comment on Defaulting consumers should not be given rebate benefits, the subsidy is approved by the GoNCTD in terms of section 65 of the Electricity Act 2003. Currently, there is no differentiation in providing subsidy benefit on the basis of honest consumers and defaulting consumers. Any eligible consumer whose consumption falls under the criteria specified by the GoNCTD is getting the benefit of subsidy. We appreciate the concern raised by the stakeholder on exclusion of subsidy benefit to defaulting consumers as on one hand such consumers are getting the subsidy benefit and on other hand they are burdening the honest consumers in Tariff. Also, the subsidy is the prerogative of the State Government.

2.611 We appreciate the concern raised by the stakeholder w.r.t. finalization of tariff and issuance of Tariff Order at the beginning of the Financial year i.e. 1/04/2021. Further, we would like to submit that the as per section 63 of Electricity Act, 03 finalization of tariff is sole prerogative of the Commission.

2.612 Regarding the concern raised by the stakeholder w.r.t. the tariff finalization of 5 years, as per section 63 of Electricity Act, 2003, finalization of tariff is prerogative of the Commission.

2.613 Regarding no subsidy disbursal for consumption of more than 300 units, the mechanism of the subsidy disbursal is under the purview of the Delhi Government and determination of Tariff is sole prerogative of Commission.

2.614 With respect to the finalization of Tariff and Cross subsidy, the section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.615 The issue of cross subsidy stems from the historical Tariff trends and with its prerogative to determine Tariffs, the Commission has been working towards removing this shortcoming. However, the Commission is bound to avoid tariff shocks for domestic, low income and agricultural consumers and therefore the work of eliminating cross subsidies is still in progress

2.616 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, the 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 APTEL and allowance of its entitlement in the Tariff Order.

2.617 As regards to stakeholder's comment on Compliance to Regulatory Directives, response is as follows

i) Timely payment to Central and State Generating Stations and Transmission Utilities: The matters pertaining to payment to Generating Stations and Transmission Utilities are presently sub-judice before Hon'ble Supreme Court in the matter of W.P. 105 of 2014 and APTEL in the matter of Appeal Nos. 27, 28 & 32 of 2014. Without prejudice to the Petitioner's submissions made in this matter, it is submitted that BYPL endeavor to make timely payment to Central and State GENCOs and Transmission Utilities against current dues in compliance the Hon'ble Supreme Court's Order dated 23/03/2014 and has been apprising the Commission of the same from time to time.

ii) Direction of APTEL in various Appeals: Timely Implementation of APTEL orders by the Commission is in overall consumer interest as it will prevent additional carrying cost burden on consumers. The 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.

iii) Only after detailed deliberation on the issues, APTEL vide its various judgments has issued specific directions to the Commission which the Commission is legally bound to implement. Accordingly, the it is prayed to implement various Judgments passed by the APTEL and allowance of its entitlement in the Tariff Order.

2.618 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.

2.619 As regards to stakeholder comment on Collection Efficiency and Distribution Loss Target, the incentive due to overachievement of Collection efficiency target, it is submitted that the Petitioner computes the incentive sharing mechanism on account of overachievement w.r.t. Collection Efficiency target as per DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

2.620 As regards the stakeholder's comment on Collection efficiency target to be fixed at 100% and revision in Distribution Loss target, it is submitted that the Collection Efficiency of 99.50% and Distribution Loss target for the control period has been specified by the Commission after considering contentions, submission and suggestions by the stakeholders. Further, the Commission may revise/relax/review the said targets/norms specified in the Business Plan Regulations, 2019 in view of

Force Majeure conditions.

2.621 As regards the stakeholder's comment ARR FY 2021-22, It is submitted that the projection of all the expenses and revenue for FY 2021-22 is based on the principles and methodology specified in the Tariff regulations, 2017 in line with the operational parameters/performances specified in Business Plan regulations, 2019. Any relaxation/revision/modification in targets/norms as provided in the aforesaid Regulations may be done by the Commission in view of Force Majeure conditions.

2.622 Further, all assumptions/ considerations while projecting the expenses and revenue are explained in detail in the Petitioner's submissions made before the Commission.

2.623 Further with respect to the stakeholder comment regarding difficulties faced by the BYPL as serving in the east Delhi & reduction of power purchase cost, it is submitted that BYPL has also taken various steps for closing down /exit of PPA from such 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.

2.624 Further determination of any category and slab of the tariff is the sole prerogative of the Commission.

BRPL

2.625 There is no link between information and revenue gap every year. The Commission regularly seeks various data/ information and published publically every year, hence data authenticity has no relevance as all the data exist in public domain.

2.626 Regarding reported CA No. to detect electricity misuse by Domestic category for non-domestic purpose, the suggestion of penal amount realization from such consumer is highly appreciated.

2.627 BRPL will take each and every possible steps to check misuse of electricity supply by some dishonest consumers.

2.628 We appreciate your concern relating to reduction in global warming.

2.629 As regards to stakeholder comment on 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 slab of Domestic category, BRPL will take each and every possible survey and steps in order to check misuse of electricity supply being taken up by some dishonest and irresponsible consumers. Also, DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission. The stakeholder's plea may be duly considered by the Commission.

2.630 As regards to stakeholder comment on Tracing of payment defaulters and DISCOMs may be directed to keep details like Mobile no., Aadhar details or PAN card details in their records, BRPL agrees that dishonest 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. BRPL has a dedicated team of enforcement professionals whose sole aim is to reduce and arrest loss occurring due to theft / unauthorized use of electricity. Our technical, as well as commercial losses, have been drastically reduced from over 50% at the time privatization to about 8.58% at present. The benefit of such a drastic reduction in losses has directly benefited honest consumers by way of reduced Tariff burden.

2.631 The 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 Aadhar 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 that suggestions will be duly considered by the Commission.

2.632 As regards to stakeholder comment on issue of recovery of pending dues against any specific property/ premises and the DISCOM's insistence of recovery of such dues from the new owner, we understand the stakeholder' viewpoints. However, in this regard it may also be noted that electricity dues are statutory in nature under the Electricity Act. Under the provisions of the Supply Code Regulations, Regulation 19 sub-regulation (3) and (4) deals with generation of final bill and no-dues certificate. The excerpt of the said regulation is reproduced below:

"19. Termination of Agreement: -

…(3) In all cases of termination of Agreement under sub-regulation (2) (ii), the

Licensee shall arrange for special meter reading, at a mutually acceptable date and prepare final bill. Such bill shall be stamped as final bill. The agreement shall be terminated only on payment of final bill.

(4) On receipt of the payment of the final bill, the Licensee shall issue receipt with Final Bill stamped on it. This receipt shall be treated as "No dues certificate". "

2.633 The above regulation, clearly imparts a duty upon an existing consumer to terminate his existing connection by requesting a special reading and generation of the final bill. This bill, in itself serves the purpose of a 'No dues certificate'. It is always advisable for any person acquiring any property to obtain the original no dues certificate / final bill from the seller of such property. Adhering to this process will not only ensure that the said premises are free from all electricity related dues, but at the same time will greatly ease the process of getting a new connection by the new owner.

2.634 From the above, it is also clear that the onus of due-diligence is clearly on the person acquiring / buying a property / premise and not on the DISCOM. It therefore, would not be justified that the DISCOM is mandated to track down any previous owner for recovery of any pending dues.

2.635 Regarding issue multiyear Tariff for five years instead of annual tariff determination, Regulation 11 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides as under:

"11. The Distribution Licensee shall submit Annual Tariff Petition, at least one hundred and fifty (150) days prior to the end of the relevant Financial Year which shall contain:"

Furthermore, Section 64(3)(a) of the Electricity Act, 2003 provides as under:

"Section 64 (Procedure for Tariff Order):

(3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public,-

(a) issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order;"

A conjoint reading of the above two provisions clearly indicates that the Commission should come out with a Tariff Order by March.

2.636 Further , it is submitted that the determination of electricity Tariff to be charged from a certain category of consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003. we trust the same shall be duly considered by the Commission itself.

NDMC

2.637 NDMC is taking prompt action against defaulters.

2.638 The party is not in NDMC.

COMMISSION'S VIEW

2.639 The new and existing connections shall be as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. The said Regulation shall be applicable for New and existing connections, agreement, metering, billing and payment, disconnection and reconnection, Unauthorised use, theft, Complaint handling procedure and overall standards of performance.

2.640 The Commission exercises prudence check on the expenses that are incurred or allowed to be incurred 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.

2.641 The Commission while determining the norms for O&M expenses in its Business Plan Regulations, 2017 has not considered the legal expenses as it shall be allowed based on prudence check in true up of ARR for the relevant year.

A3 TRUE UP FOR FY 2019 -20

BACKGROUND

3.1 The True up of FY 2019-20 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 was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG empanelled Auditor. Similarly, for FY 2019-20, Commission floated tender twice for the appointing C&AG empanelled Auditor for verification of Books of Accounts of Distribution Licensees, but the bids could not be finalized even till April '21 due to procedural and Technical issues with the tender. Apprehending problem in tender finalisation, the Commission started in-house verification of Books of Accounts for FY 2019-20 from March '21 onwards, however, decision of in-house verification instead of Regulatory Audit by C&AG empanelled Auditors, was taken in the month of June '21. If, any, variation/deficiency in the in-house verification is being noticed in future it will be dealt accordingly.

3.3 The Commission has conducted various prudence check sessions with the Petitioner for True-up of various parameters of ARR for FY 2019-20 submitted in the Petition. Wherever required clarifications were sought on various issues from the Petitioner in accordance with the applicable principles laid down under the *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* and *DERC (Business Plan) Regulations, 2017*. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, response to queries raised during discussions and also considered the stakeholder's submission during Virtual Public Hearing process and those submitted in written for finalization of the Tariff Order as per the principle laid down under *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* and *DERC (Business Plan) Regulations, 2017*.

ENERGY SALES

PETITIONER'S SUBMISSION

3.4 The Petitioner has submitted category-wise energy sales data for FY 2019-20. The actual energy sales for FY 2019-20 were 1272.052 MU are compared against the approved energy sales of 1253.23 MU. The energy sales decreased marginally in comparison to approved sales in 2019-20 as shown in the table below:

Table 3. 1: Petitioner submission – Category-wise Sales for FY 2019-20 (MU)

Sr. No.	Category	Approved in Tariff Order FY 2019-20	Actual
1	Domestic	250.16	273.591
2	Non-domestic	251.54	260.462
3	Mixed Load	676.45	671.049
4	Industrial (Small Industrial Power)	0.05	0.015
5	Public Lighting	7.80	7.101
6	DMRC	53.17	44.653
7	Temporary Connection	-	14.890
8	Others	14.05	-
9	J J Cluster	-	0.291
	Total	**1,253.23**	**1,272.052**

COMMISSION'S ANALYSIS

3.5 The Commission has trued up category wise energy sales for FY 2019-20 indicated in the table as follows:

Table 3. 2: Commission Approved -Energy Sales for FY 2019-20 (MU)

Sr. No.	Category	Petitioner's Submission	Commission Approved
1	Domestic	273.59	273.59
2	Non Domestic		
	(I) NDLT	260.46	260.46
	(II) Mixed Load	671.05	671.05
3	Small Industrial Power	0.02	0.01
4	Public Lighting	7.10	7.10
5	Others	-	-
6	DMRC	44.65	44.65
7	Temporary	14.89	14.89
8	J J Cluster	0.29	0.29
Total		**1,272.05**	**1,272.05**

REVENUE FROM ENERGY SALES

PETITIONER'S SUBMISSION

3.6 The Petitioner has submitted that the Revenue billed for FY 2019-20 against the sales achieved by the utility is consolidated from the Form 2.1 a-D and submitted as below:

Table 3. 2: Petitioner Submission-Revenue Billed for FY 2019-20 (Rs. Cr.)

Sr. No.	Category	Approved in Tariff Order 2019-20			Actual Revenue			E-Tax Actual	Actual Total FY 2019-20 including E-Tax
		Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue without E-Tax		
1	Domestic	20.90	131.82	152.72	30.11	152.46	182.56	9.81	192.38
2	Non-domestic (LT & HT)	166.28	742.39	908.67	178.98	804.77	983.75	49.45	1033.19
3	Small Industrial Power	0.02	0.03	0.05	0.01	0.02	0.03	0.00	0.03
4	Public Lighting	0.00	6.09	6.09	0.42	3.86	4.28	0.21	4.50
5	DMRC	1.20	30.58	31.78	2.37	26.81	29.18	1.46	30.64
6	Other (Including Temporary Connections + JJ Cluster)	0.47	26.89	27.36	19.75	117.06	136.81	7.11	143.91
	Total	**188.87**	**937.80**	**1126.67**	**231.63**	**1104.97**	**1336.61**	**68.04**	**1404.64**

3.7 The Petitioner has submitted the consolidated Revenue approved for FY 2019-20 and the Sales achieved by the utility as per Form 2.1 a-D as under:

Table 3. 3: Petitioner Submission-Revenue Billed for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Energy Charges Billed (excluding Electricity Tax)	937.800	1104.97
2	Fixed Charges	188.870	231.63
3	**Total (1 + 2)**	**1126.670**	**1336.605**

3.8 The Petitioner submitted that the organization is not registered under Company Act and thus the reports are not audited by Chartered Accountants. All the reports are audited first internally and subsequently by CAG. Owing to this, the Petitioner will not be able to furnish Auditor's Certificate and requests the Commission to accept this submission.

COMMISSION'S ANALYSIS

3.9 The Revenue billed was verified from form 2.1a submitted by the Petitioner in the Tariff Petition. Earlier as per Tariff Schedule for FY 2017-18, billing of certain categories like Non-Domestic Low Tension (upto 10 kW), Public Lighting were charged on the basis of kWh which was subsequently changed by the Commission from kWh to kVAh in Tariff Schedule for FY 2019-20 vide its Tariff Order dated 28/03/2018. It is observed that the Petitioner has still raised the energy consumption bills of Non-Domestic, Small Industrial Power and Public Lighting on 'kWh' basis instead of 'kVAh' basis as per the Tariff Schedule approved by the Commission for the period FY 2019-20. The month-wise revenue shortfall on account of under billing to such consumers is calculated as Rs.2.76 Cr. Accordingly, the Commission has added the amount of Rs. 2.76 Cr. under Revenue Billed. The break-up of the same is as follows:

Table 3. 4: Category: Non-Domestic (under billing for FY 2019-20) – (A)

Bill Cycle	Units as per kWh	Power Factor	Calculated kVAh	Difference (in units)	Rate/kVAh (in Rs.)	Energy Charges short billed(Rs.)	EC on kVAh basis	EC on kWh basis
April	6,294,568	0.96	6,556,842	262,274	8.50	2229326.117	5.57	5.35
May	6,477,602	0.96	6,747,502	269,900	8.50	2294150.6	5.74	5.51
June	8,293,661	0.96	8,639,230	345,569	8.50	2937338.123	7.34	7.05
July	8,088,575	0.96	8,425,599	337,024	8.50	2864703.741	7.16	6.88
August	7,627,575	0.96	7,945,391	317,816	8.50	2701432.834	6.75	6.48
September	6,988,658	0.96	7,279,852	291,194	8.50	2475149.847	6.19	5.94
October	6,804,737	0.96	7,088,267	283,531	8.50	2410010.856	6.03	5.78
November	5,270,844	0.96	5,490,463	219,619	8.50	1866757.399	4.67	4.48
December	4,155,958	0.96	4,329,123	173,165	8.50	1471901.874	3.68	3.53
January	4,318,072	0.96	4,497,992	179,920	8.50	1529317.3	3.82	3.67
February	4,483,097	0.96	4,669,892	186,796	8.50	1587763.414	3.97	3.81
March	3,850,177	0.96	4,010,601	160,424	8.50	1363604.179	3.41	3.27
Total				3,027,230			**64.33**	**61.76**

Table 3. 5: Category: Small Industrial Power (under billing for FY 2019-20) – (B)

