DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1640)/DERC/2018-19/

Petition No. 09/2019

In the matter of: **Petition for Approval of Annual Revenue Requirement (ARR) for FY 2019-20, Revised ARR for FY 2018-19, True up for FY 2017-18.**

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

...Petitioner/Licensee

Coram:
Hon'ble Mr. Justice S S Chauhan, Chairperson

ORDER

(Date of Order: 31.07.2019)

M/s. Tata Power Distribution Ltd. (TPDDL) has filed the instant Petition for Approval of Annual Revenue Requirement (ARR) for FY 2019-20, Revised ARR for FY 2018-19, True up for FY 2017-18. The Petition was admitted by the Commission vide Order dated 21.02.2019. 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 public hearing held on 10.07.2019 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby pass this Tariff Order signed, dated and issued on 31.07.2019.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised tariffs applicable from 01.08.2019.

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 there under.

(Justice S S Chauhan)
Chairperson

LIST OF ABBREVIATIONS

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

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

NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Units 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 Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' or the 'Petitioner') for True-Up of ARR for 2017-18 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 Aggregate Revenue Requirement & Tariff for FY 2019-20 in terms of *Tariff Regulations, 2017* and *Business Plan Regulations, 2017*.

TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

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

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by the GoNCTD on 03.03.1999 and it became operational from 10.12.1999.

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

THE STATE ADVISORY COMMITTEE MEETING

1.5 The Commission has, since constitution of the State Advisory Committee on 27/03/2003, held 18 meetings so far. In the 18th State Advisory Committee meeting held on 02/07/2019, the Commission discussed the following:

Table 1. 1: Issues discussed in 18th State Advisory Committee Meeting

S.No.	Issues Discussed
i.	Tariff Petitions for True Up of FY 2017-18 and ARR for FY 2019-20 for GENCOs, TRANSCO and DISCOMs
ii.	Draft DERC (Power System Development Fund) Regulations, 2019
iii.	DERC (Supply Code and Performance Standards) (Second, third & fourth Amendment) Regulations, 2018 & Manual of practice for handling consumers' complaints.

MULTI YEAR TARIFF REGULATIONS

1.6 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.

1.7 The Commission issued 'MYT Distribution Regulations, 2011' vide Order dated 02/12/2011 specifying Terms and Conditions for Determination of Tariff for Distribution of electricity under the Multi Year Tariff (MYT) framework for the period FY 2012-13 to FY 2014-15.

1.8 The Commission vide order dated October 22, 2014 has extended the MYT period of FY 2012-13 to FY 2014-15 for a period of one year till FY 2015-16.

1.9 The Commission has further extended the applicability of MYT Distribution Regulations, 2011 for FY 2016-17 in Tariff Regulations, 2017.

FILING OF PETITION FOR TRUE-UP OF FY 2017-18 AND ARR FOR FY 2019-20

FILING AND ACCEPTANCE OF PETITION

1.10 TPDDL has filed its petition before the Commission on 31.10.2018 for approval of Truing up of Expenses upto FY 2017-18 and Annual Tariff Petition for FY 2019-20.

1.11 The Commission admitted the Petition vide its Order dated 21.02.2019 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 21.02.2019 is enclosed as Annexure I to this Order.

INTERACTION WITH THE PETITIONER

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

1.13 The Commission held Public Hearing on 10/07/2019 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination. The Commission has considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and C&AG empanelled Auditors in arriving at its final decision. The use of the term "Commission" may, therefore, be read in the context of the above clarification.

1.14 A preliminary scrutiny/analysis of the petition submitted by the Petitioner has been carried out. Further, additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner also discussed key issues raised in the petition, which included details of capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, loss reduction trajectory, liability towards SVRS expenditure, etc.

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

PUBLIC NOTICE

1.16 The Commission issued Public Notice in the following newspapers inviting comments from stakeholders on the Tariff Petitions filed by the Petitioner latest by 05/04/2019:

(a)	Hindustan Times (English)	:	07/03/2019
(b)	The Pioneer (English)	:	07/03/2019
(c)	Times of India (English)	:	07/03/2019
(d)	Navbharat Times (Hindi)	:	07/03/2019
(e)	Dainik Jagran (Hindi)	:	07/03/2019
(f)	Roznama Rashtriya Sahara (Urdu)	:	07/03/2019
(g)	Educator (Punjabi)	:	07/03/2019

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

1.18 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 05/04/2019 in the following newspapers on the respective dates mentioned alongside:

(a)	Times of India (English)	:	06/03/2019
(b)	Indian Express (English)	:	06/03/2019
(c)	Nav Bharat Times (Hindi)	:	06/03/2019
(d)	Qaumi Patrika (Punjabi)	:	08/03/2019
(e)	Inquilab (Urdu)	:	08/03/2019

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

1.20 A soft copy of the petition was made available in CD 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 05.04.2019 between 11 A.M. and 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order . A copy of the complete petition was also uploaded on the website of the Commission, as well as that of the Petitioner, requesting for comments of the stakeholders thereon.

1.21 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 10/07/2019 for which the public notice was issued in the following newspapers on the respective dates mentioned along side:

(a)	Hindustan Times (English)	:	07/06/2019
(b)	Times of India (English)	:	07/06/2019
(c)	Mail Today (English)	:	07/06/2019
(d)	The Hindu (English)	:	07/06/2019
(e)	Navbharat Times (Hindi)	:	07/06/2019
(f)	Punjab Kesari (Hindi)	:	07/06/2019
(g)	Dainik Jagran (Hindi)	:	07/06/2019
(h)	Jadid-In Dinon (Urdu)	:	07/06/2019
(i)	Qaumi Patrika (Punjabi)	:	07/06/2019

1.22 The Public Notice is available on Commission's website www.derc.gov.in

1.23 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, the Commission prepared an Executive Summary highlighting salient features of the Tariff Petition filed by the Petitioner, which was uploaded on the Commission's website. In this regard, four officers of the Commission viz. Joint Director(PS&E), Joint Director (Engineering), Deputy Director (TA-FA) and Deputy Director (T-E) were nominated for discussion on the ARR Petitions. This was duly highlighted in the Public Notices published by the Commission.

1.24 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 10/07/2019 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	07/06/2019
(b)	Times of India (English)	:	07/06/2019
(c)	Mail Today (English)	:	07/06/2019
(d)	The Hindu (English)	:	07/06/2019
(e)	Navbharat Times (Hindi)	:	07/06/2019
(f)	Punjab Kesari (Hindi)	:	07/06/2019
(g)	Dainik Jagran (Hindi)	:	07/06/2019
(h)	Jadid-In Dinon (Urdu)	:	07/06/2019
(i)	Qaumi Patrika (Punjabi)	:	07/06/2019

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

1.26 The Commission received written comments from 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. The Commission invited all stakeholders, including those who had filed their objections and suggestions, to attend the Public Hearing.

1.27 The public hearing was held at the Auditorium of Scope Convention Centre, Scope Complex, New Delhi for all stakeholders on 10/07/2019 to discuss the issues related to the petition filed by the Petitioner. The issues and concerns voiced by various stakeholders have been examined by the Commission. The major issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

LAYOUT OF THE ORDER

1.28 This Order is organised into six Chapters:

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

b) **Chapter A2** provides a brief of the comments of various stakeholders including the comments during the Public Hearing, the Petitioner's response and views of the Commission thereon.

c) **Chapter A3** provides details/analysis of the True up for FY 2017-18 and impact of past period true up based on judgement of Hon'ble APTEL & Review Order of the Commission.

d) **Chapter A4** provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2019-20.

e) **Chapter A5** provides details of the possible options for determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2019-20, and the approach adopted by the Commission in its determination.

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

1.29 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 2017-18 and approval of Aggregate Revenue Requirement & Tariff for FY 2019-20.