Bill Cycle	Units as per kWh	Power Factor	Calculated kVAh	Difference (in units)	Rate/kVAh (in Rs.)	Energy Charges short billed(Rs.)	EC on kVAh basis	EC on kWh basis
April	2281.54	0.96	2376.604167	95.06416667	7.75	736.7472917	0.0018	0.0018
May	5316.9	0.96	5538.4375	221.5375	7.75	1716.915625	0.0043	0.0041
June	2517.2	0.96	2622.083333	104.8833333	7.75	812.8458333	0.0020	0.0020
July	1326.07	0.96	1381.322917	55.25291667	7.75	428.2101042	0.0011	0.0010
August	1897.5	0.96	1976.5625	79.0625	7.75	612.734375	0.0015	0.0015
September	1819.66	0.96	1895.479167	75.81916667	7.75	587.5985417	0.0015	0.0014
October	1916.17	0.96	1996.010417	79.84041667	7.75	618.7632292	0.0015	0.0015
November	6168.64	0.96	6425.666667	257.0266667	7.75	1991.956667	0.0050	0.0048
December	3006.27	0.96	3131.53125	125.26125	7.75	970.7746875	0.0024	0.0023
January	2777.46	0.96	2893.1875	115.7275	7.75	896.888125	0.0022	0.0022
February	3026.43	0.96	3152.53125	126.10125	7.75	977.2846875	0.0024	0.0023
March	2820.135	0.96	2937.640625	117.505625	7.75	910.6685938	0.0023	0.0022
Total				1453.082292			**0.0282**	**0.0270**

Table 3. 6: Category: Public Utilities (under billing for FY 2019-20) –(C)

Bill Cycle	Units as per kWh	Power Factor	Calculated kVAh	Difference (in units)	Rate/kVAh (in Rs.)	Energy Charges short billed (Rs.)	EC on kVAh basis	EC on kWh basis
April	640291.97	0.96	666970.8021	26678.83208	6.25	166742.7005	0.42	0.40
May	573706.05	0.96	597610.4688	23904.41875	6.25	149402.6172	0.37	0.36
June	604870.76	0.96	630073.7083	25202.94833	6.25	157518.4271	0.39	0.38
July	587834.59	0.96	612327.6979	24493.10792	6.25	153081.9245	0.38	0.37
August	559442.11	0.96	582752.1979	23310.08792	6.25	145688.0495	0.36	0.35
September	582814.7	0.96	607098.6458	24283.94583	6.25	151774.6615	0.38	0.36
October	574021.09	0.96	597938.6354	23917.54542	6.25	149484.6589	0.37	0.36
November	555018.37	0.96	578144.1354	23125.76542	6.25	144536.0339	0.36	0.35
December	643728.13	0.96	670550.1354	26822.00542	6.25	167637.5339	0.42	0.40
January	598883.278	0.96	623836.7479	24953.46992	6.25	155959.187	0.39	0.37
February	656146.78	0.96	683486.2292	27339.44917	6.25	170871.5573	0.43	0.41
March	675903.141	0.96	704065.7719	28162.63088	6.25	176016.443	0.44	0.42
Total				**302194.207**			**4.72**	**4.53**

3.10 The Regulation 23(2) & 23 (3) of DERC (Business Plan) Regulations, 2017 provides as below:-

> *"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:*
>
> *(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."*

3.11 The Commission observed that the Petitioner has billed the self consumption at non-domestic tariff against zero-tariff as stated at Regulations 23(2) of DERC (Business Plan) Regulations, 2017.

3.12 In view of above, the Commission has Trued up Revenue Billed for the Petitioner for FY 2019-20 as follows:

Table 3. 7: Commission Approved -Revenue Billed for FY 2019-20 (Rs. Cr.)

Sr. No.	Category	Approved
1	Domestic	192.38
2	Non-domestic	1,033.19
3	Small Industrial Power	0.03
4	Public Lighting	4.49
5	Others (including Temporary & JJ Cluster)	143.91
6	DMRC	30.64
7	**Total**	**1,404.64**
	Less: E Tax	68.04
8	**Revenue without E tax**	**1,336.60**
9	Add: Under - Billing on account of kVAh	2.76
10	**Total Revenue Billed**	**1,339.37**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY

PETITIONER'S SUBMISSION

3.13 The Petitioner has submitted its AT&C Loss achievement against the AT&C loss target approved by the Commission vide its Tariff Order for FY 2019-20 as below :

Table 3. 8: Petitioner Submission - AT&C Loss for FY 2019-20

Particulars	Approved in Tariff Order for FY 2019-20	Actual
Distribution Loss	9.00%	9.87%
Collection Efficiency	99.50%	95.71%
AT&C Loss	9.46%	13.74%

3.14 The Petitioner has submitted that the Revenue Billed includes Fixed Charges, Energy Charges, Other Charges and PPAC Amount. Additionally, the Petitioner has also submitted the Actual Revenue Billed excluding Electricity Tax amount. Therefore, the total Revenue Billed as per Form 2.1(a) (including E-tax) is Rs. 1370.57 Cr. against the same, the revenue collected is Rs. 1325.07 Cr.

COMMISSION'S ANALYSIS

3.15 The Commission vide its Email dated 11/03/2020 had directed Petitioner and SLDC to reconcile and submit the signed joint statement for Energy Input at Petitioner's periphery. SLDC vide its Email dated 11/03/2020 has submitted the Energy Input at Petitioner's periphery as 1403.84MU. Accordingly, the Commission has computed the Distribution Loss for the Petitioner as follows:

Table 3. 9: Commission Approved – Distribution Loss for FY 2019-20

Sr. No.	Particulars	Unit	Actual	Remarks
A	Energy Input	MU	1403.84	
B	Energy Billed	MU	1272.05	
C	Actual Distribution Loss Level	%	9.39%	(A-B)/A
D	Target Distribution Loss Level	%	9.00%	

3.16 Regulation 159 & 161 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)."*

"161 Any financial impact on account of underachievement with respect to Distribution Loss targets shall be to the Distribution Licensee's account"

3.17 The Regulations 25 (1) of DERC (Business Plan) Regulations, 2017 provides as follows:-

"(1) The Distribution 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 shall be as follows:

Target for Distribution Loss for the Control Period

Distribution Licensee	***2017-18***	***2018-19***	***2019-20***
New Delhi Municipal Council	*10.30%*	*9.63%*	*9.00%*

3.18 The Regulation 25(1) of DERC (Business Plan) Regulations, 2017 has specified the Distribution Loss Targets for the Petitioner for FY 2019-20 at 9.00%. The Regulation 25(2) of DERC (Business Plan) Regulations, 2017 states that the amount for overachievement/ underachievement on account of Distribution Loss target shall be computed as per formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

3.19 It is observed that actual Distribution loss achieved by the Petitioner is higher than the Distribution loss target for FY 2019-20, therefore, the Commission has computed the financial impact on account of underachievement of Distribution loss for FY 2019-20 as follows:

Table 3. 10: Commission Approved: Penalty on account of underachievement of Distribution Loss for FY 2019-20

Sr. No.	Particulars	UOM	Approved	Remarks
A	Distribution Loss Target in previous Year	%	9.63%	As per BPR 2017, 24(4)
B	Distribution Loss Target in Current Year	%	9.00%	As per BPR 2017, 24(4)
C	Actual Distribution Loss	%	9.39%	
	Actual Energy Input at Distribution periphery	MU	1,403.84	
D	Average Power purchase Cost	Rs/KWh	6.77	
E	**(Penalty) to Petitioner** on account of underachievement	Rs. Cr	(3.69)	(B-C)*D*E/10

3.20 The Commission considering the impact of lockdown for the period from 24th March, 2020 to 31st March, 2020, which has impacted consumers in an un-precedent manner, is of the view that in order to maintain balance between the stakeholders due to the impact of COVID-19, it is judicious to exercise the Power of Relaxation under Regulation 172 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and Regulation 37 of *DERC (Business Plan) Regulations, 2017* and not to True-up Collection Efficiency. Accordingly, no incentive or penalty on account of over/under achievement on account of collection efficiency has been considered and allowed Actual O&M expenses and Actual Power Purchase Rebate for FY 2019-20. Accordingly, the actual Collection of Rs. 1279.28 Cr. excluding E-Tax has been considered by the Commission for True-up of FY 2019-20.

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.21 The Petitioner has allocations of power from Dadri TPS and Pragati Stations. The Petitioner has requested the Commission to allow the actual gross power purchase quantum as follows:

Table 3. 11: Petitioner Submission: Power Purchase Quantum for FY 2019-20 (MU)

Sr. No.	Particulars	Approved in Tariff Order for FY 2019 -20	Actual
A	Power Purchase from Central Stations except BTPS, SGS, and RE Plants	527.04	363.11
B	Power Purchase from Short Term Small Hydro	213.74	143.32
C	**Total Interstate: Power Purchase (A + B)**	**740.78**	**506.43**
D	Interstate Transmission Losses (C*1.65%)	-12.20	-8.36
E	Net Power Purchase from Central stations (C - D)	728.58	498.07
F	Power Purchase from State Generating Stations (Excluding RE) (PPS-I & PPS-III)	651.03	708.42
G	Power Purchase from Short Term Large Hydro	0.00	183.93
H	Power Purchase from DMSWSL & EDWPCL	10.37	6.15
I	Power Purchase from IEX		163.05
J	Power Purchase from UI		1.18
K	**Power Available at Delhi Periphery**	**1389.98**	**1560.81**

Sr. No.	Particulars	Approved in Tariff Order for FY 2019 -20	Actual
L	Intra-State Transmission Loss	12.79	(14.36)
M	**Power Available at NDMC Periphery (Addition from E to N)**	**1377.19**	**1546.45**
N	Solar: Power from Grid Connected & Net Metering (O * 0.92%)		9.46
O	**Total (O – P)**	**1377.19**	**1555.91**
P	Sale of Power (IEX)		144.48
Q	**Net Power Available for Retail Sale (Q – R)**	**1377.19**	**1411.43**

The Petitioner has submitted that in FY 2019-20 they have drawn long term power from Central Stations viz. Dadri TPS and intra state generating stations viz. Pragati Power Stations (Pragati I and PPS- III CCGT Bawana). The Petitioner has also sourced power from Renewable sources (DMSWSL) and grid connected and net metering solar installations. The average inter-state transmission losses and intra-state losses have been considered at 1.65% and 0.92% respectively. The Petitioner requested the Commission to kindly consider the actual values of such losses.

3.22 The Petitioner has submitted that currently no payments are being made toward solar power procured from the generating units/net metering units located within license area. However, the Petitioner requested the Commission to allow recovery of payments made towards such purchases as and when actual payments are made towards the same in future year(s).

3.23 The Petitioner has submitted that the details of actual power drawn from each of the sources of generation is provided in the appropriate formats specified by the Commission. The Petitioner requests the Commission to kindly consider the actual purchase and approve the same for the purpose of truing up.

COMMISSION ANALYSIS

3.24 The Commission in its Tariff Order dated 31/07/2019 has approved gross power purchase quantum of 1188.44 MU from all sources including Central and State Sector Generating Stations for FY 2019-20.

3.25 The Commission vide its Letter dated 5/03/2021 directed DISCOMs and Delhi SLDC 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. The said joint signed statement source wise Long Term Power Purchase and Short Term Power purchase/sale was submitted by the Petitioner.

3.26 The Commission observed that there still exists deviation in the Power Purchase Quantum submitted by the Petitioner and that submitted by SLDC to the Commission for few plants due to peripheral mismatches. The Petitioner has considered the power at Northern periphery whereas SLDC has considered the same 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.

3.27 Based on the Power purchase Bills and submission of SLDC, the Power Purchase Quantum of the petitioner is Trued up for FY 2019-20 as follows:

Table **3. 12: Commission Approved - Power Purchase Quantum for FY 2019-20 (MU)**

Sr. No.	Particulars	FY 2019-20		
		Approved in Tariff Order Dated 31/07/2019	Petitioner's Submission	Approved
1	Power Purchase from Central Stations	731.15	631.06	639.92
2	Interstate Transmission Losses	12.20	8.36	8.36
3	Net Power Purchase from Central Stations	718.95	622.70	631.56
4	Power Purchase from State Stations	446.92	440.47	440.42
5	DMSWSL and EDWPCL	10.37	6.15	6.15
6	Power Purchase from Short Term Sources	213.74	491.48	491.48
7	Gross Power Purchase	1389.98	1560.80	1563.46
8	Intra State Transmission Loss	12.79	14.36	14.36
9	**Net Power Purchase at NDMC Periphery**	**1377.17**	**1546.45**	**1555.18**
10	Solar Power from Grid Connected & Net Metering	0.00	9.46	9.46
11	Sale of Surplus Power	0.00	144.48	144.48
12	**Net Power Purchase for Retail Sales**	**1377.17**	**1411.43**	**1420.16**

COST OF LONG TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.28 The Petitioner submitted the cost of long term power purchase for FY 2019-20 and requested the Commission to approve the cost as per table below:

Table 3. 13: Petitioner Submission - Cost of Power Purchase from Long Term Sources for FY 2019-20

Sr. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
A	Dadri TPS	363.11	234.81	6.47
B	Pragati I	440.47	292.57	6.64
C	Pragati III- CCGT Bawana	267.95	192.67	7.19
D	DMSWSL	6.15	4.32	7.02
E	EDWPCL*	0	0	0.00
F	Solar Power – Installed by NDMC on Ownership basis, Through Developer Mode and Net metering / Grid Connected	9.46	0	0.00
G	**Total**	**1,087.14**	**724.37**	**6.66**
L	Short Term Purchase of Power	491.48	214.88	4.37
H	Transmission Charges	-22.72	83.41	0.00
I	**Power Purchase Cost with ST & Transmission Charges**	**1,555.90**	**1,022.66**	**6.57**
J	Less: Timely Payment Rebate on Power Purchase		14.7	0.00
K	**Net Power Purchase cost after Rebate**	**1555.90**	**1007.96**	**6.48**
M	Less: Short Term Sale of Power	144.48	36.93	2.56
N	**Total Power Purchase**	**1411.42**	**971.03**	**6.88**

SHORT TERM POWER PURCHASE AND SALE

3.29 The Petitioner has requested the Commission to approve the cost of Short Term Power Purchase and Revenue from Short Term Power Sale as tabulated below.

Table 3. 14: Petitioner Submission - Short Term Power Purchase and Sale for FY 2019-20

Sr. No.	Particulars	Power Quantum (MUs)	Amount (Rs. Crore)	Average Rate (Rs./kWh)
1	Bilateral Hydro - Small	143.32	67.36	4.70
2	Bilateral Hydro - Hydro	183.93	90.12	4.90
3	Banking	-	-	-
4	IDT	-	-	-
5	UI	1.18	0.58	4.90
6	IEX	163.05	56.82	3.48
7	PXIL	-	-	-
	Total Purchases	**491.48**	**214.88**	**4.37**

Table 3. 15: Petitioner Submission - Short Term Power Sale for FY 2019-20

Sr. No.	Particulars	Power Quantum (MUs)	Amount (Rs. Crore)	Average Rate (Rs./kWh)
1	Bilateral	-	-	-
2	Banking	-	-	-
3	IDT	-	-	-
4	UI	61.61	13.01	2.11
5	IEX	82.87	23.92	2.89
6	PXIL	-	-	-
	Total Purchases	**144.48**	**36.93**	**2.56**

3.30 The Petitioner has submitted to consider information regarding short term power purchase and sale as follows:

(a) Bilateral Sales/Purchase from Magpie- Attawatto, Magpie - Tanmarg, Brenwar, KPCPL, Government of Himachal Pradesh (GoHP) and KARCHAM (GoHP), Exchange related quantum and purchase have been accounted for the FY based on the bills paid during the Financial year.

(b) IDT purchases/sales - the units purchased/sold are considered for the financial year only. The amounts towards such purchases have been considered as billed/paid during the year.

(c) UI Sales/purchase – The Petitioner has submitted that although the billing for certain months is made after the financial year has completed, however at the time of truing up, the entire sales/purchase and UI quantum is available through SLDC. Accordingly, the Petitioner has submitted the entire quantum of sales/purchases and corresponding amount realised/likely to be realised from such transactions on accrual basis for FY 2019-20.

(d) Solar RPO Obligation: NDMC is procuring Solar Power from Solar Plant Installed by NDMC on Ownership basis, through Developer Mode and Net metering / Grid Connected within its licensed area through net metering.

COMMISSION'S ANALYSIS

3.31 The Commission has verified the power purchase cost based on the bills raised by various Generating stations for power procured from long term sources by the Petitioner during FY 2019-20 and payment made by the Petitioner.

3.32 The power purchase cost based on the bills raised by various parties for power procured/sold from short term sources during FY 2019-20 were also verified.

The Commission approves the Power Purchase Cost from various Long Term and Short Term sources as submitted by the Petitioner subject to Disallowances discussed in subsequent paras.

3.33 Regulation 28 of *DERC (Business Plan) Regulations, 2017* specifies as follows:

"28 Contingency Limit for Sale of Power through Deviation Settlement Mechanism (Unscheduled Interchange Charges)

(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) 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 5% of Net Power Procured by the Distribution Licensee for the relevant month.

(2) In case the Distribution Licensee disposes off more than 5% of the net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the average rate of power purchase/sale through exchange during same month for Delhi region.

3.34 The Commission has observed that the Petitioner has disposed off more than 5% of the net Power procured for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges). Accordingly, the Commission in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 28 of DERC (Business Plan) Regulations, 2017 has considered the net power sold more than 5% of power procured at the average rate of power purchase/ sale through exchange during same month. Accordingly, the Commission has deducted Rs. 4.15 Cr. on account of disposing off more than 5% of the Net power procured by the Petitioner of the relevant months through Deviation Settlement Mechanism. The details of sale of power in UI for more than 5% is as follows:

Month	Net Power Purchase excluding UI (MU)	UI Sale(MU)	%	UI Sale above 5% (MU)	IEX Avg. Rate (Rs./MWh)	UI Rate (Rs./MWh)	Difference in Rate	Difference Amount (Rs. Cr.)
Apr-19	118.81	8.12	6.83%	2.18	3.19367	0.22	2.97	0.69

Month	Net Power Purchase excluding UI (MU)	UI Sale(MU)	%	UI Sale above 5% (MU)	IEX Avg. Rate (Rs./MWh)	UI Rate (Rs./MWh)	Difference in Rate	Difference Amount (Rs. Cr.)
May-19	143.93	5.47	3.80%	(1.73)	3.33302	2.82	0.52	
Jun-19	158.51	8.80	5.55%	0.87	3.31513	2.59	0.73	0.29
Jul-19	162.35	6.80	4.19%	(1.32)	3.3786	2.65	0.73	
Aug-19	150.74	6.84	4.54%	(0.69)	3.31618	1.18	2.14	
Sep-19	145.19	3.87	2.67%	(3.39)	2.90826	2.30	0.61	
Oct-19	108.14	8.28	7.66%	2.87	2.71326	2.36	0.35	0.78
Nov-19	83.92	5.93	7.07%	1.73	2.8452	-	2.85	0.49
Dec-19	97.61	1.81	1.86%	(3.07)	2.92145	6.19	(3.27)	
Jan-20	106.87	2.21	2.07%	(3.13)	2.84806	2.99	(0.14)	
Feb-20	83.89	6.66	7.94%	2.47	2.91349	2.20	0.71	0.72
Mar-20	70.71	8.34	11.79%	4.80	2.45306	-	2.45	1.18
TOTAL								**4.15**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

COMMISSION'S ANALYSIS

3.35 In previous section of this Tariff Order, it has been mentioned that the Commission has considered Actual Rebate on account of Power Purchase Cost, O&M Expenses and Collection Efficiency considering the impact of lockdown due to COVID-19. Accordingly, the Commission has considered the Actual Rebate of Rs. 14.70 Cr. for FY 2019-20.

REVENUE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

3.36 The Petitioner has submitted the renewable purchase obligation fulfilled during FY 2019-20 is as tabulated below:

Table 3. 16: Petitioner's Submission – RPO for FY 2019-20

RPO	Approved in T.O. FY 2019-20			Actual			
	% of Total Energy Sales	Total Sale (MU)	RE to be Procured in MU	Total Sales	MU to be Procured	MU procured during the year	Shortfall/ Excess
Solar	6.75%	1253.23	84.59	1272.05	85.86	9.46	-76.41
Other	10.25%		128.46		130.39	143.32	12.93
Total			**213.05**		**216.25**	**152.78**	**-63.47**

Note: Source of Power Procurement: 1) Solar:- Grid Connected, 2) Other:- Magpie- Attawatto, Magpie-Tanmarg, Brenwar.

COMMISSION'S ANALYSIS

3.37 Regulation 27 of *Business Plan Regulations, 2017* provides the RPO requirement for FY 2019-20 as 10.25% for Non-Solar and 6.75% for Solar respectively. The details of RPO requirement has been checked by the Commission. The details of RPO requirement and fulfillment are given as below:

Table 3. 17: Commission's Approval – Calculation of RPO for FY 2019-20

Sr. No.	Particulars	MU
1	Total Energy Sale	1272.05
2	Less: Energy from Hydro	
3	Net Energy Requirement for RPO	1272.05

Table 3. 18: Commission's Approval – Calculation of Excess/(Short Fall) in RPO for FY 2019-20

Type of energy	Requirement		Purchased	Excess/(Short fall)
	%	MU	MU	
Non Solar	10.25%	130.39	143.32	12.93
Solar	6.75%	85.86	9.46	-76.40
Total	17.000%	216.25	152.78	-63.47
Average Floor Price Of Rec (Rs./MWh)				1000
Energy Shortfall (kWh)				-63468755.85

3.38 In view of above, it is observed that the Petitioner has not fulfilled the RPO obligation for FY 2019-20, accordingly, the penalty @10% of floor price is levied to the Petitioner as follows:

Table 3. 19: Commission's Approval – Calculation of RPO for FY 2019-20

Particulars	Units	Amount
Present Floor price of REC	Rs./MWh	1000
Energy Shortfall	kWh	-63468755.85
Penalty @ 10% of Floor Price (@ Rs. 1/kWh)	Rs. Cr.	-0.63

3.39 The Commission sought from SLDC, the penalty on account of Additional Deviation Charges and Sustain Deviation Charges, which are related to Grid Indiscipline, levied to the Petitioner for FY 2019-20. SLDC has submitted such charges amounting to Rs. 4.52 Cr. which has been reduced from Power Purchase Cost for FY 2019-20.

TOTAL POWER PURCHASE COST FOR TRUE UP

PETITIONER'S SUBMISSION

3.40 The Petitioner has submitted the trued up power purchase cost as tabulated below:

Table 3. 20: Petitioner Submission- Total Power Purchase Cost for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Power Quantum (MUs)	Amount (Rs. Cr.)
A	Gross Power Purchase Cost excluding Waste to Energy, Short Term Purchase and Transmission Charges	1071.53	720.05
B	Waste to Energy	6.15	4.32
C	**Total Long Term**	**1077.68**	**724.38**
D	Short Term Purchase	491.48	214.88
E	Solar Power	9.46	0.00
F	Inter State Transmission Charges	-8.36	45.12
G	Intra State Transmission Charges	-14.36	38.28
H	**Gross Power Purchase**	**1555.91**	**1022.67**
I	Less: Rebate on Power Purchase	0.00	13.96
M	Less: Total Rebate on Transmission & Trader	0.00	0.74
N	Less: Sale of Surplus Power	144.48	36.93
O	**Net Power Purchase**	**1411.43**	**971.03**
P	Average Cost Per Unit (Net of Transmission Losses)		6.88

COMMISSION'S ANALYSIS

3.41 Based on the findings above, the Commission approves Power Purchase Cost for FY 2019-20 as follows:

Table 3. 21: Commission Approved Power Purchase Cost for FY 2019-20 (Rs. Cr.)

Particulars	Approved in Tariff Order Dated 31/07/2019	Petitioner's Submission	Approved
Gross Power Purchase Cost	754.64	939.25	939.25
Less: Cost of Surplus Power Sold		36.93	36.93
Net Power Purchase Cost	754.64	902.32	902.32
Total Transmission Charges	99.54	83.40	83.40
Total Power Purchase Cost	854.18	985.72	985.72
Less Normative Rebate	15.11	(14.70)	(14.70)
Net Power Purchase Cost including Transmission Charges	**839.07**	**971.02**	**971.02**
Less: RPO Penalty	0.00	0.00	0.63
Less: Penalty on account of Add Deviation and Sustain Deviation	0.00	0.00	4.52
Less: Violation over & above the Contingency limit	0.00	0.00	4.15
Trued-Up Power Purchase Cost	**839.08**	**971.02**	**961.71**

OPERATION AND MAINTENANCE EXPENSES

PETITIONER'S SUBMISSION

3.42 The Petitioner has submitted O&M Expenses approved in FY 2019-20 and actual in FY 2019-20 and requested the Commission to approve the same as under:

Table 3. 22: Petitioner Submission – Actual Expenses for FY 2019-20

Sr. No.	Particulars	Units	Approved in Tariff Order FY 2019-20	Amount (Rs. Cr.)	Actual in FY 2019-20	Amt. In Cr.
1	66 kV Line	Ckt kM	53.49	1.97	53.49	1.97
2	33 kV Line	Ckt kM	165.83	6.1	181.47	6.67
3	11 kV Line	Ckt kM	1031.39	9.91	1075.57	10.34
4	LT Line system	Ckt kM	2626.65	151.45	5498.88	317.07
5	66/11 kV Grid S/s	MVA	490	5.07	490	5.07
6	33/11 kV Grid S/s	MVA	970	10.03	1010	10.44
7	11/0.415 kV DT	MVA	436.05	6.45	845.21	12.50
	Total			190.98		**364.05**

COMMISSION'S ANALYSIS

3.43 The Commission in its Tariff Order dated 31/07/2019 has provisionally approved O&M Expense of Rs 190.98 Cr for FY 2019-20 based upon available network data as per True up of FY 2017-18 and rates specified in DERC (Business Plan) Regulation, 2017 for FY 2019-20 as the petitioner has not submitted the details of network sought by the Commission. The Petitioner has claimed Rs. 364.054 Cr towards O&M expenses for FY 2019-20.

3.44 The Commission has provisionally allowed the capitalisation upto FY 2019-20 as discussed in relevant section of this Tariff Order.

3.45 The Commission sought Audited Financial Statement for FY 2019-20 of the Petitioner to which the Petitioner vide email dated 14/09/2021 responded that bifurcation of Accounts for Electricity Distribution Business has not yet been fully completed. Financial Statements of the entire Council are maintained as a whole and Electricity Distribution Business is part of it. Further, the Financial Statement of the petitioner for FY 2019-20 are still under Audit.

3.46 COVID-19 pandemic and subsequent lockdown has impacted everyone in an unprecedented manner and the Commission in view to maintain balance between the stakeholders while dispensing essential commodity like electricity exercises its power to relax the provision under Regulation 172 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 37 of DERC (Business Plan) Regulations, 2017.

3.47 The Commission has considered the O&M expenses on actual basis and has have balanced to safeguard the interest of the consumers and the DISCOMs by allowing the actual O&M Expenses incurred by the Petitioner in the ARR for FY 2019-20.

3.48 In case of the Petitioner, due to non-availability of information relating to the actual O&M Expenses, the Commission has considered the ratio of average of actual O&M expenses for FY 2019-20 (net of provisions) of all the three DISCOMs (BRPL, BYPL and TPDDL) to the average normative O&M expenses of all the three DISCOMs (BRPL, BYPL and TPDDL) as approved during true up of FY 2018-19.

3.49 Accordingly, the approved O&M Expenses for the Petitioner is Rs. 190.25 Cr. for FY 2019-20, tabulated as follows:

Table 3. 23: Commission Approved – O&M expenses for FY 2019-20 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL	Average of 3	NDMC
As per financial statements					
Employee Exps (incl OCI)	*521.36*	*347.85*	*510.86*		
A&G Exps	*267.22*	*199.62*	*111.26*		
R&M Exps	*193.49*	*128.81*	*180.79*		
Sub total	**982.07**	**676.28**	**802.91**		
Adj on account of Provision for LSPC	(20.69)	(18.36)	(13.91)		
Adj on account of Provision for LSPC towards capitalisation	2.56	1.98			
Adjustment on O&M on account of generation business			(4.82)		
As per actual O&M expenses	**963.94**	**659.90**	**784.17**	802.67	190.25
As approved for FY 2018-19 (Normative O&M)	928.70	683.63	696.55		190.23
Other exps	37.68	32.87	28.29		
	966.38	716.50	724.84	802.57	190.23
Actual:Normative as approved in FY 2018-19	100%	92%	108%	100%	

NON TARIFF INCOME

PETITIONER'S SUBMISSION

3.50 The Petitioner has submitted the non-tariff income from the Late Payment Surcharge (LPSC) as per actual of FY 2019-20 as under.

Table 3. 24: Petitioner Submission - Non-Tariff Income for FY 2019-20 (Rs. Cr.)

Sr.No.	Particulars	Actual
1	Non-Tariff Income	3.68

3.51 The Petitioner requested the Commission to approve the Non-Tarff Income of

Rs. 3.68 Cr. for FY 2019-20.

COMMISSION'S ANALYSIS

3.52 The Regulation 94 & 95 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* provides as follows:

"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.

95. The Non-Tariff Income shall be reduced from ARR."

3.53 As per *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017,* amount received by the licensee on account of Non-Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of such licensee. Accordingly, the Commission has considered the Non-tariff income, as submitted by the petitioner, of Rs. 3.68 Cr. as follows:

Table 3. 25: Commission Approved: Non-Tariff Income for FY 2019-20 (Rs. Cr.)

Particulars	Approved
Non-Tariff Income	(3.68)

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

3.54 The Petitioner had appointed SBI Caps as external consultant to determine the actual assets and balance sheet of the Electricity Distribution Business Unit. Based on the report and subsequent capitalisation of assets, the Petitioner had submitted the following details for Capital Expenditure and Capitalisation for 2019-20.

Table 3. 26: Petitioner Submission - Gross Fixed Assets for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Opening GFA	628.89	956.48
2	Capitalisation	74.22	60.28
3	Depreciation	0	4.21
4	Closing GFA	703.11	1012.55
5	Average GFA	666.00	984.52

COMMISSION'S ANALYSIS

3.55 The Commission has approved the closing GFA for FY 2018-19 at Rs. 562.72 Cr. Further, the Commission approves the capital Addition of Rs. 54.25 for FY 2019-20 which is 90% of the Capitalisation submitted by the Petitioner vide its email dated 3/05/2021 as follows:

Table 3. 27: Commission Approved GFA & Capitalisation for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening GFA	562.72	Approved in T.O. dated 28/08/2020
B	Capitalization	54.25	
C	Deletion	4.21	
D	Closing GFA	612.76	A+B-C

DEPRECIATION

PETITIONER'S SUBMISSION

3.56 The Petitioner has submitted that depreciation has been considered on the basis of straight-line method and on the average Gross Fixed Assets at the beginning and at the end of each year. The depreciation is based on the original cost, estimated life and residual life. Depreciation for the control period is determined by applying depreciation rate as approved by the Commission in its tariff order for the control period. Depreciation has been computed at 3.60% of average GFA during the year as summarized in the table below:

Table 3. 28: Petitioner Submission -Depreciation for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Opening GFA	628.89	956.48
2	Addition during the year	74.22	60.28
3	Deletion during the year	0.00	4.21
4	Closing Balance of GFA	703.11	1012.55
5	Average Balance of GFA	666.00	984.52
6	Average Consumer Contribution	24.31	11.10
7	Average assets Net of Consumer Contribution	641.69	973.42
8	Average Depreciation Rate	3.60%	3.60%
9	Depreciation	23.10	35.04

CUMULATIVE DEPRECIATION

PETITIONER'S SUBMISSION

3.57 The Petitioner has submitted the accumulated depreciation till FY 2019-20 as under:

Table 3. 29: Petitioner Submission- Cumulative Depreciation till FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Opening Balance of Cumulative Depreciation	452.47	593.49
2	Addition during the year FY 2019-20	23.10	35.04
3	Closing Balance of Cumulative Depreciation	475.57	628.53

UTILIZATION OF DEPRECIATION

PETITIONER'S SUBMISSION

3.58 The Petitioner has submitted that no portion of the depreciation has been used to repay any actual debt in FY 2019-20 as under:

Table 3. 30: Petitioner Submission - Utilization of Depreciation for FY 2019-20

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Depreciation for FY 2019-20	23.10	35.04
2	Depreciation utilized for Debt repayment in FY 2019-20	0	0

COMMISSION'S ANALYSIS

3.59 The Commission has considered the approved GFA upto FY 2018-19 in Tariff Order dated 28/08/2020 as the opening GFA for FY 2019-20 and capital addition of Rs.54.25 Cr. for FY 2019-20 along-with a deletion of Rs. 4.21 Cr. has been considered as approved by the Commission.