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

PERFORMANCE REVIEW

1.30 Regulation 66 (iii) & 66 (iii) (a) of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007 stipulates as under:

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

(a) The level of performance achieved with reference to those specified in Schedule-II to this regulation;

1.31 The Commission has sought inputs on overall Standards of Performance for the months from April, 2017 – August, 2017 as prescribed in Schedule – II of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007. The details submitted by TPDDL for the period April, 2017 to August, 2017 of FY 2017-18 are as follows:

Table 1. 2: Standards of Performance for the period April 2017- August 2017

S. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Total cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)
					within specified time limit	above specified time limit	
1	Normal fuse-off calls	Within three hours for Urban areas	At least 99% calls received should be	75268	75158	110	99.85%

S. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Total cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)
					within specified time limit	above specified time limit	
		Within eight hours for Rural areas	rectified within prescribed time limits in both Cities and Towns and in Rural areas	25992	25991	1	100.00%
2	Line Break-downs	Temporary Supply to be restored within four hours from alternate source, wherever feasible. Rectification of fault and thereafter Restoration of normal power supply within twelve hours	At least 95% of cases resolved within time limit in both Cities and Towns and in Rural areas	41618	41618	0	100.00%
3	Distribution Transformer failure	Temporary Supply to be restored within eight hours from alternate source, wherever feasible. Rectification of fault and thereafter Restoration of	At least 95% of DTRs to be replaced within prescribed time limits in both Cities and Towns and in Rural areas	864	864	0	100.00%

S. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Total cases Received/ Reported (A)	Complaints Attended (B) within specified time limit	Complaints Attended (B) above specified time limit	Standard of Performance achieved (C)
		normal power supply within forty-eight hours					
4	Period of scheduled outage						
	Maximum duration in a single stretch	Max duration shall not exceed 12 hours in a day	At least 95% of cases resolved within time limit	4017	4014	3	99.93%
	Restoration of supply by 6:00 PM	Supply to be restored by 6 pm		4017	3985	32	99.20%
5	Street Light Faults						
	Rectification of line faults	72 hours	At least 90% cases should be complied within prescribed time limits	52349	52149	200	99.62%
	Replacement of fused/defective unit	72 hours					
6	Continuity Indices						
	SAIFI	To be laid down by the Commission based on the targets proposed by the Licensees.		1.15			
	SAIDI			1.15			
	MAIFI			0.02			
7	Percentage billing mistakes	% = Bills required modification/Total number of bills issued	Not exceeding 0.2%	2,520	2,472	2	0.03%

S. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Total cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)
					within specified time limit	above specified time limit	
8	Percentage faulty meters	% = Total Defective Meters/ Total Number of meters in service	Not exceeding 3%	3,493	3,151	1	0.20%

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

> *"77(3) The Licensee shall furnish to the Commission, in a report as per the formats for every quarter and in a consolidated annual report for each financial year, the following information as to the Overall Standards of Performance:*
>
> *(i) The level of performance achieved with reference to those specified in Schedule-II as per the format prescribed in the Commission's Orders;*

1.33 The Commission has sought inputs on overall Standards of Performance for the months from September, 2017 - March, 2018 as prescribed in Schedule-II of the DERC (Supply Code and Performance Standards) Regulations, 2017. The details submitted by TPDDL for the period September, 2017 – March, 2018 of FY 2017-18 are as follows:

Table 1. 3: Standards of Performance for the period September 2017 – March 2018

S. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)
				Within Specified Time	Beyond Specified Time	
1.	**Power Supply Failure**					
(i)	Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply, excluding the	At least 95% calls received should be rectified	163533	162720	813	99.50

S. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)
				Within Specified Time	Beyond Specified Time	
	failure where distribution transformer requires replacement.	within prescribed time limits under Schedule-1				
(ii)	Continuous power failure affecting more than 100 consumer connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		42804	41145	1659	96.12
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		374	372	2	99.47
(iv)	Continuous power failure affecting consumer connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above					NA
(v)	Continuous scheduled power outages		9060	8904	156	98.28
(vi)	Replacement of burnt meter or stolen meter		3000	2992	8	99.73

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2017-18

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

> *"1(2) These Regulations, shall remain in force for a period of 3 (three) years i.e., for FY 2017-18, FY 2018-19 and FY 2019-20, unless reviewed earlier."*

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

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

APPROACH FOR ARR AND TARIFF FOR FY 2019-20

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

1.37 The Commission has evaluated the ARR submitted by the Petitioner on the basis of the provisions in Tariff Regulations, 2017 read with Business Plan Regulations, 2017 and other factors considered appropriate by the Commission.

A2: RESPONSE FROM STAKEHOLDERS

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

INTROUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the distribution licensees, after consideration of all suggestions received from the public and the response of the DISCOMs to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly public hearing was held on 10.07.2019 in Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi with consumers to discuss the issues related to the petitions filed by the DISCOMs viz., Tata Power Delhi Distribution Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited & New Delhi Municipal Council for true up of expenses for FY 2017-18 and Annual Revenue Requirement (ARR) for FY 2019-20.

2.3 In the public hearing, the stakeholders offered their comments and suggestions before the Commission in the presence of the Petitioners.

2.4 The Commission has examined the issues taking into consideration the comments/ suggestions offered by the various stakeholders in their written statements and during the public hearing and also the response of the Petitioners thereon.

2.5 The comments/suggestions of various stakeholders, the replies/response from the Petitioners and the views of the Commission thereon are summarized below under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION PROCESS

STAKEHOLDER'S VIEW

2.6 The date for submission of the comments may be extended.

2.7 The Commission should come out with the Tariff Order timely. It is due to delay in release of order that the consumers are bearing the carrying cost.

2.8 The Commission is functioning with only Chairman against full strength of 3 Members. Tariff Order should be released only when quorum is complete.

2.9 The Petitions submitted by DISCOMs' are not duly supported by the audited financial statements. The petitions also not submitted with approval by respective board/authority.

PETITIONER'S SUBMISSION

TPDDL

2.10 The True up Petition and the ARR is always filed in line with the applicable Regulations. Audited certificates are submitted as per the requirement defined in the regulations and as per the requirement of the Commission from time to time.

2.11 As per Section 93 of Electricity Act, 2003, no act or proceeding of Appropriate Commission shall be questioned or shall be invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Appropriate Commission.

2.12 As per the judgement of Hon'ble APTEL dated 02.12.2013 in the matter of OP 1 of 2011, it is a settled law that a Commission may function with a single member.

BYPL

2.13 It is submitted that all the fact and figures in the ARR are duly supported by the reasoning and supporting in the petitions which include audited accounts. And the same was also submitted to the Commission as part of Compliance.

2.14 As per the provisions of the DERC (Comprehensive Conduct of Business) Regulations, 2001, the Commission has duly verified the petition and admitted the BYPL petition as per the order dated 21.02.2019.

2.15 It is submitted that all the formats of the ARR petition have been submitted according to the formats provided by the Commission in its respective Tariff Regulations, 2017.

BRPL

2.16 The ARR Petition submitted before the Commission is as per formats specific in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. All expenses sought to be trued-up is linked to the audited accounts of the Petitioner. In fact, copy of the Audited Accounts of the Petitioner is attached as Annexure with the said Petition.

2.17 The Audited Accounts of the Petitioner is submitted along with the Petition for true-up with the Commission only after the same is duly approved and signed by the Board of the Petitioner.

2.18 As already mentioned above, the petition is prepared and submitted strictly as per formats specified by the Commission in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The Commission admits the Petition only after ascertaining that the Petition is strictly in line with the Formats and Structure as per the aforesaid Regulation.

NDMC

2.19 The objections are raised on the petitions filed by BRPL, BYPL and TPDDL. Issues do not pertain to NDMC.

COMMISSION'S VIEW

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

2.21 The Commission published a Public Notice in leading newspapers on 07.03.2019, and uploaded on DERC website for inviting comments from stakeholders on the Tariff petitions filed by the Petitioners by 05.04.2019. At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 10.07.2019 for which the public notice was issued in the newspapers on 07.06.2019.

2.22 As per the judgement of Hon'ble APTEL dated 02.12.2013 in the matter of OP 1 of 2011, it is a settled law that the Commission may function with a single member. The observations of Hon'ble APTEL are as below:

"9. In view of the above decision, we are to direct all the Commissions to conduct

the proceedings irrespective of the quorum since the proceedings before the Commission could be conducted even by a single Member."

"12. Therefore, we direct that all the Commissions concerned irrespective of the Regulations with regard to the quorum for a meeting, that Commission, even with a single Member despite that there are vacancies of other Members or Chairperson, can continue to hold the proceedings and pass the orders in accordance with the law."

2.23 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 2019-20, like power purchase cost, O&M cost, CAPEX, financing cost, gap in true up of FY 2017-18 and carrying cost for the regulatory assets etc. The Petitioners submit the audited accounts to substantiate their claims. The Tariff Petitions are duly scrutinized and admitted only if found in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. The Petitioners furnish clarifications/additional information, if 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.

ISSUE 2: BUSINESS PLAN & SOP REGULATION

STAKEHOLDER'S VIEW

2.24 Business Plan Regulation, 2017 should be amended before finalization of Tariff Order.

2.25 3rd Amendment to SOP 2017 regarding compensation on outages has not been implemented by DISCOMs.

2.26 DISCOMs are imposing penalty on higher MDI and increase the load automatically, but when MDI is lower they do not provide any rebate and also do not reduce the load, which is injustice to consumers.