3.60 The Commission observed depreciation is provided on the basis of straight-line method, on the average Gross Fixed Assets at the beginning and at the end of each year, keeping in view the methodology adopted by the Commission in the *DERC (Business Plan) Regulations, 2017* as no working of such Depreciation was provided. Accordingly, the depreciation has been computed at the rate of 3.60% of the average GFA during the year.

3.61 Accordingly, the Commission has considered the rate of depreciation at 3.60% as submitted by the Petitioner in accordance with appendix -1 of the *DERC (Terms and Conditions for determination of Tariff) Regulations, 2017*. The Commission has observed that the Petitioner has opening Consumer contribution/Government grant of Rs. 11.80 Cr. The same has been taken into account for computing depreciation. The depreciation as approved by the Commission is computed as below:

Table 3. 31: Commission Approved Depreciation for FY 2019-20

Sr. No	Particulars	Approved in Tariff Order dated 31/07/2019	Petitioner's Submission	True-up FY 2019-20
A	Opening GFA	628.89	956.48	562.72
B	Addition	74.22	60.28	54.25
C	Deletion	-	4.21	4.21
D	Closing GFA	703.11	1012.55	612.76
E	Average GFA	666.00	984.52	587.74
F	Opening Grant	20.14		11.80
G	Addition	8.34	3.15	3.15
H	Closing Grant	28.48		14.95
I	Average Grant	24.31	11.10	13.38
J	Depreciation Rate	3.60%	3.60%	3.60%
K	Total Depreciation	23.10	35.04	20.68

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.62 The Petitioner has calculated the Working Capital requirements on normative basis as stipulated by the methodology specified in the *DERC Wheeling and Retail Tariff Regulations, 2017*. The Petitioner has requested the Commission to approve the Working Capital Requirements as per the following:

Table 3. 32: Petitioner Submission- Determination of Working Capital for FY 2019-20(Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Receivables from sale of Electricity	1142.18	1404.64
2	Receivables Equivalent to 2 months	190.21	234.11
3	Net Power Purchase Expense (Including Transmission, SLDC, RPO and normative rebate)	904.21	971.03
4	1/12th of Power Purchase Expense	75.35	80.92
5	Total Working Capital	115.00	153.19
6	Less: Opening Balance of Working Capital	113.41	116.33
7	Change in Working Capital	1.59	36.86

COMMISSION'S ANALYSIS

3.63 The Regulation 84 (4) of the *DERC (Terms and Conditions for Determination of Tariff), Regulations 2017* specify that working capital shall consist of:

(i) For wheeling business

Receivables for two months of wheeling charges

(ii) For Retail supply business

(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,

3.64 The Commission had approved the closing working capital for FY 2018-19 at Rs. 103.88 Cr. in its Tariff Order dated 28/08/2020. The approved working capital for FY 2019-20 is as follows:

Table 3. 33: Commission Approved Working Capital for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order dated 31/07/2019	Petitioner's Submission	True-up FY 2019-20
1	ARR	1142.18	1404.64	1,190.91
2	Receivable equivalent to 2 months of ARR	190.21	234.11	198.49
3	Less:Net Power Purchase Cost	904.21	971.03	961.71
4	Less One Month Power Transmission charges	75.35	80.92	80.14
5	Working Capital requirement	115.00	153.19	118.34
6	Less: Opening Balance of Working Capital	113.41	116.33	103.88
7	Change in working capital	1.59	36.86	14.46

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.65 The Petitioner has submitted the computation for Regulated Rate Base for FY 2019-20 based on the *DERC Tariff Regulations, 2017* and requested for approval of the Commission, as given in the table below:

Table 3. 34: Petitioner Submission - Regulated Rate Base for FY 2019-20 (Rs. Cr.)

Sr. No.	Description	Approved in Tariff Order FY 2019-20	Actual
1	RRB - Base Year		
A	Opening Balance of GFA	628.89	956.48
B	Opening Balance of Working Capital	113.41	116.33
C	Opening Balance of Accumulated Depreciation	452.47	593.49
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	20.14	9.52
E	(A+B)-(C+D) i.e., RRB opening	269.69	469.80
2	RRB - for the year		
F	Investments in capital expenditure during the year	74.22	60.28
G	Depreciation for the year	23.10	35.04
H	Consumer Contribution, Grants, etc. for the year	8.34	3.15
I	Fixed Asset Retirement / Decapitalisation during the year	0.00	4.21
J	Changes in Capital Investment	42.78	17.88
K	Change in Working Capital	1.59	36.86
L	RRB Closing (E+J+K)	314.57	524.54
M	Regulated Rate Base (RRB) (i) (E+L)/2	292.66	497.17

COMMISSION'S ANALYSIS

3.66 The RRB has been considered based on capitalization, depreciation and working capital requirements for FY 2019-20 as detailed in the table as follows:

Table 3. 35: Commission Approved RRB for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	562.72
B	Opening Accumulated depreciation (ADo)	446.10
C	Opening consumer contributions received (CCo)/ grant	11.80
D	Opening Working capital (WCo)	103.88
E	Opening RRB (RRBo)	208.70
F	Investment capitalised during the year (INVi)	54.25
G	Depreciation during the year (Di)	20.68
H	Depreciation on decapitalised assets during the year	-
I	Government Grant during the year (CCi)	3.15

Sr. No.	Particulars	FY 2019-20
J	Fixed assets retired/decapitalised during the year (Reti)	-
K	Change in capital investment (ΔABi)	30.42
L	Change in working capital during the year (ΔWCi)	14.46
M	RRB Closing	253.58
N	RRBi	238.37

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.67 The Petitioner has submitted that capital expenditure incurred by it for creation of assets has been majorly incurred through its budgetary support and internal accruals. It has not used any type of loan for creation of assets. The Petitioner has considered normative debt-equity ratio of 70:30 for calculating RoCE. The Rate of Return on Equity for the first control period is kept at 16% as per the *DERC Wheeling and Retail Tariff Regulations, 2017*. Rate of Return on the Debt is considered as 8% as per order. Detailed calculation of Weighted average cost of capital (WACC) leading up to estimation of RoCE as submitted by the Petitioner is shown in the table below:

Table 3. 36: Petitioner Submission -Return on Capital Employed for FY 2019-20 (Rs. Cr.)

Sr. No.	Description	Approved in Tariff Order FY 2019-20	Actual
A	RRBi	292.66	497.17
B	Opening Equity for Capitalization (Limited to 30%)	46.88	106.04
C	Closing Equity Limiting to 30% of net Capitalization	59.72	111.40
D	Average Equity for Capitalization (Limited to 30%)	53.30	108.72
E	Opening Debt at 70% of Net Capitalization	109.40	247.43
F	Closing Debt @70% of net Capitalization	139.34	259.94
G	Average Debt @70% of net Capitalization	124.37	253.69
H	Debt at 100% of Average Working Capital	115.00	134.76
I	Total Debt (G+H)	239.36	388.45
J	Rate of Return on Equity	16.00%	16.00%
K	Rate of Debt (%) on Capitalization	8.00%	8.00%
L	Rate of Debt (%) on Working Capital	8.00%	8.00%
M	Rate of Interest on Debt (%)	8.00%	8.00%
N	Weighted Average Cost of Capital (WACC) (%)	9.46%	9.75%
O	**Return on Capital Employed (ROCE)**	**27.68**	**48.47**

COMMISSION'S ANALYSIS

3.68 The return on capital employed considered by the Commission based on the RRB(i) and WACC for FY 2019-20 is as given in the table below:

Table 3. 37: Commission Approved Return on Capital Employed (RoCE) for FY 2019-20

Sr. No.	Particulars	UOM	Approved
A	RRBi	Rs.Cr	238.37
B	Opening Equity for Capitalisation (limited to 30%)	Rs.Cr	31.44
C	Closing Equity limiting to 30% of net capitalisation	Rs.Cr	40.57
D	Average Equity for Capitalisation (limited to 30%)	Rs.Cr	36.01
E	Opening Debt at 70% of net capitalisation	Rs.Cr	73.37
F	Closing Debt at 70% of net capitalisation	Rs.Cr	94.67
G	Avg Debt at 70% of net capitalisation	Rs.Cr	84.02
H	Debt at 100% of working capital	Rs.Cr	118.34
I	Debt- balancing figure	Rs.Cr	202.36
J	Rate of return on equity (re)	%	16.00
K	Rate of debt (rd) on capitalisation	%	8.00
L	Rate of debt (rd) on working Capital	%	8.00
M	Rate of interest on debt(rd)	%	8.00
N	WACC	%	9.21
O	RoCE	Rs.Cr	21.95

INCOME TAX

PETITIONER'S SUBMISSION

3.69 The Petitioner has submitted that NDMC is exempted from paying the Income tax, therefore, claim for such tax liabilities has not been proposed in the Petition. However, the Petitioner requested the Commission to allow tax liability in future in case required.

COMMISSION'S ANALYSIS

3.70 No claim towards income tax has been considered by the Commission since the Petitioner is exempted from paying the tax.

AGGREGATE REVENUE REQUIREMENT FOR TRUING UP FOR FY 2019-20

PETITIONER'S SUBMISSION

3.71 The Petitioner had submitted the Aggregate Revenue Requirement for FY 2019-20 as below:

Table 3. 38: Petitioner Submission- ARR for FY 2019-20 (Rs. Cr.)

Sr. No.	Description	Approved in Tariff Order FY 2019-20	Actual
A	Net Power Purchase Cost	904.21	971.03
B	Net Operation & Maintenance (O&M)	190.98	364.05
C	Depreciation	23.10	35.04
E	RoCE (Including Interest on working capital)	27.68	48.47
F	Income Tax	0.00	0.00
G	Less: Non-Tariff Income	-3.89	-3.68
H	**Aggregate Revenue Requirement**	**1142.07**	**1414.92**

3.72 The Petitioner requested the Commission to allow the Aggregate Revenue Requirement of Rs. 1414.92 Cr.

COMMISSION'S ANALYSIS

3.73 Based on the above, the Commission approves the Aggregate Revenue Requirement (ARR) for True-up for FY 2019-20 as follows:

Table 3. 39: Commission Approved - Aggregate Revenue Requirement for FY2019-20 (Rs. Cr.)

Sr. No	Particulars	FY 2019-20
A	Net Power Purchase Cost	961.71
B	Operation & Maintenance (O&M)	190.25
C	Depreciation	20.68
D	Administrative Dept. & Civil Engg. Dept.	-
E	Return on Capital Employed (RoCE)	21.95
F	Income Tax	-
	Less: Refund on account of under capitalization	
G	Less: Non-Tariff Income	(3.68)
H	Less: MOD Violation	-
I	**Aggregate Revenue Requirement (ARR)**	**1,190.91**

REVENUE (GAP)/SURPLUS

PETITIONER'S SUBMISSION

3.74 The Petitioner has submitted that the overall gap based on the actual expenses and revenue during FY 2019-20 is Rs. 135.64 Cr. and same is tabulated as under:

Table 3. 40: Petitioner Submission- Revenue Gap/ Surplus for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order FY 2019-20	Actual
1	Aggregate Revenue Requirement (ARR)	1142.07	1414.92
2	Revenue Available Towards ARR	1117.01	1279.28
3	Revenue (Gap) / Surplus	(25.06)	(135.64)

COMMISSION'S ANALYSIS

3.75 Based on the ARR and the revenue available towards the ARR, the Revenue Surplus/(Gap) is as follows:

Table 3. 41: Commission Approved Revenue (Gap/surplus) for FY 2019-20 (Rs. Cr.)

Sr. No	Particulars	Amount
A	Aggregate Revenue Requirement	1,190.91
B	Revenue Available Towards ARR	1,282.96
C	Revenue (Gap)/Surplus	92.05

3.76 The closing Revenue Surplus for FY 2018-19 as per the Tariff Order dated 28/08/2020 is Rs. 129.47 Cr. The Revenue surplus/(gap) for FY 2019-20 as now approved by the Commission is summarized as follows:

Table 3. 42: Commission Approved Net Revenue Surplus/ (Gap) at the end of FY 2019-20

Sr. No.	Particulars	FY 2019-20
A	Opening Revenue Surplus/(Gap)	129.47
B	Revenue Surplus/(Gap) for the year	92.05
C	Rate of Return on equity	14%
D	Rate of Return on debt	8.00%
E	Rate of Return on Carrying Cost	9.80%
F	Amount of Carrying Cost	17.20
G	**Closing Revenue Surplus/(Gap)**	**238.73**

A4 AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22

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 2021-22. The Commission has analysed the same as required under the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*.

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 2021-22.

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 2021-22.

ENERGY SALES

PETITIONER'S SUBMISSION

4.5 The DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the Sales projections to be made as follows:

"5…

(7) Sales Forecast for each consumer category and sub-categories based on following factors:

a) Category wise growth in No. Of Consumers,

b) Category wise growth in Sanctioned Load/Contract Demand(MW),

c) Economic Cycle (boom, recession, Government policies etc.),

d) Impact of Open Access (MU), Net Metering (MU), Demand Side Management measures (MU)etc.,

e) Any other factor impacting the sales;"

4.6 The Petitioner has submitted that the sales in its license area have remained stagnant over the last few years. Accordingly, petitioner has given a similar projection as per existing Pre-COVID- 19 period sales in the area. For the purpose of projections of sales for 2021-22, sales have been considered to 1357.19 MU which is at par with the sales in FY 2020.-21.

4.7 Accordingly, the following sales projections have been considered for FY 2021-22

Table 4. 1: Category-wise Energy Sales for FY 2021-22 (MU)

Sr. No.	Category	FY 2021-22
1	Domestic	224.50
2	Non-domestic	1070.05
3	Small Industrial Power	0.03
4	Public Lighting	7.07
5	DMRC	40.97
6	Other	14.57
	Total	1357.19

-

4.8 The Petitioner has submitted Revenue as per Existing Tariff as under:

Table 4. 2: Petitioner Submission – Revenue at Existing Tariff for FY 2021-22

Sr. No.	Category	Energy Sale (MU)	Average Billing Rate at Existing Tariff (Rs./kWh)	Revenue at Existing Rate (Rs. Cr.)
1	Domestic	224.50	6.67	149.80
2	Non-domestic and Mixed Load	1070.05	10.56	1130.05
3	Small Industrial Power	0.03	17.46	0.05
4	Public Lighting	7.07	6.03	4.26
5	DMRC	40.97	6.53	26.77
6	Others	14.57	9.00	13.11
Total		**1357.19**		**1324.06**

COMMISSION ANALYSIS

4.9 It is observed that the Petitioner has forecasted sales of 1357.19 MU in their Original Petition, tabulated as follows:

Table 4. 3: Commission Analysis: Petitioner Sales as per Petition for FY 2021-22

Sr. No.	Category	Energy Sale (MU)
1	Domestic	224.50
2	Non-domestic and Mixed Load	1070.05
3	Small Industrial Power	0.03
4	Public Lighting	7.07
5	DMRC	40.97
6	Others	14.57
Total		**1357.19**

4.10 Due to Second Wave of COVID-19, Govt. of NCT of Delhi has announced complete curfew effective from 10 PM of 19/04/2021 onward till 5 AM of 3rd May'2021 resulting in to strict restrictions in movement of individuals and closure of all non-essential commercial and industrial activities within Delhi. Due to aforesaid restrictions imposed by Govt. of NCT of Delhi, power consumptions in Industrial, Commercial and public utility category of consumers has dropped and bound to go down further owing to migrant/labour exodus due to the above restrictions in Delhi being in force and less operations of DMRC. Accordingly, the Petitioner requested to consider Actual Sales for Apr'21 & May'21 for projecting Sales for FY 2021-22.

4.11 It is observed that the impact of second wave of COVID 19 was majorly in the months of April and May 2021 that too in Domestic, Non Domestic and Industrial category of consumers. The Petitioner was directed to submit actual sales for April and May for FY 2021-22. The Petitioner has submitted the information which is tabulated below:

Table 4. 4 : Commission Analysis: Actual sales for April and May FY 2019-20 to FY2021-22 (MU)

Sr. No.	Particulars	April'21	May'21
1	Domestic	17.05	17.50
2	Non Domestic	59.60	56.59
3	Industrial	0.002	0.002
	Total	**76.65**	**74.58**

4.12 The Commission vide its letter dtd. 5/03/2021 Ref No. F.3(634)/Tariff-Engg./DERC/2020-21/6936/2664 sought sales from DMRC and DJB for FY 2021-22.

4.13 Accordingly, sales of 45.22 MU was submitted by DMRC via letter dtd.24/03/2021 Ref No. DMRC/Elect/Plg/DEC/ARR. Further, the Commission analysed the same and considered the sale of 41.43 MU for 11 months only as Delhi Metro was closed for 1 month during the 2nd wave of COVID 19 and the sales has been reduced proportionately for 11 months.

4.14 The Delhi Jal Board has submitted the sales of 0.32 MU for FY 2021-22 via letter dtd. 8/04/2021 Ref No. DJB/Dy.Dir(F&A)-I/1254 which has been considered by the Commission for projection of sales for the FY 2021-22.

4.15 For remaining categories and balance period of the year, the Commission analysed the Sales from FY 2014-15 to FY 2019-20 and has computed various years CAGRs for, as follows:

Sr. No.	Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
1	Domestic	251.61	251.57	247.09	256.22	250.16	226.75	273.59

Sr. No.	Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
2	Non-Domestic	991.32	1004.84	996.67	994.25	927.99	1080.12	931.51
3	Industrial (SIP)	0.21	0.05	0.05	0.05	0.05	0.03	0.01
4	Public Lighting	8.32	8.08	7.71	8.58	7.80	7.12	7.10
6	Others*	19.49	18.26	10.92	11.51	14.05	0.13	15.18

Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
Domestic	1.69%	2.58%	2.21%	4.58%	20.66%
Non-Domestic	-1.50%	-1.68%	-2.15%	0.19%	-13.76%
Industrial (SIP)	-21.58%	-26.21%	-33.32%	-45.55%	-45.09%
Public Lighting	-2.55%	-2.04%	-6.11%	-4.59%	-0.23%
Others*	-3.63%	8.59%	9.67%	3.95%	11668.30%

4.16 The Commission observes abrupt variation in CAGR for the Petitioner. Accordingly, the Commission has considered has Actual Sales for Apr'21 & May '21 for Domestic, Non-Domestic & Industrial Category of consumers and balance Year is proportionality considered based on FY 2019-20 since the Petitioner did not provide break-up of it's Sales half yearly for past years. DMRC & DJB sales has been considered, as per their submissions, mentioned above. Accordingly, the Sales projected for FY 2021-22 is as follows:

Table 4. 5 : Commission Analysis: Sales Projected for FY 2021-22 (MU)

Sr. No.	Category	Petitioner Submission	Commission Approved
1	Domestic	224.50	262.55
2	Non-domestic and Mixed Load	1070.05	892.45
3	Small Industrial Power	0.03	0.02
4	Public Lighting	7.07	6.49
5	DMRC	40.97	41.43
6	Others*	14.57	14.82
	Total	**1357.19**	**1217.76**

** DJB, Enforcement, Temporary Supply, Misuse etc.*

REVENUE AT EXISTING TARIFF

4.17 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.

4.18 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.

4.19 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 for that tariff category.

4.20 The Commission has analysed the past trend since FY 2014-15 till FY 2020-21 and the impact of COVID-19 pandemic for projecting category wise Sanctioned Load and Consumers. Based on the numbers as projected by the Petitioner in its Petition, the Commission has appropriately considered Sanctioned Load and Consumers for FY 2021-22. The Sales for FY 2021-22 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. 1,148 Crore to be billed in FY 2021-22 as per Existing Tariff Schedule approved in Tariff Order dated 28/08/2020 as follows:

Table 4. 6: Commission Approved: Revenue estimated at Existing Tariff for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	23	123	146
2	Non-Domestic	166	790	956
3	Industrial	0.01	0.02	0.03
4	Agriculture & Mushroom	-	-	-
5	Public Utilities	3	30	33
6	DIAL	-	-	-
7	Advertisement and hoarding	-	-	-
8	Temporary	2	16	18
9	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	-	-
10	Others*	-	-	-
11	Total	194	959	1153

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
12	Revenue @ 99.50% Collection Efficiency			1148

** DJB, Enforcement, Misuse etc.*

DISTRIBUTION LOSS & COLLECTION EFFICIENCY

PETITIONER'S SUBMISSION

4.21 The Petitioner has referred the DERC Tariff Regulations, 2017 specifies:

"5…

(11) Collection Efficiency shall be measured as ratio of total revenue realised to the total revenue billed in the same year:

Provided that Revenue Realised or Revenue Billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of Collection Efficiency; "

4.22 The Petitioner has considered 99.5% collection efficiency for FY 2021-22 as per DERC Business Plan Regulation, 2019 and the same has been considered for estimation of Distribution and AT&C losses also.

4.23 With regards to Distribution Loss, the Petitioner has referred the DERC Tariff Regulations, 2017 which specifies as follows:

"5…

(8) Distribution Loss & Collection Efficiency trajectory consisting of:

a) Total and voltage-wise distribution losses (%) along with the basis thereof,

b) Total and category-wise revenue collection,

c) AT&C loss level based upon past trends, sales growth and any other factors;

…

(12) Distribution Loss shall be measured as the difference between the Energy units input into the distribution system for sale to all its consumer(s) and the total Energy units billed in its Licensed area in the same year;

4.24 The Petitioner has referred the DERC Business Plan Regulation, 2019 distribution loss of 8.75% is specified for the FY 2021-22. Considering that incremental loss reduction would be CAPEX intensive and difficult to achieve, the distribution loss has been proposed 9.50% as follows.

Table 4. 7: Petitioner Submission: Distribution Loss for FY 2021-22

Sr. No.	Particulars	FY 2021-22
1	Distribution Loss (%)	9.50%
2	Collection Efficiency (%)	99.50%
3	AT&C losses (%)	9.95%

COMMISSION'S ANALYSIS

4.25 The Commission has fixed the targets for Distribution Loss and Collection Efficiency for the Petitioner in its *DERC (Business Plan) Regulations, 2019* as 9.00% and 99.50% respectively for FY 2021-22. The Commission observes that complete lockdown period is limited to few months only during which collection may get affected. The same may only defer the process of collection, which can be done at later stages with phase wise unlocking being introduced 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 2021-22 for the Petitioner.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.26 Based on the projected Energy Sales and Distribution Loss for FY 2021-22, the energy requirement for NDMC is projected as under:

Table 4. 8: Energy Requirement Projections for FY 2021-22

Sr. No.	Particulars	FY 2021-22
1	Energy Sales (MU)	1357.19
2	Distribution Loss (%)	9.50%
3	Distribution Loss (MU)	142.47
4	Energy Required at Distribution Periphery (MU)	1499.66

COMMISSION'S ANALYSIS

4.27 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2021-22, considering the sales approved for FY 2021-22 and

Distribution Loss of 9.00% as per *DERC (Business Plan) Regulations, 2019*. The approved energy requirement for FY 2021-22 is summarized in the table as follows:

Table 4. 9:Commission Approved: Energy Requirement for FY 2021-22

Sr. No.	Particulars	Unit	Approved Energy Requirement
A	Energy Sales	MU	1217.76
B	Distribution loss	MU	116.77
		%	8.75%
C	Energy Requirement	MU	1334.53

POWER PURCHASE QUANTUM AND COST

PETITIONER'S SUBMISSION

4.28 The Petitioner has projected the energy requirement to be met from various sources namely;

a. Power Purchase from plants located in Delhi - Pragati Power Station-I and Pragati Power Station-III (Bawana), Delhi MSW Solutions Ltd as per allocation in FY 2019-20.

b. The energy projections of these plants have been considered based on past trends. Further, an escalation factor of 2% on year-on-year basis has been considered to project the corresponding fixed and energy charges for such plants.

c. The Petitioner further submits that it has adequate power availability from other renewable sources and is actively in discussions with Ministry of Power to source clean/green energy for its license area. Developments in this regard have already been shared with the Hon'ble Commission. The Petitioner has further submitted that it is inclined to buy power from renewable sources to meet its power requirement and would therefore request the Hon'ble Commission to not consider any allocation of power from any other source in the ensuing years. However, in case the Hon'ble Commission envisages additional allocation of any capacity to NDMC, the same may be considered from the hydro sources available for Delhi DISCOMS in consultation with NDMC.

d. The Petitioner had a power Purchase Agreement with NTPC for Purchase of Power from Dadri TPS-1, which has expired on 30th November, 2020 and NDMC is not under any liability to schedule any power from NTPC's Dadri TPS-I. The Petitioner submits not to make any allocation from Dadri TPS.

e. The Petitioner shall procure 142 MW power from Hydro Power Stations and 250 MW Power from Solar Power Plants under bidding system in line with mandate given by Ministry of Power, Govt. of India to make NDMC a 100% Renewable Energy Consuming DISCOM.

f. The shortfall/surplus in the energy if any shall be procured/sold through Exchange etc.

4.29 NDMC's allocation from various power stations from which it sources power is given in the table below:

Table 4. 10: Energy Availability Assumptions

Sr. No.	Power Plant	Firm % Share FY 2021-22	Capacity in MW	Energy in MU
1	Dadri TPS	0.00%	0	0
2	PPS – I	30.30%	100	440
3	PPS – III	9.12%	125	268
4	DMSWSL Bawana	5.09%	1	6
5	Hydro Power	100.00%	142	624
6	Solar Power	100.00%	250	433
Total			**618**	**1771**

4.30 For meeting the supply-demand gap during the peak hours, the Petitioner projects to rely upon Short-Term, Bilateral and Inter-DISCOM power purchase. Detailed methodology of projecting the power availability from various sources is detailed below.

4.31 Energy availability has shown a substantial rise over the years and this has helped NDMC meet its peak power requirement comfortably.

4.32 NDMC has considered the availability of power from such sources in the past (except BTPS) and has accordingly worked out the expected availability from such stations for FY 2021-22. The overall estimated quantum of power to be purchased from each of the sources is provided in the appropriate formats and the same may kindly be approved by the Commission.

4.33 Presently, NDMC don't envisage any shortfall in available power. Further, NDMC has allocations from Delhi MSW Solutions Ltd, Bawana in lines with the provisions of Tariff Policy 2016, which mandates all DISCOMs to procure power from municipal solid waste based power plants at a tariff determined by the appropriate Commission. NDMC also submits that it may resort to other Banking and bilateral arrangements along with Short Term power sources to meet the energy deficits as and when required.

4.34 Solar RPO Obligation: The Petitioner envisages procurement of Solar power from various sources within its licensed area through installed by NDMC on Ownership basis, through Developer Mode and Net-Metering/Grid Connected. It plans to procure incremental solar power in the ensuing year 2021-22 from such sources. NDMC submits that it is making efforts and exploring possibilities of purchasing 250 MW solar power through SECI/NTPC/others. The same is likely to increase the solar purchase in its power procurement portfolio and will meet the Solar RPO going forward.

4.35 The Petitioner has projected Non-Solar RPO from various sources including Hydro Projects and Delhi MSW Solutions Ltd. Which would be sufficient to meet the existing RPO targets specified by the Hon'ble Commission and hence NDMC has not projected any REC purchase for FY 2021-22.

4.36 Considering the Unique Load Curve of the Petitioner, the Petitioner has submitted that its license area comprises of VVIP areas having all the offices of Government of India viz. North Block, South Block, Nirman Bhawan, Udyog Bhawan, Rail Bhawan etc. and also Parliament House and Rashtrapati Bhawan, Supreme Court of India. Given the working hours in such offices, the power requirement is steep during the day and miniscule in the night hours. Accordingly, the Petitioner has requested the Hon'ble Commission to consider allocation of power to NDMC in twelve hours' duration instead of existing twenty-four hours' duration.

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.37 The Petitioner has submitted that the projected energy balance is arrived for FY 2021-22 after considering the projected sales, AT&C loss levels, transmission losses, power purchase and sale of surplus power which is as follows:

Table 4. 11: Petitioner Submission: Energy Balance Projections for FY 2021-22 (MU)

Sr. No.	Particulars	FY 2021-22
A	**Energy Requirement**	
1	Energy Sales	1357.19

Sr. No.	Particulars	FY 2021-22
2	Distribution Loss (%)	9.50%
3	Distribution Loss (MU)	142.47
4	Energy Required at Distribution Periphery	1499.66
B	**Energy Availability**	
1	Power Purchase from CGS outside the State	1057.00
2	Interstate Transmission Losses	21.14
3	Net Power Purchase from Central Stations	1035.86
4	Power Purchase from within the State	708.42
5	DMSWSL and EDWPCL	6.15
6	Power Purchase from Short Term Sources including ST Renewable	0.00
7	Gross Power Purchase Quantum	1750.43
8	Intra State Transmission Loss	16.10
9	Net Power Available at NDMC Periphery	1734.33
10	Sale of Surplus Power	234.67
11	Net Power available for Retail Sales	1499.66

COMMISSION'S ANALYSIS

4.38 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.

4.39 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. 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.

4.40 The Commission sought DISCOM wise power purchase quantum from various sources by SLDC considering actual for Apr'21 & May'21 and rest projection. SLDC submitted the same to the Commission.

4.41 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 2021-22.

4.42 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 1st October 2021 till 00:00 Hrs 31st March 2022, 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 Petition 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. 12: Re-allocation of Power among Delhi Distribution Licensees over & above ongoing allocation

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%	38.91%	22.50%	19.50%	27.19%	27.19%	9.12%	12.12%

4.43 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. 13: Commission Approved: Generating Stations for FY 2021-22

Sr. No.	Power Generating Stations	Installed Capacity (MW)	NDMC Share (%)	NDMC (MW)	Energy Scheduled (MU)
1.	NCPP – DADRI	840	16.53%	0.00	0
2.	GTPS	90	4.94%	4.45	32
3.	Pragati -I	330	30.30%	99.99	419
4.	PRAGATI-III, BAWANA	1371.2	12.12%	100.04	332
5.	MSW Bawana	24	5.09%	1.22	6
6.	**Total**			**205.70**	**789**

4.44 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2021-22:

a) The Commission has considered Fixed Cost for the central Generating Stations as approved by Central Electricity Regulatory Commission (CERC) in its relevant Tariff Orders and for state based Generating Stations, Fixed Cost has been considered as determined by the Commission in their respective Tariff Orders for FY 2021-22.

b) The Energy Charge Rate (ECR) for most the Generating Stations has been considered on the basis of Actual ECR billed in Q1FY22.

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 2021-22 has been considered based on Q1 of FY 2021-22.

d) The impact to the tune of 40% as Arrears related to the Petitions filed by various Central Sector Generating Stations before CERC has also been considered in order to mitigate the impact of PPAC to the end consumer.

e) The impact of re-allocation of PPS-III Bawana has been considered through proportionate increase in Fixed Cost and Variable Cost from 1st October 2021 to 31st March 2022.