2.27 The Commission should reduce the security deposit as it is very high and putting extra burden on honest consumers.

2.28 Remove the service line cum development charges.

2.29 TPDDL gives connection to new illegal flats and buildings.

2.30 Misuse of Electricity connection particularly in TPDDL, which is releasing commercial connection and they are misused for industrial purpose. The Commission must take serious action on it.

2.31 Late payments penalty are at very high rates, bills delayed for 1 day or 3 months are having same penalty rates, it should be based on number of days delay.

2.32 Installation of more than one electricity connection/meter on single property and thereby giving the benefits of lower tariff and subsidy to the dishonest consumers. Only one electricity meter should be given to one registered/unregistered property and link it with Aadhar Card.

PETITIONER'S SUBMISSION

TPDDL

2.33 Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity. The earlier security deposit rates were notified by the Commission in 2003 and have been revised in September 2017 only.

2.34 It may be noted that Commission has considered 60 days period for computation of bill amount for determination of security deposit and accordingly security deposit rates have been revised.

2.35 Timelines for acceptance of application of Load reduction has been defined in Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 and some are being complied.

2.36 Connection of any category is released after completion of formalities specified by the Commission. Further, as per Regulation of 56(5)(i) of DERC (Supply Code and Performance Standards) Regulations,2017, no case of UUE (misuse) shall be booked by the licensee where consumer has been paying electricity charges for higher Tariff category but using electricity for lower tariff category.

2.37 One property description /term used is vague. As per the current bye laws of Muncipal Corporations and other laws on this aspect, one building structure may have different lawful occupants. These may be on different floors or there may be other lawful division of property as the case may be. Thus one property one meter suggestion is not feasible.

BYPL

2.38 The Petitioner levy surcharge in accordance with directions contained in the Tariff order of the Commission. The relevant extracts of the Tariff order for ARR of FY 18-19 is as under;

"For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA."

2.39 With respect of issue regarding the request of load reduction , we would like to submit that the same is being done as per the provision of DERC Supply code, 2017 which is produced as under:

"Load Reduction on the request of consumer:-

(i) The Application for load reduction shall be accepted only after six months from original energisation for connections up to 100 KW, and 1 (one) year from original energisation for connections above 100 KW. Subsequent application for load reduction shall be accepted once in six-months or after lock-in period of 6 (six) months pursuant to Regulation 17(4)(vii), as the case may be.

(ii) The applicant shall apply for load reduction to the Licensee in the format prescribed in the Commission's Orders.

(iii) The Licensee, after verification, shall sanction the reduced load within 10

(ten) days from the date of acceptance of such application.

(iv)The load reduction shall be reflected from next billing cycle.

(v) If the effective date of load reduction falls between the billing cycles, the Licensee shall raise the bill on pro-rata basis during that billing cycle.

(vi)The reduction of load shall be limited to the highest of average of any 4 (four) consecutive months maximum demand readings of last 12 (twelve) months.

(vii) If the load reduction is not sanctioned within the said period, the consumer shall be entitled to seek and the Licensee shall be liable to pay the compensation as specified in Schedule-I of the Regulations.

2.40 In view of above the load reduction shall be according to these regulations only. BYPL adhere to the above mentioned regulations for reduction in the load of a particular consumer.

2.41 For revision of Sanctioned load of the consumers, Petitioner adheres to the Regulation 17(2), 17(3) and 17(4) of DERC (Supply Code and Performance Standards) Regulations, 2017. The charges on account of upward revision of Load i.e. Security Deposit, Service Line Cum Development Charges (if required) is also raised by the petitioner as per DERC Order of Schedule of Charges and Procedures 2017.

2.42 As per Statement of reasoning to order of Schedule of Charges and Procedures 2017, provided by the Commission, the Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity, which should be corresponding to the intended use of electricity by the consumer. Further, the security deposit is fully refundable at the time of termination of connection agreement subject to clearance of dues of the connection. As per DERC (Supply Code & Performance Standards) Regulations 2017, Distribution licensee is providing interest on Consumer Security Deposit as per MCLR of SBI (as on 1st April of every financial year) which comes to be more than 8%.

2.43 The Commission has passed an order dated 24.09.2018 named as Delhi Electric Supply Code and Performance Standards (Removal of Difficulty) Third order, 2018. This extract of the said order is reproduced below on sealing of premises and charging of fixed charges:

"2. *Disconnection or Reconnection of supply of premises sealed by concerned Municipal Corporation:*

(1)In case the premises is sealed by the concerned Municipal Corporation and consumer wants to avoid payment of fixed charges, it shall be obligatory on the consumer to inform the distribution licensee for permanent disconnection of supply. The distribution licensee may remove the service line and other equipment after disconnection of supply, whenever feasible.

(2)Where the electricity is disconnected by distribution licensee on the Order of any Government agency authorized to do so and consumer wants to avoid payment of fixed charges, it shall be obligatory on the consumer to inform the distribution licensee for permanent disconnection of supply. The distribution licensee may remove the service line and other equipment after disconnection of supply, whenever feasible.

(3)Distribution Licensee shall levy fixed charges up to the date of intimation for permanent disconnection by the consumer. Thereafter, the connection shall be deemed to be permanently disconnected.

(4)If the consumer comes for reconnection of the premises and service line and other equipment have not been removed by the distribution licensee, the connection shall be energized on payment of reconnection charges after clearing the past dues."

Hence, for avoiding fixed charges in case of sealing of premises, it is the responsibility of the consumer to inform the distribution licensee.

2.44 With regard to the stakeholders contentions on releasing the commercial power connections in the area where industrial connections are not allowed, we would like to submit that no new connections has been granted to any consumer without industrial License. Further as per point 5 of Tariff schedule in Tariff Order dated 28.03.2018 which is produced as under:

"The valid Factory License 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."

2.45 The Commission has provided the conditions of new connection on same building/property in its Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017.The relevant extracts of the said Regulations has been extracted below:

"Wherever, one dwelling unit has been sub-divided and separate kitchen as well as separate entry is available, second electric connection may be given to the lawful occupant."

2.46 The petitioner in accordance with the above said provision as well as other conditions as defined in Supply Code Regulations, 2018 process New Connection requests.

BRPL

2.47 It may kindly be noted that retail tariff has purposely been divided in two parts across the country so that the licensee is able to recover the Fixed Costs associated with maintenance and up-gradation of its network through the Fixed Charges.

2.48 At the time of energization, the consumer undertakes to limit his load to a certain level which determines his sanctioned load. This is the load which the Licensee is obligated to serve and based on which it plans its network load growth as well as power purchase. If the consumer, for any reason, exceeds this contracted demand, the licensee needs to arrange for additional power in short term, the rates for which is much higher than long term power. Therefore, there has to be a mechanism by which such consumers (who exceed their Sanctioned Load) are asked to bear the additional cost so that all those consumers who rightfully restrict their usage up to their Sanctioned Load is not wrongfully penalized.

2.49 We trust the stakeholder will appreciate that the directive to calculate Fixed Charges based on MDI (in case MDI is higher than Sanctioned Load) is not to enrich the licensee but to act as a mechanism of deterrent for the consumer.

2.50 The issue of reduction in Security Deposit cannot be done by the present proceedings as the Security Deposit is determined in terms of Regulation of the DERC (Supply Code and Performance Standards) Regulations, 2017 as amended by the Second Amendment. If the forum has any grievance against the Regulation, it can only be challenged before the Hon'ble High Court under Article 226 of Constitution of India, 1950 and not otherwise.

NDMC

2.51 The queries are marked for the DERC SOP regulation. The Commission may consider the suggestions appropriately, as the determination of tariff is the prerogative of the Commission.

COMMISSION'S VIEW

2.52 The DERC (Business Plan) Regulations 2017 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft Business Plan Regulations, 2017 was uploaded on DERC website and a public notice was issued inviting the stakeholders' comments and a Public hearing was also held on 19.07.2017 and comments received from the stakeholders were considered in the final Business Plan Regulations approved by the Commission. These Regulations are applicable till FY 2019-20.

2.53 The Commission has notified the DERC (Supply Code and Performance Standards) (Third Amendment) Regulations, 2018 amending the existing timelines for restoration of power supply failure and compensation thereof as specified in DERC (Supply Code and Performance Standards) Regulations, 2017. TPDDL has filed a Writ Petition no. (C) 1717/2019 before the Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi in its order dated 19.02.2019 has held as under:

> *"In view of these contentions, and given the nature and the short time limit as opposed to the earlier regulations, the Court is of the opinion that the*

respondents should not take any coercive action under the amendment Regulations during the pendency of the proceedings. Likewise, in complaints contemplated by the amendment Regulations, no final decision shall be taken. In the meanwhile, the claims made may be processed in accordance with the pre-existing regulations which would operate. The complaints received from consumers shall be processed and appropriate orders made but enforced only having regard to the earlier regulations. However, in the event the amendments Regulations are upheld, the additional compensation, if any, shall be paid to the concerned consumers by the concerned DISCOMs subject to the final outcome of the present proceeding".