4.45 Based on the above, the Total Power Purchase Cost for FY 2021-22, approved by the Commission is summarised as follows:

Table 4. 14: Commission Approved: Power Purchase Cost for FY 2021-22

Sr. No.	Stations	Energy (MU)	Fixed Cost (Rs.Cr.)	Arrears (Rs. Cr.)	Variable Charges (Rs/ kWh)	Variable Cost (Rs. Cr.)	Total Charges (Rs. Cr.)	Avg. rate (Rs./kWh)
1.	NCPP - DADRI	0	73.80	-	-	-	-	-
2.	Gas Turbine	32	2.63	-	2.19	7.06	9.70	3.01
3.	Pragati -I	419	46.31	-	6.27	262.59	308.91	7.38
4.	PRAGATI-III, BAWANA	332	111.28	5.60	1.78	59.07	175.95	5.30
5.	MSW Bawana	6	0.00	-	7.03	4.24	4.24	7.03
6.	**Total**	**789**	**234.03**	**5.60**		**332.96**	**572.59**	**7.26**

4.46 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. 15: Commission Approved: Targets for Renewable Purchase Obligation

Sr. No.	Particulars	FY 2021-22
A	Solar	8.75%
B	Non Solar	10.25%
C	HPO	0.18%
D	**Total**	**19.18%**

4.47 As per the above said *DERC (Business Plan) Regulations, 2019*, the Distribution companies have to purchase 19.18% of total Energy Sales approved by the Commission during FY 2021-22 from renewable energy sources.

4.48 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 energy projected by the Petitioner to meet its RPO obligations may not be available during FY 2021-22.

4.49 Based on the sales approved, the Petitioner has to purchase a minimum of 233.57 MU from Renewable Energy Sources for FY 2021-22 indicated in the table as follows:

Table 4. 16: 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	1217.76	8.75%	106.55
Non Solar		10.25%	124.82
HPO		0.18%	2.19
Total		**19.18%**	**233.57**

4.50 The Commission observed that the total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.51 Regulation 27 (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."

4.52 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2021-22.

4.53 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. 17: 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

4.54 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 2021-22. 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.

4.55 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 18: 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	Solar REC to be procured	106.55	0.56	5.97
NON SOLAR				
2	MSW Bawana	6.03	7.03	4.24
3	Balance Non Solar RECs to be purchased	118.79	0.56	6.65
4	Non Solar Sub Total	124.82		10.89
TOTAL SOLAR & NON SOLAR		**231.37**		**16.86**
HPO		**2.19**	**7.26**	**1.59**
TOTAL RPO		**233.57**		**18.45**

4.56 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 2021-22.

4.57 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 2021-22, for computation of transmission losses for FY 2021-22.

4.58 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2021-22 are indicated in the table as follows:

Table 4. 19: Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2021-22

Sr. No.	Particulars	Approved
A	**Transmission losses (MU)**	
1	Inter-State Transmission (PGCIL)	0.00
2	Intra-State Transmission (DTL)	6.82
	Total Transmission Losses (MU)	**6.82**
B	**Transmission Charges (Rs Crore)**	
1	Inter-State Transmission (PGCIL)	45.12
2	Intra-State Transmission (DTL)	46.97
3	Other Transmission Charges	0.00
4	SLDC Charges	0.44
C	**Total Transmission Charges (Rs. Cr.)**	**92.52**

4.59 Based on the Energy Sales, Distribution Loss, Intra-state and Inter-state Transmission Losses and Charges 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. 20: Commission Approved: Energy Balance for FY 2021-22

Sr. No.	Particulars	Unit	FY 2021-22
Energy Availability			
1	Total energy available (Excluding SGS)	MU	0.00
2	Inter-State Transmission Losses	%	2.00%
		MU	0.00
3	Energy available from SGS excl. generation in own distribution network	MU	788.60
4	Energy available at State Transmission Periphery (1-2+3)	MU	788.60

Sr. No.	Particulars	Unit	FY 2021-22
5	Intra-State Transmission Losses	%	0.92%
6		MU	7.26
7	Net Energy available at the distribution periphery	MU	781.35
Energy Requirement			
8	Energy Sales	MU	1217.76
9	Distribution loss	%	8.75%
		MU	116.77
10	Energy requirement at distribution periphery	MU	1334.53
11	**Surplus/ (Gap) energy (7-10)**	**MU**	**(553.18)**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

4.60 Regulation 119 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."*

4.61 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."*
>
> -------------

4.62 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."*

4.63 The Commission has considered the rebate amount of Rs. 14.70 Cr. for FY 2021-22 as considered in True-up of FY 2019-20.

TOTAL POWER PURCHASE COST

4.64 Based on the analysis above, the total Power Purchase Cost approved for the Petitioner for FY 2021-22 is as follows:

Table 4. 21: Commission Approved: Total Power Purchase Cost during FY 2021-22

Sr. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
1	Power Purchase from stations outside Delhi	0.00	73.80	0.00
2	PGCIL Losses & Charges	0.00	45.12	
3	Power Purchase from SGS	788.60	498.80	6.33
4	Cost towards Renewable Energy Certificates (RECs) and HPO		14.21	
5	**Power Available at Delhi Periphery (cost excluding RECs & HPO)**	788.60	617.71	7.83
6	DTL Loss & Charges including SLDC charges	7.26	46.40	
7	Power Purchase Rebate based on FY 2019-20 Normative rebate on Rebatable Amount		14.70	
8	PPCL & IPGCL - Impact of Appeal No. 284 & 288/2015*		15.45	
9	**Power Available to DISCOM**	**781.35**	**664.87**	**8.51**
10	Sales	1217.76		
11	Distribution Loss	116.77		
12	**Net Power Purchase cost including Transmission charges and RECs + HPO**	**1334.53**	**835.01**	**6.26**
13	**Net Surplus Power / (Shortfall)**	**(553.18)**	**(155.93)**	**2.82**

* **Note:** The computation of impact of Appeal No. 284/2015 is provided in Tariff Orders of IPGCL & PPCL. Since, the amount is provided to the Petitioner in it's Power Purchase Cost for FY 2021-22 recoverable through Tariff, therefore, Petitioner is directed to make timely payment to this effect also.

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.65 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.

4.66 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. "

4.67 Accordingly, the Commission has specified the PPAC formula for FY 2021-22 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 2021-22 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1\text{- Distribution losses in \%})\} * ABR} * 100$$

Where,

A = Total units procured in $(n-1)^{th}$ Qtr (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 $(n-1)^{th}$ Qtr (in kWh)

$$= \frac{\text{Total bulk sale in } (n-1)^{th} \text{ Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in (n-1)thQtr (in kWh)}}$$

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 % / 100) + Power from Delhi GENCOs (in kWh)}*(1 – Intra state losses in %)/100 – B] in kWh

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)

4.68 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:

The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

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."

4.69 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. 7.26/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)th quarter. 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.

The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended

OPERATION AND MAINTENANCE EXPENSES (O&M)

PETITIONER'S SUBMISSION

4.70 The Petitioner has projected O&M Expenses for FY 2021-22 as under:

Table 4. 22: Petitioner Submission: Projected O&M expenses for FY 2021-22

Sr. No.	Particulars	Units	Actual as on 31/03/2021	Addition during 2021-22	As on 31/03/2022	Rate	Amount in Lakh	Rs. Cr.
1	66 kV Line	Ckt kM	53.49	0.00	53.49	3.197	171.01	1.71
2	33 kV Line	Ckt kM	203.62	0.00	203.62	3.197	650.98	6.51
3	11 kV Line	Ckt kM	1084.07	7.55	1091.62	0.971	1059.96	10.60
4	LT Line system	Ckt kM	5513.80	0.00	5513.80	7.620	42015.14	420.15
5	66/11 kV Grid S/s	MVA	550.00	60.00	610.00	0.991	604.51	6.05
6	33/11 kV Grid S/s	MVA	1065.10	0.00	1065.10	0.991	1055.51	10.56
7	11/0.415 kV DT	MVA	845.21	0.00	845.21	1.546	1306.69	13.07
	Total							**468.64**

COMMISSION'S ANALYSIS

4.71 The Commission at Regulation 23 of *DERC (Business Plan) Regulations, 2019* has notified norms for Operation and Maintenance Expenses for FY 2021-22 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*	*3.079*	*3.197*	*3.320*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*3.079*	*3.197*	*3.320*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*0.935*	*0.971*	*1008*
LT line system	*Rs. Lakh/ Ckt. Km*	*7.338*	*7.620*	*7.912*
66/11 kV Grid S/s	*Rs. Lakh/ MVA*	*0.954*	*0.991*	*1.029*
33/11 kV Grid S/s	*Rs. Lakh/ MVA*	*0.954*	*0.991*	*1.029*
11/0.415 kV DT	*Rs. Lakh/ MVA*	*1.489*	*1.546*	*1.065*

...

(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."

4.72 The Commission has considered 100% of the network capacity as on 31/03/2020 and 80% of the projected addition for FY 2021-22 and has provisionally allowed O&M expenses of the Petitioner. The true-up of O&M expenses shall be as per actual network capacity.

4.73 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2021-22 as follows:

Table 4. 23: Commission Approved: O&M Expenses for FY 2021-22 (Rs. Cr.)

NETWORK	Network Capacity as on 01/04/2020	Projected Addition during FY 2020-21	Projected Addition during FY 2021-22	Closing Network Capacity	Norms as per BPR, 2017		Commission Approved		
					Units	Rate/Unit	Average Network Capacity	Unit Rate (Rs./Unit)	Rs. Cr.
66 kV Line (kms)	234	0	0	234	Rs. Lakh/Ckt. Km	3.197	234	3.197	7.48
33 kV Line (kms)					Rs. Lakh/Ckt. Km				
11 kV Line (kms)	1072	0	6	1078	Rs. Lakh/Ckt. Km	0.971	1075	0.971	10.44
LT Lines system (kms)	2729	0	0	2729	Rs. Lakh/Ckt. Km	7.62	2729	7.62	207.96
66/11 kV Grid sub-station (MVA)	1496	0	48	1544	Rs. Lakh/MVA	0.991	1520	0.991	15.06
33/11 kV Grid sub-station (MVA)					Rs. Lakh/MVA				
11/0.4 kV DT (MVA)	838	0	0	838	Rs. Lakh/MVA	1.546	838	1.546	12.96
Total									**253.90**

CAPITAL INVESTMENT AND CAPITALIZATION
PETITIONER'S SUBMISSION

4.74 The Petitioner has submitted that DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 specifies:

"5

…

(16) Capital Investment Plan taking into account the sales/demand forecast, power procurement plan, distribution loss trajectory, targets for quality of supply etc.;

(17) The investment plan shall be scheme-wise and include:

a) Purpose of investment (such as replacement of existing assets, meeting load growth, technical loss reduction, reactive energy requirements, customer service improvement, improvement in quality and reliability of supply, etc),
b) Capital Structure,
c) Capitalization Schedule,
d) Financing Plan,
e) Cost-benefit analysis,
f) Performance improvement envisaged in the Control Period,
g) Any other factors influencing investment,

…"

4.75 An amount of Rs. 39.50 Crore has been considered for Capitalization for FY 2021-22.

4.76 The Petitioner submitted that it is implementing the schemes funded by the Central Government. The details of the actual capital expenditure on the scheme will be submitted at the time of truing up.

COMMISSION'S ANALYSIS

4.77 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 20% in projected Capitalisation of the projects. Accordingly, the Commission has considered the asset capitalization for FY 2021-22 by reducing the amount as projected by the Petitioner by 20%.

4.78 The Commission has considered the Gross capitalisation of Rs. 31.60 Cr. including Consumer Contribution of Rs. 6.67 Cr. during FY 2021-22.

Table 4. 24: Commission Approved: Consumer Contribution for FY 2021-22

Sr. No	Particulars	FY 2021-22	Ref.
A.	Closing Balance of Consumer contribution capitalized upto true up for FY 2018-19	11.80	TO Aug.2020
B.	Consumer Contribution projected during FY 2019-20	3.15	True-up of FY 2019-20
C.	Opening balance of Consumer Contribution already capitalized upto FY 2019-20	14.95	A+B
D.	Consumer Contribution Capitalized during FY 2020-21	8.34	TO Aug. 2020
E.	Opening balance of Consumer Contribution for FY 2021-22	23.29	C+D
F.	Consumer Contribution Capitalized during FY 2021-22	6.67	Para 4.78
G.	Closing Consumer Contribution and Grants	29.96	E+F
H.	Average Consumer Contribution and Grants	26.63	(E+G)/2

DEPRECIATION

PETITIONER'S SUBMISSION

4.79 The Petitioner has stated that it has applied an average rate of depreciation for distribution assets @ 3.60% for computing depreciation for FY 2021-22.

Table 4. 25:Petitioner Submission: Projected Depreciation of Fixed Assets for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Projections
A	Opening GFA	1052.05
B	Net Additions to asset during the year	39.50
C	Closing GFA	1091.55
D	Average Average GFA	1071.80
E	Less: Average Consumer Contribution	12.67
F	Average GFA net of CC	1059.13
G	Average rate of Depreciation	3.60%
H	Depreciation	38.13

4.80 The Petitioner has submitted that the Gross Fixed Assets has been arrived on the basis of the Draft Report submitted by SBI Caps with regards to separation of assets and accounts for Electricity Distribution SBU of of the Petitioner and the actual capital expenditure and capitalization for FY 2015, FY 2016, FY 2017, FY 2018, FY 2019 and FY 2020 approved capitalisation or FY 2021 and projected capitalisation in FY

2022 which has been considered at par with 2021.

COMMISSION'S ANALYSIS

4.81 The Commission has provisionally considered the rate of depreciation for FY 2021-22 as approved for FY 2019-20 and approved depreciation as follows:

Table 4.26: Commission Approved: Depreciation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount	Ref.
A	Opening GFA	652.26	
B	Addition	31.60	
C	Deletion	-	
D	**Closing GFA**	683.86	
E	Average GFA	668.06	
F	Opening Grant	23.29	
G	Addition	6.67	
H	**Closing Grant**	29.96	
I	Average Grant	26.62	
J	Depreciation Rate	3.60%	
K	**Total Depreciation**	**23.09**	**(E-I)*J**

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.82 The Petitioner has submitted that the DERC Tariff Regulation, 2017 specified the following for computation of Working Capital.

"84.

…

(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 cost for one month;
(c) Less: Transmission charges for one month.

4.83 Accordingly, the Petitioner has computed the Working Capital as follows:

Table 4.27: Petitioner Submission: Projected Working Capital for FY 2021-22

Sr. No.	Particulars	Proposed FY 2021-22
1	Revenue Billing in FY 2021-22 at current Tariff	1324.06
2	Receivable equivalent to 2 months average billing	220.68
3	Power purchase expenses including transmission charges	887.20
4	Less: 1/12th of Power purchase expenses	73.93
5	Total Working capital	146.75
6	Opening Working Capital	108.10
7	Change in Working Capital	38.65

COMMISSION'S ANALYSIS

4.84 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:"

4.85 Accordingly working capital requirement has been computed for FY 2021-22. The change in working capital has been considered from the working capital for FY 2019-20 as determined in Tariff Order dated 28/08/2020 as follows:

Table 4. 28:Commission Approved: Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved
A	ARR	1135
B	Receivables equivalent to 2 months of ARR	189.14
C	Power Purchase expenses including transmission charges	835.01
D	Less: 1/12th of power purchase expenses	69.58
E	Total working capital	119.56
F	Opening working capital	108.1
G	Change in working capital	11.46

MEANS OF FINANCE FOR REGULATED RATE BASE, RoCE, WACC

PETITIONER'S SUBMISSION

4.86 For the purpose of this submission, the Petitioner is submitting the ROCE calculations in line with the Tariff Regulations 2017. For calculating RoCE, NDMC has adopted of normative debt – equity ratio of 70:30, and calculated WACC considering return on equity at the rate of 16% and cost of debt at 9.73%. Detailed calculation of Regulated Rate Base, Change in Working Capital, WACC leading up to estimation of RoCE is shown in table below:

Table 4. 29: Petitioner Submission - RRB for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Proposed FY 2021-22
1	RRB - Base Year	
A	Opening original cost of Fixed Assets (OCFA)	1052.05
B	Opening Working Capital (Wco)	108.10
C	Opening accumulated depreciation (Ado)	668.33
D	Opening consumer contributions (Cco)	12.67
E	**(A+B)-(C+D) i.e., RRB opening (RRBo)**	**479.15**
2	**RRB - for the Year**	
F	Investment capitalised during the year (INVi)	39.50
G	Depreciation during the year (Di)	38.13
H	Consumer contribution during the year (CCi)	0.00
I	Fixed assets retired / decapitalized during the year (Reti)	0.00
J	Change in working capital during the year (ΔWCi)	38.65
K	Change in capital investment (ΔABi) (F-G+J)	40.02
L	**RRB Closing (E+K)**	**519.17**
N	**RRBi (E+L)/2**	**499.16**

4.87 The Petitioner has adopted rate of return on equity for FY 2021-22 at 16% as per *DERC Tariff Regulations, 2017*. Interest rate on the Debt has been taken as 8.00% for FY 2021-22 as already detailed in the true-up of 2019-20. Details of RoCE for FY 2021-22 is as under:

Table 4. 30: Petitioner Submission – Return on Capital Employed (Rs. Cr.)

Sr. No.	Description	Proposed FY2021-22
A	RRBi	499.16
B	Opening Equity for Capitalization (Limited to 30%)	111.32
C	Closing Equity Limiting to 30% of net Capitalization	123.32
D	Average Equity for Capitalization (Limited to 30%)	117.32
E	Opening Debt at 70% of Net Capitalization	259.74
F	Closing Debt @70% of net Capitalization	287.75
G	Average Debt @70% of net Capitalization	273.75

Sr. No.	Description	Proposed FY2021-22
H	Debt at 100% of Average Working Capital	127.43
I	Total Debt (G+H)	401.18
J	Rate of Return on Equity	16.00%
K	Rate of Debt (%) on Capitalization	8.00%
L	Rate of Debt (%) on Working Capital	8.00%
M	Rate of Interest on Debt (%)	8.00%
N	Weighted Average Cost of Capital (WACC) (%)	9.81%
O	**Return on Capital Employed (ROCE)**	**50.86**

4.88 The Petitioner being exempted from Income tax has not proposed any tax liability for 2021-22. However, the Petitioner requested the Commission to allow tax liability in future in case required.

COMMISSION ANALYSIS

4.89 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 in accordance 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."

4.90 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.91 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. 31: Commission Approved - RRB (Rs. Cr.)

Sr. No.	Particulars	Approved by the Commission
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	652.26
B	Opening Accumulated depreciation (ADo)	466.78152
C	Opening consumer contributions received (CCo)	23.29
D	Opening Working capital (WCo)	108.1
E	Opening RRB (RRBo)	270.29
F	Investment capitalised during the year (INVi)	31.6
G	Depreciation during the year (Di)	23.09
H	Depreciation on decapitalised assets during the year	
I	Consumer contribution during the year (CCi)	6.67
J	Fixed assets retired/decapitalised during the year (Reti)	
K	Change in capital investment (ΔABi)	1.84
L	Change in working capital during the year (ΔWCi)	11.45910925
M	RRB Closing	283.58
N	RRBi	282.67

4.92 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."

4.93 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.

4.94 The Commission in *Business Plan Regulations, 2019* has specified the Margin with respect to Interest Rate for FY 2021-22 for 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%."

4.95 The Commission has considered the following rates of interest in line with the previous Tariff Order for the Petitioner as follows:

Table 4. 32: Commission Approved - Rate of interest on loan

Expense head	Rate of Interest
Capitalisation	8.00%
Working Capital	8.00%
Regulatory Asset	9.80%

4.96 The weighted average rate of interest on loan for the purpose of debt available for Capital Expenditure and Working capital is computed at 8.00%. Further, no Income Tax is allowed as the Petitioner has submitted that they are exempted from the same. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2021-22 by the Commission as follows:

Table 4. 33: Commission Approved - Weighted Average Cost of Capital (WACC) and ROCE for FY 2021-22 (Rs. Cr)

Sr. No.	Particulars	As Approved	Reference
A	RRBi	282.67	
B	Opening Equity for Capitalisation (limited to 30%)	48.66	
C	Closing Equity limiting to 30% of net capitalisation	49.21	
D	Average Equity for Capitalisation (limited to 30%)	48.93	
E	Opening Debt at 70% of net capitalisation	113.53	
F	Closing Debt at 70% of net capitalisation	114.82	
G	Avg Debt at 70% of net capitalisation	114.17	
H	Debt at 100% of working capital	119.56	
I	Debt- balancing figure	233.73	
J	Rate of return on equity (re)	16%	
K	Income tax rate	0.00%	
L	Grossed Up RoE	16.00%	
M	Rate of debt (rd) on capitalisation	8.00%	
N	Rate of debt (rd) on working Capital	8.00%	
O	Rate of interest on debt(rd) Blended	8.00%	
P	WACC	9.38%	
Q	**RoCE**	26.53	**A*P**

4.97 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 34: Commission Approved - Return on Capital Employed(Rs. Cr.)

Sr. No.	Particulars	Now Approved
A	RRB (i)	282.67
B	WACC	9.38%
C	RoCE	26.53

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.98 The Petitioner had proposed Non-Tariff Income as per the values approved for FY 2021-22 provided as follows:

Table 4. 35:Petitioner Submission: Non-Tariff Income for FY 2021-22

Non-Tariff income	FY 2021-22
Total	**4.0**

COMMISSION'S ANALYSIS

4.99 The Commission has considered the Non-Tariff Income approved for FY 2019-20 for projecting Non-Tariff Income of the Petitioner for FY 2021-22 of Rs. 3.68 Cr.

CARRYING COST ON REVENUE (Gap)/Surplus

COMMISSION ANALYSIS

4.100 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"

4.101 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 DERC (Business Plan) Regulations, 2019.

4.102 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 36:Commission Approved: Carrying Cost for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22
A	Opening Revenue Surplus/(Gap)	254.80
B	Revenue Surplus/(Gap) during the year	58.65
C	Closing Revenue Gap	313.44
D	Average Revenue Gap	284.12
E	Rate of Carrying Cost	9.80%
F	Carrying Cost Amount	27.84
G	Closing Revenue Gap	341.29

4.103 It is observed that the Petitioner has filed the following Petition before the Commission claiming differential PPAC of a quarter of FY 2021-22, as follows:

Sr. No.	Particulars	Differential PPAC Claimed
1	Petition No. 46/2021 – Q4FY21	5.47%

4.104 The Commission has provisionally subsumed the tentative impact to the tune of 80% in ARR of FY 2021-22 for differential claim of 5.47% of above mentioned Petitions amounting to Rs. 7.08 Cr. which is subject to true up and difference, if any, will be allowed with Carrying Cost.

4.105 The Petitioner has levied PPAC as per provisions of DERC (Business Plan), Regulations, 2019 whose tentative impact has been considered as Rs. 25.10 Cr. towards revenue for FY 2021-22 which will be trued up and difference, if any, will be adjusted with Carrying Cost

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.106 The Petitioner has submitted the Aggregate Revenue Requirement for FY 2021-22 as below:

Table 4. 37: ARR for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Proposed FY 2021-22
1	Cost of power purchase, including T&D Losses	887.20
2	Inter-State Transmission charges	Included in 1
3	Intra-state Transmission charges including SLDC charges	
4	Rebate on Timely Payments	
5	Net Operation & Maintenance (O&M)	468.64
6	Depreciation	38.13
8	RoCE	50.86
9	Income Tax	0.00
10	**Aggregate Revenue Requirement**	**1444.83**
11	Less: Non-Tariff Income	4.00
12	**Net ARR**	**1440.83**
13	**Revenue at Existing Tariff**	1324.06
14	**Revenue (Gap) / Surplus for FY 2021-22**	(116.77)
15	**Gap for 2021-22 to be adjusted**	(189.34)
16	**Gap of 2019-20 to be adjusted**	(135.64)
17	**Gap upto FY 2018-19 to be adjusted**	(167.88)

Sr. No.	Particulars	Proposed FY 2021-22
18	**Total Revenue gap to be recovered from Tariff (14+15+16+17)**	**609.63**

COMMISSION'S ANALYSIS

4.107 The ARR based on various components as approved by the Commission for FY 2021-22 is as follows:

Table 4.38: Commission Approved - ARR for Wheeling and Retail Business for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved
A.	Power Purchase Cost (including Transmission Charges)	835.01
B.	O&M Expenses	253.91
C.	Other expenses/ statutory levies	
D.	Depreciation	23.09
E.	Return on capital employed	26.53
F.	Less- Non Tariff Income	3.68
G.	**Aggregate Revenue Requirement**	**1,134.86**
H.	Carrying Cost	(27.84)
I.	**Gross ARR**	**1,107.02**

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

COMMISSION ANALYSIS

4.108 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. 39: ARR for Wheeling Business for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved
A	Operation & Maintenance Costs	157.42
B	Depreciation	17.78
C	Return on Capital Employed	19.10
D	Carrying Cost	(3.51)
E	Non-Tariff Income	1.47
F	**Aggregate Revenue Requirement (ARR)**	**189.33**

Table 4. 40:ARR for Retail Business for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Power Purchase Cost (including Transmission Charges)	835.01
B	Operation & Maintenance Costs	96.49
C	Depreciation	5.31
D	Return on Capital Employed	7.43

Sr. No.	Particulars	Amount
E	Carrying Cost	(24.34)
F	Less: Non-Tariff Income	2.21
G	**Aggregate Revenue Requirement (ARR)**	**917.69**

REVENUE (GAP)/ SURPLUS

PETITIONER'S SUBMISSION

4.109 The Petitioner has tabulated the Revenue (Gap)/ Surplus for FY 2021-22 as under:

Table 4. 41:Petitioner Submission: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	ARR for FY 2021-22	1440.83
B	Revenue available towards ARR	1324.06
C	Revenue (Gap)/ Surplus	(116.77)

COMMISSION ANALYSIS

4.110 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2021-22 as follows:

Table 4. 42: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement (ARR)	1,107.02
2	Add: PPAC Cost Subsumed	7.08
3	**Revised ARR (1+2)**	1,114.10
4	Revenue at Revised Tariff	1147.64
5	Add: Revenue from PPAC	25.10
6	**Total Revenue (4+5)**	1172.74
7	**Revenue (Gap)/Surplus (6-3)**	58.65

A5 TARIFF STRUCTURE

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.1 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.

5.2 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.*

5.3 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.

5.4 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.

5.5 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 of India, the Commission has continued with a policy of subsidizing some of the consumers below the Cost of Supply.

DOMESTIC TARIFF

5.6 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 Tariff Schedule.

5.7 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.

5.8 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.

5.9 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

5.10 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

5.11 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.

5.12 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

5.13 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

5.14 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

5.15 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)

5.16 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

5.17 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

5.18 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

5.19 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*.

5.20 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. 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

5.21 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.

5.22 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

5.23 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.

5.24 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.

5.25 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.

5.26 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.

5.27 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.

5.28 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.

5.29 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.

5.30 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.

5.31 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.

TARIFF SCHEDULE FOR FY 2021-22

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 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. 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**

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 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.

d. 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) 7% 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. The payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- shall be paid Digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like

PayTM, Google Pay) etc.

18. 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 (owner, tenant or occupier of premises) running small commercial establishments including Paying Guest from their households (houses under Domestic Category) 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.
o. 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.

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 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.

6.3 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.

6.4 The Commission observed that NDMC has not been maintaining separate records/accounts for the electricity business as a separate entity for supplying electricity in the NDMC area. The Commission has already directed Petitioner to separate the accounts of the electricity business from other activities to which Petitioner has not complied with till date. It was also brought into the notice of the Commission that NDMC had engaged SBI Caps for bifurcation of electricity business from other activities, however, the activity has yet not been finalized. Therefore, the Petitioner is directed to finalize the bifurcation of the accounts for Electricity Distribution Business and submit its compliance report within 3 months from the issuance of this Tariff Order.

6.5 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.

6.6 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.

6.7 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.

6.8 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 compliance report related to the findings of the Energy Audit conducted by the Commission within 30 days from the issuance of this Tariff Order.

h. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter bifurcating the adjustment in sales as stipulated in directive 6.7 above;

i. 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;

j. 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,

k. 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;

l. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/ Transmission companies;

m. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

n. 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.

o. 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.

p. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

q. 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.

r. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

s. To submit the status of compliance of Renewable Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

6.9 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-1

DERC

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1835)/DERC/2020-21/

Petition No. 07/2021

In the matter of: **Petition for approval of True Up for FY 2019-20 along with Annual Revenue Requirement and Determination of Tariff for FY 2021-22.**

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001 ...**Petitioner/Licensee**

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

Appearance:
Ms. Khushboo, NDMC

NTERIM ORDER
(Date of Hearing: 16.02.2021)
(Date of Order: 19.02.2021)

1. The representative for the Petitioner states that the instant Petition has been filed by M/s. New Delhi Municipal Council for approval of True Up for FY 2019-20 along with Annual Revenue Requirement and Determination of Tariff for FY 2021-22.

2. The Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001.

3. The Petition is admitted. Further, the Petitioner shall furnish clarifications/additional information, if and when required by the Commission.

(A.K. Ambasht)
Member

(Justice S S Chauhan)
Chairperson

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

Annexure-II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF EXPENSES FOR FY 2019-20 AND AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2021-22