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

2.55 The Commission has determined security deposit and the service line cum development charges in DERC (Supply Code and Performance Standards) Regulations, 2017 and its Orders and the rationale for these charges has been explained in statement of objects and reasons (SOR), which is published on DERC website.

2.56 New connections are released as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017 and on submission / availability of documents, as required in DERC Order dated 31.08.2017 as amended from time to time. As per DERC (Supply Code and Performance Standards) Regulations, 2017, an independent electric connection can be given on each floor of the premises to the owner / lawful occupant. Further, as per DERC (Supply Code and Performance Standards) Regulations, 2017, wherever one dwelling unit has been subdivided and separate kitchen as well as separate entry is available, second electric connection may be given to the lawful occupant.

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

2.58 The cases under unauthorized use of electricity (UUE) are booked as per procedure specified in DERC (Supply Code and Performance Standards) Regulations, 2017, and Section 126 of Electricity Act, 2003.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

2.59 Imposing RPO on the distribution companies would lead to purchase of unwanted power resulting in more loss due to sale of surplus power creating unnecessary burden on the consumer.

2.60 Levy the cross subsidy surcharge, Wheeling charge etc on consumer procuring RE power to reduce tariff burden on general consumer.

PETITIONER'S SUBMISSION

TPDDL

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

BYPL

2.62 The petitioner is making consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Commission.

2.63 The petitioner has also signed various PPA's for fulfilments of Solar and Non Solar obligations in the coming future from SECI and Waste to Energy Plants of Delhi. The power from the plants under these PPA's is expected to come from FY 20-21 onwards

2.64 This long term PPA would suffice the most of the requirement of Renewable Power and a practical alternative to REC.

2.65 It is also to mention here that, although BYPL is looking at all possible options/ solutions to avail renewable power and meet the RPO targets but due to the fact that BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to purchase power from renewable sources.

2.66 BYPL submitted that the clause 6(2) of the Commission's order dated 01.06.2017 provides for the charges to be collected from Open Access consumers availing supply from Renewable Sources as under:

> *"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 RP."*

2.67 Regarding other comments of stakeholder which are directed towards the Commission, we trust the same shall be duly considered by the Commission.

BRPL

2.68 Renewable Purchase Obligations are set by the Commission and the Commission may take the decision appropriately.

NDMC

2.69 Renewable Purchase Obligations are set by the Commission.

COMMISSION'S VIEW

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

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

2.72 The Commission has issued DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2012 and Business Plan Regulations, 2017. As per these Regulations, obligated entity is required to fulfil a defined minimum percentage of the total quantum/consumption from eligible renewable energy sources.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.73 Reintroducing PPAC charges is the contempt of Hon'ble Supreme Court order of striking down passing on the increase in coal prices to consumers. The levy of PPAC charges is also unjustifiable as Ministry of Power claims that coal import bill has been brought down in last 4 years.

2.74 The average cost of power of Anta, Auraiya and Dadri is very high. This power should not be taken by the licensee.

2.75 The energy charge of Sasan UMPP in true-up petition was taken higher at INR 1.44/unit against the rate of INR 1.19/unit.

2.76 When power from other sources is available at lesser prices, DISCOMs should not be forced to adhere to the long term PPAs inherited from DVB.

2.77 IPGCL submitted that NDMC has not considered the power purchase payment dues of IPGCL in power purchase cost in FY 2017-18.

2.78 IPGCL & PPCL pointed that there are payment dues on DISCOMs and requested to issue direction for payment of current bills and to liquidate the outstanding dues without any further delay.

2.79 DISCOMS are revising PPA & negotiated cost of power has substantially reduced, but why no benefits were passed on to consumers.

2.80 There should be some proper balancing mechanism that higher percentage low end domestic consumer suffer less.

2.81 DISCOM must publish their power purchase cost and profit and loss with respect to collection.

2.82 The Power should be re-allocated based on the profile of the consumers, i.e. Domestic consumer's area should get cheaper power.

2.83 East Delhi has low revenue; accordingly, cheaper power should be allocated to East Delhi.

2.84 Distribution Company should not buy power from Generating Plants with high cost; rather they should procure Power at competitive and low rates.

PETITIONER'S SUBMISSION

TPDDL

2.85 The said contention is misplaced. No such interpretation can be attributed to PPAC mechanism which has been implemented pursuant to the statutory provisions of Electricity Act 2003 and Hon'ble APTEL directions.

2.86 Now, PPAC is in place under the Commission's Tariff Regulations, 2017 which have been finalized after detailed stakeholder consultation and keeping the interests of consumers, utilities in consideration.

2.87 The Commission's principles followed for tariff determination take into account all such developments. Any genuine reduction in electricity tariffs is passed on to the consumers.

2.88 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.

2.89 Wherever possible, TPDDL try to get the PPAs reallocated to other states through Ministry of Power.

2.90 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.

2.91 Any benefit accrued due to such revision is passed on to the consumer.

2.92 The Commission cannot decrease power purchase cost for plants regulated by the Hon'ble CERC.

BYPL

2.93 PPAC is the variation of Power purchase cost estimated by the Commission while determining the tariff and the actual cost raised by Power Generators. PPAC is approved by Commission in order to lessen the burden of carrying cost on the consumer by preventing the increase in Regulatory Asset.

2.94 In view of the present precarious financial conditions of the distribution companies, it is necessary that the Commission also to provide for Power Purchase Cost Adjustment Formula as intended in the section 62(4) of the Act to compensate the distribution companies for the increase in cost of power procurement during the financial year. The same has also been directed by the Hon'ble Appellate Tribunal for Electricity to all State Commissions vide its judgment dated 11.11.2011 in O.P. 1 of 2011.Further Determination of PPAC is prerogative of the Commission and is based on actual power purchase cost incurred by licensee as reflected in the bills raised by generators.

2.95 BYPL submitted that the petitioner has inherited Power Purchase Agreements of most of the Coal based plants from Delhi Transco Ltd (DTL). Further the Petitioner has also filed petition before Hon'ble CERC and the DERC for surrender of PPA from some of these costly power plants.

2.96 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 PPA can be amended and revised unilaterally.

2.97 Further as regard to reduction in Power Purchase Cost, BYPL would like to submit that any increase and decrease in Power Purchase cost is factored suitably by the Commission while determining the Tariff and same is sole prerogative of the Commission.

2.98 BYPL submitted that they appreciate the concerned raised by the Stakeholder on allocation of cheaper power to BYPL as mostly there are low end consumers residing in BYPL area. We also request the Commission to kindly consider the same while determining the tariff for FY 2019-20.

BRPL

2.99 The power purchase costs are uncontrollable in nature, it make difficult or to accurately estimate power purchase costs at the time of annual tariff fixation. Any fluctuation in the cost of fuel is a pass through for the generator through a fuel price adjustment formula and is payable by the Distribution Licensees in their monthly bills. The difference in actual cost of procurement of power and the estimated cost of purchase of power gets trued up only after 2 years. The time lag of two years puts additional burden on consumers by way of interest charges. Accordingly the Commission vide its Tariff Order dated 13.7.2012 had decided to implement a Power Purchase Cost Adjustment for generating stations having long term PPA's with DISCOMs on quarterly basis in order to adjust the changes in the Power Purchase Cost levied by Generating Companies on the Distribution Licensees. The Commission specify a detailed formula for PPAC in the Tariff Orders of the relevant year.

NDMC

2.100 The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) is in line with Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as reproduced below:

> *"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:*

Variation in Price of Fuel from long term sources of Generation;

Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation; Variation in Transmission Charges."

2.101 PPAC mechanism allows the DISCOMs to recover the differential fuel charges/power purchase cost from the consumers in timely manner. In case the changes are deferred for recovery till the truing up, the same will impose a tariff shock on the consumers besides the levy of carrying cost.

2.102 In the Tariff Petition filed by NDMC for FY 2017-18, no consideration of power was shown by NDMC from GTPS. Still, the Tariff Order issued by DERC provided an allocation of power from GTPS. Such allocation is ideally to be done by GoNCTD as a separate exercise as is apparent from GoNCTD letter dated 22.02.2018. But, in this instance, the allocation was done by the Commission. Moreover, DERC informed about this allocation to SLDC – Delhi instead of NDMC and NDMC came to know about this unrequisitioned allocation when SLDC started scheduling the power of NDMC from IPGCL which is highly objectionable and not aligned to the principles of power procurement for distribution licensees as per prevailing Act/policies/regulations.