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	1	The Midland Fruit and Vegetable products (India) Pvt. Ltd	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
2.	2	Jumbo International	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
3.	3	Sh. B.S. Sachdev President	Elderly Peoples Forum, Varishth Nagrik Manoranjan Kendra, Ist Floor, C-4 Block, Keshav Puram, Delhi 110 035	RWA	DISCOMS	15/03/2021
4.	4	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	Domestic	DISCOMS	17/03/2021
5.	5	Ms. Neeta Gupta	Sector 14-Extension, Rohini Delhi 110 085	Domestic	DISCOMs	24/03/2021
6.	6	Sh. Vipin Gupta	A-17, Antriksh Apartments, Sector 14-Extension- Rohini Delhi 110 085	Domestic	DISCOMs	21/03/2021
7.	7	Sh. Deepak Suri	A1-3 Near Moti Nagar Metro Station, Moti Nagar, New Delhi	Domestic	DISCOMs	25/03/2021
8.	8	Sh. Suresh Kumar	E-20A Moti Nagar, Delhi	Domestic	DISCOMs	25/03/2021
9.	9	Sh. Nitin Sehgal	H.No. 69 Blk DF, Pitampura Delhi	Domestic	DISCOMs	25/03/2021
10.	10	Sh. Kawaljeet Singh	H.No. 122, Sector-1 Avantika Rohini, New Delhi	Domestic	DISCOMs	25/03/2021
11.	11	Sh. Sunil Kumar	Mukherjee Nagar, Delhi	Domestic	DISCOMs	25/03/2021
12.	12	Sh. Dinesh Singh	GF, House No. 54, Pkt 5 Sector-6, Rohini, Delhi	Domestic	DISCOMs	25/03/2021
13.	13	Sh. Subhash Suri	Blk FD, H. No. 79 Pitampura, Delhi	Domestic	DISCOMs	25/03/2021
14.	14 14 A 14 B 14 C	Sh. Pankaj Gupta General Manager/ Tr./O&M	Delhi Metro Rail Corporation Ltd.	Govt.	BRPL BYPL TPDDL NDMC	25/03/2021
15.	15	Sh. Ashish Dikshit	H. No. 09, Block –JD Pitampura 110 034	Domestic	DISCOMs	30/03/2021
16.	16	Sh. Janak Singh	Plot No. 65, 3rd Floor, Block-D, Ashok Vihar Phase I Delhi 110 052	Domestic	DISCOMs	26/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
17.	17	Ms. Lata Jain	House No. 110, First Floor, Gali No. 9 Andha Mugal Pratap Nagar, Delhi 110 007	Domestic	DISCOMs	26/03/2021
18.	18	Sh. Arun Kumar	Plot No. 22, Third Floor Karol Bagh, Block No. D New Rohtak Road,	Domestic	TPDDL	26/03/2021
19.	19	Ms. Jaspreet Kaur	HNo. 13, Block –C, PH-3, Near Laxmi Bai College Ashok Vihar, 110 052	Domestic	DISCOMs	26/03/2021
20.	20	Sh. Jagdish Goel	Plot No. 41, Block E, Near Kali Maa Mandir Shakti Nagar Exten. Delhi 110 052	Domestic	DISCOMs	26/03/2021
21.	21	Sh. Jogendra Behera VP (Market Design & Economics) IEX	Okit Bi, C-001/A/1, 9th Floor, Max Towers, Sector 16B, Noida UP 201 301	Industrial	DISCOMs	30/03/2021
22.	22	Ms. Mansi Kapoor	FF, House No. 264, Near Dispensary, Mangolpur Khurd New Delhi	Domestic	DISCOMs	30/03/2021
23.	23	Sh. Amrit Lal	GF, Blk-DP/175, Pitampura 110 034	Domestic	DISCOMs	30/03/2021
24.	24	Sh. Amar Gupta	126/223, First Floor, Block –F, Nr. Natraj Cinema Moti Nagar, New Delhi	Domestic	DISCOMs	30/03/2021
25.	25 25A 25B	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	IPGCL PPCL DTL	26/03/2021
26.	26 26A 26B 26C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL DTL	30/03/3021
27.	27	Sh. Manoj Taneja	House No. 59/257 Sarai Rohila Delhi 110 035	Domestic	DISCOMs	31/03/2021
28.	28	Sh. Arvind Rastogi	House No. 105, 1st Floor, Block-D Sarai Basti Sari Rohila Near Usha Mata Mandir Delhi 110 035	Domestic	TPDDL	31/03/2021
29.	29	Sh. Bhram Pal	Flat No. 7, 3rd Floor Pkt-B Sector 28 Near Shahbad Dairy Rohini 110 042	Domestic	DISCOMs	31/03/2021
30.	30	Sh. Ashish Kumar	House No. 21/89 Block –D, Shahbad Dairy New Delhi	Domestic	DISCOMs	31/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
31.	31	Ms. Neetu Chopra	House No. 2233, Plot No. 35, 3rd Floor, Ganeshpura Tri Nagar Near Tota Ram Bazar Delhi 110 035	Domestic	DISCOMs	31/03/2021
32.	32	Sh. Ramesh Yadav	Housne No. 2344, Near Aggarwal Nursing Home Onkar Nagar, Tri Nagar 110035	Domestic	DISCOMs	05/04/2021
33.	33	Sh. Ravinder	BR-124, 3rd Floor SFS Flats, Shalimar Bagh, Delhi 110 088	Domestic	DISCOMs	05/04/2021
34.	34	Sh. Jagdish	Flat No. 93, Ground Floor, Landmark Near, Bhagwan Mahavir Hospital, Pitampura	Domestic	TPDDL	05/04/2021
35.	35	Sh. Sandeep Agarwal	House No. 89, 3rd Floor, Block-AC Shalimar Bagh, Near Shiv park 110 088	Domestic	DISCOMs	05/04/2021
36.	36	Sh. Chander Shekar	House No. 166, Block RN Shalimar Bagh West 110 088	Domestic	DISCOMs	05/04/2021
37.	37	Sh. Sunil Kumar	House No. 56, 3rd Floor Kewal Park Extn. Opp Azadpur Subzi Mandi	Domestic	DISCOMs	05/04/2021
38.	38	Sh. Mohan Lal	H.No.66, Block-DR Pitampura, Delhi-110034	Domestic	DISCOMs	05/04/2021
39.	39	Sh. Syed Khalid Anwar General Secretary	Pension Fighters, 14A, Shivam Enclave, Jhilmil Colony, Shahdara-110034	Pension Trust	DISCOMs	26/03/2021
40.	40	Sh. Naresh Kumar	GF, H.NO.92, Block F, Pkt, 29, Sec.3, Rohini, Delhi-110085	Domestic	DISCOMs	12/04/2021
41.	41	Sh. Raj Mohan	H.No. 67, New Lawrence Road, Narang Colony, Tri Nagar-110035	Domestic	DISCOMs	12/04/2021
42.	42	Sh. Rohit Jha	H.No. C-8, Back portion, 3rd floor, Block-C, Kewal Park Extension-110033	Industrial	DISCOMs	12/04/2021
43.	43	Sh. Raj Chaurasia	H.No 17, Pkt.19, Sector, 24 Rohini-110085	Domestic	DISCOMs	12/04/2021
44.	44	Sh. Sachin Singhal	H.No.20, Block-1, Phase-2, Ashok Vihar-110052	Domestic	DISCOMs	12/04/2021
45.	45	Sh. Anurag Gupta	First Floor, Flat No.27, Block -PQ, Pitampura Delhi	Domestic	DISCOMs	12/04/2021
46.	46	Sh Manmohan Bansal	H.No.23, Block-15, Shakti Nagar, Delhi-110007	Domestic	DISCOMs	12/04/2021
47.	47	Sh. Sanjay Chawla	Plot No.12, Third ground floor, Gurunanak Road Block-D, Adarsh Nagar, Near Mukundpur Metro Station -110033	Domestic	DISCOMs	12/04/2021
48.	48	Sh. Paramjeet Singh	KH-4451, Jeevan Park, Siraspur, Delhi-110042	Domestic	DISCOMs	12/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
49.	49	Sh. Pankaj Mathur	H.No.27, 2nd floor, Keshavpuram Indl. Area, Lawrence Road-110035	Domestic	DISCOMs	12/04/2021
50.	50	Sh. Abhinav Sinha	Flat No.727 C, Block 10 Sec-3, Near Fire Station Sec.3, DSIDC, Bawana-110039	Domestic	DISCOMs	12/04/2021
51.	51	Sh. Kailash Sachdev	H.No.A-45, Back Portion, 3rd floor, Kalyan Vihar-110009	Domestic	DISCOMs	12/04/2021
52.	52	Sh. Prabhu Dayal	F.No.22, PKt. 2, Sec, 6, DDA, Narela, Delhi-110040	Domestic	DISCOMs	12/04/2021
53.	53	Ms. Gurpreet Kaur	H.No.12 , Block-AC, Shalimar Bagh East-110088	Domestic	DISCOMs	12/04/2021
54.	54	Sh. Sanjeev Gupta, President	Jan Samaj Seva Samiti P-Block, 1779, Jhandwalan Chowk, Gali No. 17, Baljeet Nagar New Delhi	RWA	DISCOMs	15/04/2021
55.	55	Sh. Jagdish Khetarpal Vice President	RWA , D2 Block, Janakpuri, New Delhi-110058	RWA	DISCOMs	02/04/2021
56.	56	Sh. Rajesh Aggarwal, Gen Secretary	Shahdara Residents Welfare Association Regd	RWA	DISCOMs	13.04.2021
57.	57	Sh. A.K.Dutta	H.No. 222, Pkt. E, Mayur Vihar, Phase-II, Delhi-110091	Domestic	DISCOMs	15/04/2021
58.	58 58 A 58 B 58 C 58 D 58 E	Ms. Preeti, Jt.Secretary	Jan Kalyan Samiti, Vir Sewa Mandir Building, 4674/21, Ansari Road, Daryaganj, New Delhi-110002	RWA	DISCOMs	19/04/2021
59.	59	Sh. Sumer Chand Gupta, Secretary	RWA, Ghas Mandi Ahata Kidara Pahari Dhiraj, 4570 GF, Gali Nathan Singh, Pahari Dhiraj, Delhi-110006	RWA	DISCOMs	19/04/2021
60.	60	Sh. Saurabh Gandhi Gen. Secretary	RWA, United Residents of Delhi, C-6/7 Rana Pratap Bagh, Delhi-110007	RWA	DISCOMs	19/04/2021
61.	61	Sh. K. Muraleedharan Nair Hon. Secretary	Kaveri co-operative Group Housing Society Ltd. Plot No.4, Sector-6 Dwarka Phase-I, New Delhi-110075	RWA	DISCOMs	19/04/2021
62.	62	Sh.Pawan Kumar Jain Gen. Secretary	Pahadi Dheeraj Kapda Committee, 4460, New Cloth Market, Sadar Bazar Delhi-110006	RWA	DISCOMs	19/04/2021
63.	63	Sh. Parsuram Rawat President	RWA, I-10, Street No.10, Brahampuri, Delhi-110053	RWA	DISCOMs	19/04/2021
64.	64	Sh. Kunwar Pratap Singh President	Bhajanpura Jan Sehyog Sabha, D-408, Street No.9 D, Bhajanpura, Delhi-110053	Domestic	DISCOMs	19/04/2021
65.	65 65 A	Sh. Kapil Verma Vice President	RWA, 276-B, LIG Flats, Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
66.	66	Sh. Bhopal Singh Jatav Member	RWA, H-16/830, Bapa Nagar, Pyare Lal Marg, Karol Bagh< New Delhi-110005	RWA	DISCOMs	18/04/2021
67.	67	Sh. Ajay Malhotra Executive Member	RWA, E-221, West Patel Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
68.	68	Sh. Pal Sharma	RWA, Jan Sudhar Parishad Delhi, Vijay Marg, Gali No.2, Baba Balaknath Mandir, Baljeet Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
69.	69	Sh. Kaushar Khan Gen. Secretary	General Secy. ,RWA F-10, Gali No.1, Shastri Park, Delhi-110053	RWA	DISCOMs	19/04/2021
70.	70	Sh. Rajiv Narang Executive Engineer	SDMC, M.C. Priminary School, Policy Colony, Hauz Khas, New Delhi-110016	Govt.	DISCOMs	19/04/2021
71.	71	Sh. D.K. Bhandari President	President, Awasiya Kalyan Samiti, Dilshad Garden, Pocket J & K , (Flat no. 1-A to 204-D) Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021
72.	72 72 A	Sh. Sunil Kumar President	68A, Pocket SG Dilshad Garden, Delhi 110 095	RWA	DISCOMs	07/06/2021
73.	73 73 A 73 B 73 C 73 D 73 E	Sh. Yogesh Jain General Secretary	Federation of RWA of Daryaganj Keynote House 4525A, 7/33, Ansari Road, Darya Ganj, New Delhi 110 002 yogpreet@gmail.com	RWA	DISCOMs	19/04/2021
74.	74	Sh. Shashi Goyal DGM	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 10 019	Licensee	Generation & transmission	29/06/2021
75.	75	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	Generation & Transmission	29/06/2021
76.	76 76 A 76 B 76 C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL NDMC	29/06/2021

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE VIRTUAL PUBLIC HEARING FOR THE PETITION FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2019-20 AND ANNUAL TARIFF PETITION FOR FY 2021-22

Sr. No.	Name	Organization
1	Sh. Bharat Kumar Bhadawat	TPDDL
2	Sh. N. P. Bhargava	Jumbo International
		The Midland Fruit and Vegetable Products
3	Sh. J. K. Gupta	Domestic/ RWA
4	Sh. Balram Chawla	RWA North West District
5	Sh. Lalit Chopra	NDMC
6	Dr. Gauri Shankar	Domestic consumer
7	Ms. Sarla Rani	Jan Kalyan Sewa Samiti
8	Sh. Satvir Singh Rana	RWA
9	Sh. Brij Mohan Verma	RWA Adarsh Welfare
10	Sh. Vijay Kumar Dabas	Domestic/ Non-Domestic
11	Sh. Pawan Kaushik	RWA Hargovind Vihar
12	Sh. Raj Kumar Garg	RWA Krishan Vihar
13	Dr. Kunal Tanwar	RWA
14	Sh. Pradeep Kumar	RWA
15	Sh. Sant Kumar Shukla	RWA Kirari Extension
16	Sh. Mukesh Aggarwal	RWA Lake Area
17	Sh. Gursharan Singh	Baba Banda Singh Bahudar Committee
18	Sh. Harish Bither	Domestic Consumer/ RWA
19	Sh. R. K. Gupta	RWA
20	Sh. Tej Pal Singh	RWA
21	Sh. Vijay Singh	TPDDL
22	Dr. Rajesh Sood	RWA
23	Sh. P.S. Grover	Domestic Consumer
24	Ms. Kusum Sharma	Kaatyani Mahila Shakti Welfare
25	Sh. P. S. Gaira	TPDDL
26	Sh. Hari Bhardwaj	Senior Citizen Welfare Association Narela
27	Sh. R. K. Gulati	RWA Keshav Puram
28	Sh. Manmohan Negi	RWA Pratap Vihar Part 1
29	Sh. Chandrakant Shrivas	DMRC
31	Sh. Rajeev Kumar	Bawana Manufactureres Welfare Association
32	Sh. Ashish Garg	Narela Industrial Complex Welfare Association
33	Sh. Keshav Mohan Lal	DTL
34	Dr. Rajendra Kumar Yadav	IPGCL & PPCL
35	Er. Sundeep Gaur	NDMC
36	Er. P. K. Shokeen	NDMC
37	Sh.R. K. Mamgain	NDMC
38	Sh. Naveen Bhardwaj	NDMC

Sr. No.	Name	Organization
39	Sh. Mahesh Kumar Mittal	NDMC
40	Er. Sudeep	NDMC
41	Er. Khushboo Sharma	NDMC
42	Sh. C M Jain	NDMC
43	Sh. Akshaya Arora	NDMC
44	Sh. Piyush Jain	WRI
45	Dr. Pradeep Kumar	Examining Body for Para-Medical Training for Bhartiya Chikitsa, Govt. of Delhi
46	Sh. Hemant Sachdeva	Unity Groups
47	Sh. Subhash Vashisht Sh. Suresh Elwadhi	Foundation of Rubber & Polymer Manufacturers (FORM)
48	Sh. Rajul Agarwal	BYPL
49	Ms. Prachi Jain	BYPL
50	Sh. Abhishek Shrivastava	BYPL
51	Sh. Vikas Dixit	BYPL
52	Sh. Sameer Singh	BYPL
53	Sh. Brajesh Kumar	BYPL
54	Sh. Garima Belwal	BYPL
55	Ms. Vinita Vishwakarma	BYPL
56	Sh. Ravi Shandilya	BRPL
57	Sh. Vineet Wasan	Domestic Consumer
58	Sh. Arindam Das	BRPL
59	Ms. Monika Dhyani	BRPL
60	Sh. Abhishek Mahapatra	BRPL
61	Sh. Gaurav Thapan	BRPL
62	Sh. Mayank Ahlawat	BRPL
63	Sh. Vishnu Kumar	BRPL
64	Sh. Deepak Shankar	BRPL
65	Sh. Megha Bajpeyi	BRPL
66	Sh. Prashant Dua	BRPL
67	Sh. Pal Sharma	Jansudhar Parishad (RWS)
68	Sh. Digbijay Narayan Majhi	BRPL
69	Sh. Dipankar Majumdar	BRPL
70	Sh. Rajesh Doshi	BRPL
71	Sh. R. K. Jagdish	RWA
72	Ms. Anita Prasad	RWA
73	Sh. Rajiv Verma	RWA
74	Sh. R. L. Dhawan	RWA
75	Sh. Asit Tyagi	BRPL
76	Sh. Surendra Yadav	BRPL
77	Sh. Varun Chandel	BRPL
78	Sh. Vineet Sikka	BRPL
79	Sh. Harmeet Singh	RWA Koshish
80	Sh. Shobhit Dhar	BRPL

Sr. No.	Name	Organization
81	Sh. Saurabh Gandhi	RWA
82	Sh. Sanjay Srivastav	BRPL
83	Sh. A. K. Dutta	RWA
84	Sh. Nalin Tripathi	URD
85	Sh. Himanshu Chauhan	BRPL
86	Sh. Hemanta Madhab Sharma	Domestic Consumer
87	Dr. Arun Kumar	DRGSA
88	Sh. Satyawan Singh	Future Enterprise (BA TPDDL)
89	Ms. Kamlesh Yadav	BRPL
90	Sh. Shashi Goyal	BRPL
91	Sh. Kanishk Khettarpal	BRPL
92	Sh. D.M Narang	RWA
93	Ms. Neena Narang	RWA
94	Ms. Manisha Kumari	Domestic Consumer
95	Sh. Satveer Singh	Domestic Consumer
96	CA Sanjay Gupta	RWA
97	Sh. Rajiv Kakria	RWA
98	Sh. Rajan Asthana	RWA
99	Sh. Kapil Verma	RWA
100	Sh. Pawan Gaur	RWA
101	Sh. D.K. Bhandari	RWA
102	Sh. R.K. Soni	RWA
103	Sh. Satbir Bansal	RWA
104	Azhar Hussain	RWA
105	Dr. O.P. Dhingam	RWA
106	Sh. B.B. Tiwari	RWA
107	Sh. Prannav Khanna	Domestic Consumer
108	Sh. Rajiv Narang	SDMC
109	Sh. Vikas Jain	SDMC
110	Sh. Rizwan Ahmed Ansari	SDMC