2.103 It is further submitted that NDMC in its submission to SLDC - Delhi for scheduling of power from Sep 2017 onwards has never shown any requisition from GTPS. Still, the said power has been scheduled over and above the requisition given by NDMC.

2.104 NDMC submits that for any power purchase except UI/ IDT which are on a real time basis, all scheduling and commercial settlements of power purchased by NDMC is pursuant to entering into a firm Agreement. In the instant case, no PPA is in place & there are no terms & conditions for such payment defined in any agreement. It is on account of the aforesaid reasons that no payment could be made till now to GTPS for this period.

2.105 Currently power procurement details in the Petition are based on Energy Accounts prepared by SLDC. The Petition is currently showing the entire power procured/ sold as per Energy Accounts prepared by SLDC-Delhi including long term, short term, bilateral purchases and sale of power including UI for the purpose of reconciliation. However, in case of any dispute between the parties, the same needs to be taken up separately by IPGCL. The same is not a subject matter of this petition.

COMMISSION'S VIEW

2.106 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 is 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.

2.107 The Commission has specified in 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 incentive and disincentive mechanism for sale of surplus power to maximise the revenue from sale of surplus power. Further, as per the provision of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017, the contingency limit for 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.

2.108 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.

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

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

2.111 The Commission had projected power purchase cost net of 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.

2.112 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 average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee:*
>
> *Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India"*

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.113 Benefits of reduction in T&D losses should be passed on to the consumers.

2.114 DISCOMs are unable to cap the AT&C losses resulting extra tariff burden on honest consumers. The DISCOMs must provide proper security to vigilance team during power theft. Extra surcharge and load shedding should be done in high loss areas.

2.115 No incentive on behalf of lower AT&C loss and higher collection efficiency should be allowed to DISCOM.

2.116 DISCOM must showcase the amount collected against penalty on power theft and where it is accounted in ARR.

2.117 CISF, Police Force etc. may be provided to DISCOMs for reduction of theft.

2.118 The Target for TPDDL should be lower than that set by the Commission as TPDDL has already achieved lower values.

PETITIONER'S SUBMISSION

TPDDL

2.119 Any benefit accrued due to AT&C loss reduction is being passed on to the consumers.

2.120 Tata Power-DDL is making all out efforts to curb theft and reduce AT&C losses and to come up to the expectations of the Consumers. Our Zonal and Enforcement Teams are on continuous vigil and whenever any such incidents are observed / reported, the defaulters are booked for Electricity Theft, as per the applicable Law/Regulations.

2.121 The Commission has already differentiated the low and high loss areas w.r.t different performance standards.

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

BYPL

2.123 The Commission in its Business Plan Regulations, 2017 has approved Targets for distribution loss. In case distribution licensee under achieve the Distribution loss targets the penalty is solely borne by the distribution licensee. In case the distribution licensee overachieve the targets approved by the Commission, the benefit of the same is shared between distribution licensee and the consumers. Hence, in any case the benefit of reduction of Distribution loss target is been shared with the consumers.

2.124 As regard to the power purchase cost and claim of Rebate, it is mentioned here that petitioner endeavours to claim the rebate on power purchase cost. However, due to the accumulated deficit Regulatory Asset created over a period of time due to non-cost reflective tariff approved by the Commission in the past, Petitioner could not claim full rebate on Power purchase cost. Further, the subsidy which is a revenue carved out from current tariff is being received late (which we have not yet received for Q1 and Q2 of FY 2019-20) and directly transferred to the accounts of Delhi Genco/ Transco instead of BYPL's account. The comments of stakeholder regarding the collection of all amount by 18th of every month is incorrect, as the billing to all consumers is done on Monthly cyclic basis and as per the current available infrastructure it is not possible to serve the bill to all consumers on 1st day of every month. It is not possible to collect the amount from all the consumers on 18th of every month.

2.125 As regard to the collection efficiency of 100.4% claimed by petitioner for true up of FY 2017-18, it is submitted that uncollected amount of previous year(s) for which, petitioner was already penalized during the past is collected during this year. With the best effort undertaken by Petitioner, the uncollected amount of previous year(s) was collected during FY 2017-18. Further, the amount so collected is being utilized to meet the ARR of the petitioner. The Incentive is calculated as per the DERC (terms and Conditions for Determination of Tariff) Regulations, 2017.

2.126 BYPL further submitted that the stakeholder contentions regarding officials of BSES are baseless and without proper evidence. Further we would like to state the fact that BYPL has always focused on reduction of AT&C losses which is evident from the aggressive loss reduction of more than 50% i.e.; from 61.89% in July'03 to 10.41% in March'18 which has already benefitted the consumers in tariff.

2.127 Despite this, there are still some areas high losses and disturbed law and order situation. BYPL has its internal mechanism to deter theft/pilferage in these sensitive areas. The concerned team conducts inspection on suspected premises, videos entire proceedings and prepares the inspection report as per the provisions under the Regulations/directions by DERC. Regardless of the area's sensitivity, electricity theft has always been one of the most aggressively pursued agendas of BYPL. Apart of all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers about the consequences of electricity theft.

2.128 Also, theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken in to account while determining the ARR and benefits all the consumers.

2.129 It is submitted that the cooperation extended by CISF has helped the Petitioner tremendously to reduce the loss levels in its distribution area. This is clearly discernible from the loss level reduction achieved by the Petitioner during the period 2002-2007.

BRPL

2.130 Electricity theft has been one of the most aggressively pursued agendas of the Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction. Given this background control of power theft needs active participation and support from all stakeholders.

2.131 BRPL submitted that they will take each and every possible survey and steps in order to curb thefts as well as any unauthorized construction/ extension near electricity poles, being taking up by residents without any proper approvals.

2.132 There has been significant fall in the T&D losses which presently for the petitioner company is around 10%. The benefit of lower T&D loses have already been passed to the consumers by way of reduced tariff.

2.133 BRPL submitted that the Petitioner attributes highest priority to reduction of theft and for this express purpose, has within its structure, an independent and exclusive department which is focused in reduction of theft.

2.134 Petitioner's enforcement teams are fully equipped and self-sufficient in curbing theft which is one of the reasons why BRPL has been able to bring down AT&C losses from over 50% to around 9% at present.

2.135 However, petitioner's enforcement team often has to face violent resistance in several areas and have been physically assaulted on several occasions. In spite of facing such violence, the enforcement officials remain un-deterred in discharging their duties under difficult and hostile conditions.

2.136 The stakeholder may also note that due to the aggressive clampdown on theft and booking of such cases, the Petitioner has been able to save over Rs. 960 Crore in the past 10 years on account of collection from theft / enforcement and avoidance of power purchase cost which would have been necessary in absence of any enforcement activities. This amount saved has already benefitted consumers by way of reduced tariff burden.

NDMC

2.137 No reply

COMMISSION'S VIEW

2.138 A detailed methodology for computing the target for distribution losses has been explained in explanatory memorandum issued by the Commission for the Business Plan Regulations 2017.

2.139 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.

2.140 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 fully 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.

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

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

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.143 DISCOMs are unable to stop the illegal construction of buildings near to the pole, and to prevent such action, they must disconnect power to those consumers.

2.144 Prevent encroachment under HT lines and stop power cuts.

2.145 Cables are jumbled on electric poles.

2.146 Communication cable (other than power cable) should be removed from poles.

PETITIONER'S SUBMISSION

TPDDL

2.147 The safety norms are being followed as per CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and is in the interest of the consumers.

BYPL

2.148 With respect of the unauthorized construction, we would like to submit that BYPL is continuously writing the notice to the consumers however under regulation 50 of DERC Supply code (which states grounds of Disconnection) does not provide unauthorized construction a ground for disconnection.

2.149 BYPL submitted that they are making every effort to make its distribution network free from any such unauthorized cable.

BRPL

2.150 The issue does not pertain to BRPL.

NDMC

2.151 The issue does not pertain to NMDC.

COMMISSION'S VIEW

2.152 The Central Electricity Authority (CEA) has notified Measures relating to Safety and Electric Supply Regulations, 2010. 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 Regulations. The bare conductors are being replaced with the cables in phased manner by the Distribution Licensees on case to case basis.

2.153 The Commission has, in Petition No. 04/2005 in the matter of "Disallowing Cable TV Operators & MTNL from using NDPL Poles, unauthorised and for paying usage charges per pole basis, wherever authorized", observed that subject to safety standards applicable as per the Indian Electricity Rules and the Order of Hon'ble High Court in writ Petition (Civil) 4731/96, the Licensees are within their rights to use their assets for other business for earning additional revenue. Further, licensees can enter into independent agreement with such cable operators and they can lease their assets subject to the provisions of the safety norms under Electricity Rules 1956 or such Regulations issued by CEA under section 53 of Electricity Act, 2003. The revenue received from such activity shall be dealt as per the Commission's Regulations on Treatment of Income from other Business. The Commission further observed that Distribution Licensees may refer their case to the Central Electricity Authority regarding the safety related issues of leasing electricity poles to the Cable TV operators etc. and if the Authority finds it appropriate, it may incorporate the same in the Regulations.

ISSUE 7: O&M EXPENSES

STAKEHOLDERS' VIEW

2.154 The O&M expenses finalized under new regulation is on higher side and are providing undue advantage to DISCOMs.

2.155 Disallow arrear paid against 7th Pay Commission proposal, minimum wages impact, water charges, SMS, legal expenses, Ombudsman fee & DSM charges as they are part of A&G expenses and cannot be collected additionally. No additional O&M expenses can be allowed other than GST. No legal expenses other than matters of enforcement related issue should be allowed.

2.156 O&M expenses should not be linked with Assets.

PETITIONER'S SUBMISSION

TPDDL

2.157 Pertains to BYPL area

BYPL

2.158 We would like to apprise the esteemed stakeholder regarding the consideration of GST expense as an additional expense in ARR. The Petitioner has submitted O&M expenses in terms of the DERC Tariff Regulations, 2017 and DERC Business Plan regulations , 2017 notified on 01.09.2017 which is applicable for a period of three year i.e. FY 2017-18 to FY 2019-20. Further we would like to submit that a Public hearing has been conducted by the Commission considering contentions, submission and suggestions by the stakeholders before finalization of the Business Plan Regulations, 2017.

2.159 BYPL would also like to submit that the stakeholder must appreciate the improvement in quality of supply and reliable services being provided by BYPL. All our employees strive hard to provide the best in class services to our esteemed consumers.

2.160 With respect of other additional expenses claimed by the BYPL in its petition we would like to submit that in terms of above Regulations and as explained by the Commission in its Explanatory Memorandum of DERC Business Plan Regulations, 2017, the additional impact of 7th Pay Commission and Legal Expenses, water charges, statutory levies has not been considered while determining the normative O&M expenses. The actual impact of 7th Pay Commission and Legal Expenses, water charges and statutory levies and taxes for FY 2017-18 shall be allowed based on the claim of the DISCOM and prudence check by the Commission.

BRPL

2.161 It is submitted the issue pertain to a different licensee.

NDMC

2.162 Does not pertain to NDMC.

COMMISSION'S VIEW

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

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

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

2.166 The details of allowances/disallowances considered for additional O&M expenses are available in Chapter A3 (True up of ARR) of the tariff order.

ISSUE 8: TRUE UP OF CAPITALISATION

STAKEHOLDERS' VIEW:

2.167 Physical Verification of Assets should be completed & done on a yearly basis.

2.168 True up of Capital Cost / Capitalization is pending and hence Tariff Petitions may be rejected.

2.169 Capitalization of assets can only be done after EIC is issued.

2.170 Do not allow the capital expenditure and capitalization pertaining to REL.

PETITIONER'S SUBMISSION

TPDDL

2.171 It is submitted that the DISCOMs have been regularly filing True Up petition including for True Up of capitalization since the beginning. However, Commission has done provisional True Up of capitalization on account of ongoing physical verification exercise by agency appointed by the Commission and shall be considered by Commission on its finalization.

BYPL

2.172 It is submitted that the contentions of the stakeholder is false and have no merit, Licensee has already linked the GIS with the capital assets of licensee and the same has also been accepted by the Commission in the Minutes of meeting of 28th Forum meeting. Further the Commission has appointed the consultant for audit of capex and physical verification of assets of DISCOMs which is in process. BYPL has always provided and is providing full cooperation to the Commission's officials/Auditors for efficient and timely completion of the same.

BRPL

2.173 Issue pertains to TPDDL.

NDMC

2.174 Does not pertain to NDMC.

COMMISSION'S VIEW

2.175 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.

2.176

ISSUE 9: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.177 Regulatory Surcharge may not be levied on the Consumers as energy charges and fixed charges increase on yearly basis.

2.178 DISCOMs must provide the actual figures of regulatory assets till date and how DISCOMs are creating regulatory asset in spite of APTEL judgment of setting aside the creation of Regulatory Assets.

2.179 Commission should advise Delhi government to provide bailout package for recovery of accumulated losses of discom, so that the burden on consumers should be lowered.

2.180 Recovery of outstanding regulatory asset along with carrying cost of regulatory asset should be time bound with in period not exceeding seven year.

2.181 Govt. of India may provide a bail-out package for Delhi DISCOMs as is done for other states. DERC may press for extension of Central Govt. Scheme benefits like UDAY for Delhi Consumers.

PETITIONER'S SUBMISSION

TPDDL

2.182 Determination of Retail Tariff and Surcharges is the sole prerogative of the Commission.

2.183 Regulatory assets got created due to non-cost reflective tariff for previous years. Thus, in order to fund the said Regulatory assets Tata Power-DDL is availing loans from the market and also paying interest on the same to the banks/FIs. To overcome the problem of further creation of Regulatory Assets, Commission has introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest.

2.184 The Commission in its last tariff order of 28th March 2018 has approved provisional Revenue Gap of Rs. 2394.61 Cr till FY 2016-17 for Tata Power-DDL. In the Current Tariff Petition, Tata Power-DDL has sought truing up of Revenue Gap of Rs. 3987.72 Cr on provisional basis till FY 2017-18.

2.185 The Regulatory Assets for DISCOMs have statutory recognition in terms of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The said view is based on the National Tariff Policy also.

2.186 Thus, the Commission is well within its powers to provide, create Regulatory Asset for DISCOMs.

2.187 For FY 2017-18, Tata Power-DDL has sought carrying cost at the rate of 10.37% against the approved carrying cost rate of 10.98%.

2.188 The contention on APTEL judgment cited by stakeholder is thus misplaced.

2.189 Any such funding as suggested may be extended to Delhi DISCOMs, would be welcome and in overall Consumer Interest.

BYPL

2.190 It is submitted that the regulatory asset 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 is being levied to recover the regulatory asset in the phased manner.

2.191 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, Hon'ble APTEL vide its various judgments has issued specific directions to the Commission with respect to implementation of the issues challenged by the Petitioner. Accordingly, the Petitioner has claimed the impact of implementation of APTEL Judgments to be allowed in the next Tariff Order. Further, it is submitted that the issue wise claim along with computation is explained in detail in chapter 3B of the ARR Petition. The same is not reiterated for the sake of brevity.

2.192 With regards to the concerns raised by the stakeholder it is stated that cost reflective tariff needs to be approved for the financial sustainability of DISCOMS, so that the DISCOMS continue to provide quality services to the consumers of Delhi. Further, it is pertinent to mention that, in the past, in order to avoid tariff shock to the consumers, the Commission did not allow cost reflective tariff which resulted in accumulation of Regulatory Assets. 8% surcharge levied on tariff is towards recovery of such Regulatory Assets. Repeated creation of Regulatory Assets and not providing time bound recovery of the same is not only detrimental to the financial stability of the DISCOMs but it is also not in the overall interest of the consumers as the consumers will be unnecessarily burdened with the carrying cost on this Regulatory Assets. Further, the Petitioner is billing and collecting a surcharge of 3.80% towards recovery of Pension Trust charges of erstwhile DVB Employees/Pensioners for onward payment to the Pension Trust as approved by the Commission in Tariff order dated 28.03.2018.

2.193 It is submitted that we agree with the stakeholder's suggestion that the benefits of Government schemes like UDAY should also be extended to Delhi DISCOMs and the consumers of Delhi should not be deprived of such benefits just because they are being served by private DISCOMs. The Commission may issue suitable advice to the Delhi government for taking up the matter with Central Government in the interest of both the DISCOMs and consumers.

BRPL

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

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

a. The circumstances should be clearly defined through regulations, and should only include natural causes or force majeure conditions. Under business as usual conditions, the opening balances of unrecovered gap must be covered through transition financing arrangement or capital restructuring;

b. Carrying cost of Regulatory Asset should be allowed to the utilities;

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

d. The use of the facility of Regulatory Asset should not be repetitive;

e. 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."

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

"65.

(iv) In 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 problem of cash flow to the distribution licensee."

2.195 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.

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 Cr. While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs 6919 Cr. 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."

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

NDMC

2.197 Determination of tariff/surcharge is defined by the Commission based on prevailing regulations and provisions of the Electricity Act to ensure the DISCOMs are able to recover the charges in a timely manner.

COMMISSION'S VIEW

2.198 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 licensee to borrow is not adversely affected."*

2.199 The Hon'ble Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11.11.2011 (OP 1 of 2011).

2.200 The Commission in terms of the National Tariff Policy and in accordance with the Hon'ble 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 July 13, 2012, and has been revising tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

2.201 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.

2.202 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 a time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.203 The Commission has submitted before the 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.

2.204 UDAY scheme is not applicable to private distribution licensees.

2.205 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 and Business Plan Regulation, 2017. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2019-20, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up of FY 2017-18 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 10: PENSION TRUST

STAKEHOLDERS' VIEW

2.206 Consumers are not part of the tripartite agreement, thereby cannot be penalized with recovery of pension trust surcharge.

2.207 Pension FUND 3.8% payable to DISCOM employee is recovered from electricity bill which not justified & should be waived off.

2.208 Pension burden of erstwhile DESU/DVB employees should be borne by the State Government and should not be passed on to the Consumers.

2.209 The Commission must initiate appropriate proceedings to frame Regulations for DVB pensioners for providing Terms & Conditions allowing lifetime Pension & Terminal Benefits liability of personnel of DVB. The Commission should allow recovery of INR 840 crore in the ARR of three DISCOMS for FY 2019-20 as Pension Trust.

2.210 Commission should direct the DISCOMs to provide sufficient funds to meet the additional requirement due to implementation of WAGE Committee Report expected shortly which would involve at least 100 Cr. for timely implementation & payment of arrears.

2.211 As per Delhi High court order, DISCOMs are liable to meet the old employee pension.

2.212 DISCOM must bring the transparency in pension trust charges collected and outflow.

PETITIONER'S SUBMISSION

TPDDL

2.213 The Commission may like to decide on the same.

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

2.215 Levy of Pension Surcharge is towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.

2.216 Employee cost is part of the O&M expenses of Annual Revenue Requirement (ARR) of DISCOMs.

BYPL

2.217 DISCOM is bound to contribute in Pension Trust and being a regulated business the cost and expenses of the DISCOMs are subject to be allowed by the Commission. Hence, a pension trust surcharge is approved by the Commission.

2.218 With regards to the concerns raised by the stakeholder it is stated that cost reflective tariff needs to be approved for the financial sustainability of DISCOMS, so that the DISCOMS continue to provide quality services to the consumers of Delhi. Further, it is pertinent to mention that, in the past, in order to avoid tariff shock to the consumers, the Commission did not allow cost reflective tariff which resulted in accumulation of Regulatory Assets. 8% surcharge levied on tariff is towards recovery of such Regulatory Assets. Repeated creation of Regulatory Assets and not providing time bound recovery of the same is not only detrimental to the financial stability of the DISCOMs but it is also not in the overall interest of the consumers as the consumers will be unnecessarily burdened with the carrying cost on this Regulatory Assets. Further, the Petitioner is billing and collecting a surcharge of 3.80% towards recovery of Pension Trust charges of erstwhile DVB Employees/Pensioners for onward payment to the Pension Trust as approved by the Commission in Tariff order dated 28.03.2018.

BRPL

2.219 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.

2.220 As far as pension surcharge of 3.70 % is concerned, it is submitted that the Commission vide its tariff order dated 31.08.2017 has notified a surcharge of 3.70% towards recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. It is important to mention here that under Section 45 of the Electricity Act, 2003, determination of electricity tariff is the sole prerogative of the Commission.

2.221 Commission vide its Tariff Order dated 28.03.2018 has notified a surcharge of 3.80% towards recovery of Pension Trust charges.

2.222 In terms of the directions of the Commission for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY2002-03 to till date to ascertain the actual liability of Pension Trust, the said Audit has not been conducted till date.

NDMC

2.223 While the contention of the consumer may be considered by the Commission. Furthermore, it should also be considered that NDMC was not a party of tripartite agreement signed between erstwhile DVB, Govt. of Delhi and private discom at the time of privatization of DVB. Further, NDMC reiterates its submission in its petition that no such liability should be included in the ARR for NDMC and that the consumer in NDMC license area should not be burdened with such liabilities of others DISCOMs because no man, material or assets of erstwhile DVB were transferred to NDMC.

COMMISSION'S VIEW

2.224 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by the GoNCTD with unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by the GoNCTD. The issue of underfunding of corpus fund of the pension trust is sub-judice in W.P. (C) 1698/2010 in the Hon'ble High Court of Delhi. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in the DTL Tariff orders from FY 2011-12 onwards up to FY 2015-16. Further, in the tariff order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of past practice of routing it through DTL.

2.225 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.

2.226 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 dispute.

2.227 The Commission has already made provision on 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, and Rs. 792 Crores for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 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.

2.228 The Commission vide letter dated 08.12.2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 839 Crore sought for FY 2019-20 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide it's letter dated 25.03.2019.

ISSUE 11: OPEN ACCESS

STAKEHOLDERS' VIEW

2.229 Facility of open access to large consumers should be stopped as it is putting financial burden on general consumers' especially domestic consumers.

2.230 Common consumers should be provided with a freedom or rights for choosing his DISCOMS.

PETITIONER'S SUBMISSION

TPDDL

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

BYPL

2.232 The issue does not pertain to BYPL.

BRPL

2.233 The issue does not pertain to BRPL.

NDMC

2.234 Does not pertain to NDMC.

COMMISSION'S VIEW

2.235 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.

2.236 If any company or party who is interested in participating in distribution business in Delhi approaches the Commission, the same will be considered in accordance with the provision of Electricity Act, 2003.

ISSUE 12: TARIFF HIKE

STAKEHOLDERS' VIEW

2.237 Electricity charges should be reduced.

2.238 Domestic power consumers are overloaded with multiple basic charges like fixed charges, energy Charge, PPAC, along with Surcharge and Pension Trust surcharge. This should be relaxed.

2.239 Tariff should be rational and in interest of all the stakeholders.

2.240 Discom are considering higher rate of interest for the computation of RoCE, which is unjustifiable. The Commission must inform the actual rate of interest.

PETITIONER'S SUBMISSION

TPDDL

2.241 Tariff for the year is determined based on the principle that there should be 100% recovery of ARR requirement for that respective year. If ARR requirement is going to be increased/decreased, correspondingly tariff has to be changed for the financial viability of the sector. Thus, if there is no increase in tariff, there would be a situation of revenue deficit, which ultimately has to be recovered from consumers in ensuing years along with the carrying cost. 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.

2.242 Further, the concern on creation of Regulatory Assets in future and the need for timely liquidation of the Regulatory Assets has also been emphasized in the amendments to the Tariff Policy.

2.243 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.

2.244 Further in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should have been factored while deciding the electricity tariff to be charged for next year.

2.245 Any Reduction in electricity tariff without liquidating the accumulated Revenue Gap would again lead to additional carrying cost burden on the consumers in addition to the financial difficulties on DISCOMs in running the business smoothly.

BYPL

2.246 Tariff determination is the prerogative of the Commission, which is to be determined in a cost reflective manner.

2.247 With respect to the breakeven of energy purchase and sale price, BYPL submitted that the average cost of supply include not only power purchase cost but certain other components i.e. O&M Cost, Cost related to Capitalization i.e. Depreciation, Cost of Funding, Interest for working capital, Income Tax and Carrying Cost, therefore while finalization of tariff Commission provides tariff after consideration of average cost of supply and Average Billing rate. 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.

BRPL

2.248 In this regard, we would like to submit that the determination of electricity tariff and the category slab is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.249 The Commission is already approving the tariff on the same principles as suggested by the consumer. The tariff rates are determined using the principle of breakeven so that the DISCOMs are able to recover the cost (inclusive of Power purchase, depreciation, Operations and Maintenance expenses etc.) from the sales to the consumers and billing them at approved tariff rates.

2.250 Determination of tariff is a prerogative of the Commission

COMMISSION'S VIEW

2.251 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 2019-20, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up to FY 2017-18 and carrying cost for the regulatory assets etc. This forms the basis for 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 13: CAG AUDIT

STAKEHOLDERS' VIEW

2.252 What steps the Commission has taken for the CAG Audit of DISCOMs in court of law. DERC may provide the timelines to restart CAG Audit.

2.253 Order CAG audit for 9 yrs as the ever inflating Regulatory assets has raised serious concerns about the whole process including accounting.

PETITIONER'S SUBMISSION

TPDDL

2.254 The DISCOMs' books of accounts are duly checked/audited by CAG empanelled Statutory Auditors to present a true and fair view in accordance with various laws. Further, prudence check towards the True up is also done by Commission and the auditors appointed by them.

BYPL

2.255 BYPL submitted that the contentions of stakeholder in respect of siphoning out of funds are frivolous and baseless. As regular Statutory and mandatory audits are being conducted on regular basis in BYPL by third party. Further the Commission is also conducting prudence check every year in truing up exercise.

BRPL

2.256 It is submitted that the Petitioner Company's accounts are audited both internally and also externally by statutory auditors as per the requirements of the Companies Act, 1956 and the Commission also undertakes detailed scrutiny of the accounting statements before admitting the expenses in the ARR proceedings. Further, it is also pertinent to note that the Commission determines the tariff only after considering the prudency of operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network / infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees. The Commission determines the tariff to be charged from a category of consumers based on the approved ARR of the licensee.

2.257 It may also be noted that the Petitioner has a very robust multi-layered system of internal and statutory audit. Accounts are audited both internally and externally by reputed statutory auditors as per the requirements of the Companies Act, 1956. The auditors appointed by the Petitioner is well reputed is a CAG empanelled auditor and is one of the best in the country. It is also the auditor for the NTPC and SAIL (Maharatna's) among others. Moreover, all ARR petitions are made available in the public domain and are also subjected to rigorous prudence checks by the Commission itself and its consultants.

2.258 In addition to the above checks and balances, the Commission itself appoints independent auditors to verify each and every aspect of the Petitioner's accounts before issuing tariff orders.

NDMC

2.259 Issue does not pertain to NDMC

COMMISSION'S VIEW

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

2.261 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 the financial reporting may vary from the regulatory reporting as speciified by the Commission from time to time. Therefore, the Commission conducts regulatory audit in order to refine the prudence check methodology adopted with the help of an independent CAG empanelled auditor.

ISSUE 14: TIME OF DAY TARIFF

STAKEHOLDERS' VIEW

2.262 ToD may be changed suitably and normal office hours should not be treated as Peak hours.

2.263 Peak hour charges should be removed.

2.264 ToD tariff should not be charged from Industrial Consumers as most of the MSME units are working during day time only.

PETITIONER'S SUBMISSION

TPDDL

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

BYPL

2.266 It is important to mention here that in order to ensure 24x7 power supply, DISCOMs is procuring power on Round the Clock (RTC) basis. The same is governed by the terms and conditions of Power Purchase Agreement entered into by the distribution licensee and the generating companies. The load curve of the distribution licensee is not uniform and keeps on changing on hourly basis. The objective of TOD tariff is to reduce the non uniformity of load curve of the DISCOM by switching the desired load from peak hours to the off peak TOD Time Slots. In this way consumer can avail rebate in tariff.

BRPL

2.267 The Commission has already introduced Time-of-Day Tariff, terms of which has been defined in its Tariff Order dated 13.7.2013.

2.268 The demand of power in Delhi has been increasing over the past few years at a very fast rate. The increasing demand is majority a consequence of the increase in consumer base which has increased by over 50% in the last 7 years.

2.269 Time of Day (ToD) is an important Demand Side Management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. 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.

2.270 The Commission has already introduced Time-of-Day (ToD) Tariff, term of which has been defined in its Tariff Order. Peak and non peak hours tariff is applicable to all consumers whose sanctioned load/MDI is 10kW/11kVA and above.

NDMC

2.271 Determination of Tariff is the prerogative of the Commission. The Commission may consider the suggestions appropriately.

COMMISSION'S VIEW

2.272 Time of Day tariff is an important Demand Side Management (DSM) measure to flatten the load curve and to avoid such high cost peaking power purchases. The Commission had introduced Time of Day (TOD) tariff wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The Commission has made ToD Tariff mandatory for all consumers (other than domestic) whose sanctioned load / MDI (whichever is higher) is 10 kW/ 11 kVA and above.

2.273 Further, in order to flatten the Load Curve the Commission has provided option of ToD Tariff for all other three phase connections including Domestic.

ISSUE 15: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.274 Reduce the tariff for the category *"Charging Stations for E-Rickshaw/E-vehicle on single point of delivery".*

2.275 E- Rickshaws use domestic power for battery charging which is used for commercial purpose, they must be asked to pay commercial rates.

2.276 Impose fixed charges on E- Vehicle category as on other consumer.

2.277 Energy charge for CGHS should be lowered and must be lower than domestic consumers who don't need to invest in infrastructure.

2.278 Energy charges should be reduced for small scale industries.

2.279 Audit condition for claiming subsidy by GHS should be eliminated or DERC may fix a panel of CAG empanelled Auditor with nominal monthly fee.

2.280 Tariff for Govt. Hospitals / Schools may be kept similar to 11KV CGHS.

2.281 Maximum permissible limit of sanctioned load for Mushroom Cultivation may be enhanced beyond 20kW.

2.282 Multiplicity of slabs and differential tariff should be removed & cross subsidy should be put to an end.

2.283 HT consumers should be billed at discounted rates.

2.284 DISCOMs are billing NGOs under the Non-Domestic category; NGO should be categorized as "Domestic" in the tariff schedule.

2.285 Create a new category for small non-domestic consumers who earn their livelihood by means of self employment.

2.286 Domestic Tariff should be applicable to Advocates and the chamber of Advocates.

2.287 Industrial category tariff should be applicable to Petrol Pump dealers instead of Commercial Category, as they are registered under Factories Act.

2.288 CGHS are not giving benefit of subsidy to its individual members consuming less than 400 units per month.

2.289 Nursing Homes and Diagnostic centers should be kept under Industrial category.

2.290 Remove the restriction of more than 100kW for GHS connection and allow a quantum lower than 100kW also for GHS connection. Allow all the customers granted GHS tariff earlier to continue availing the same for supply at 415 V without insisting on supply at 11kV.

2.291 Consider Employee State Insurance Corporation Hospital under Domestic category as ESIC is an autonomous body working under Ministry of Labor and Employment, Govt. of India and providing medical facility to insured person.

2.292 SDMC buildings such as Institution, Buildings & office buildings, Water Pumping stations, Tube well connections should be considered under lowest tariff category.

2.293 Tariff for Paying Guest should consider under domestic tariff category.

2.294 Small non-domestic consumers such as Pan shop etc having single phase non domestic connection should be brought under kWH billing instead of kVAh billing system as adopted by many states.

2.295 Continue providing bill on agriculture tariff to agriculture land consumers against domestic consumers. As under land Policy the area was declared as urban area but no urban facilities was provided in the area.

2.296 SDMC waste compost plant, Okhla should be brought under Agriculture rates as per the directions of Hon. Supreme court and Construction & Demolition waste processing units under EDMC & NDMC should be brought under Public Utility Rates as DJB.

PETITIONER'S SUBMISSION

TPDDL

2.297 Fixation of tariff for any Consumer Category and Sub Category is the sole prerogative of the Commission.

2.298 Even, 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 Commission.

2.299 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.

2.300 The Commission in its latest Tariff Order has already provided for Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV as applicable.

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

2.302 In any case, a provision exists in the Tariff Order that the consumers running small commercial establishments from their households having sanctioned load up to 5kW under domestic category, shall be charged Domestic Tariff.

BYPL

2.303 BYPL submitted that we appreciate the pilot project undertaken by the Stakeholder for Setting up Public Charging Station in Delhi. DERC has created special category for EV charging stations having tariff of Rs 5/Unit for HT level and Rs 5.50/Unit for LT supply level. It is to highlight that DERC in its previous Tariff Order on ARR for FY 18-19 has calculated cost of supply of BYPL @ Rs 6.68/Unit at 11 KV level (HT level), Rs 6.62/Unit at 33/66 KV (HT level) level and @ Rs 7.52/Unit at LT level. The Commission in this very order has noted as under:

> *"5.21 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows: ……*
>
> *Accordingly, the following principles would be adopted:.........*
>
> *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………*
>
> *4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects…………….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"……..

5.22 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 confessional tariff."

2.304 It is submitted that the Commission in its Tariff Order for FY 2017-18 has introduced a new Tariff Category for charging of batteries of E-Rickshaw at Charging Stations. However, if the E-Rickshaws are being charged at premises other than at Charging Stations, the tariff 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. Further determination of tariff is sole prerogative of the Commission. We appreciate the concern of our stakeholder, however clause 8.3(2) of tariff policy, 2016 provides that 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.

2.305 BYPL submitted that the Supply Code Regulations 2007 where the maximum load for mushroom cultivation of 100 KW was approved ,now has been repealed by the Commission and the currently applicable Regulation is in place DERC (Supply Code & Performance Standards) Regulations, 2017.

2.306 Regulation 6(2) of the Supply code 2017 provides that the categorization of supply to various consumers shall be as per applicable tariff order of the Commission. Currently the applicable tariff order is Tariff order dated 28.03.2018 which provides that the

Agriculture and Mushroom cultivation category is available for load up to 20 KW for tube wells for irrigation, threshing, mushroom cultivation and kutti-cutting in conjunction with pumping load for irrigation and lighting load for bonafide use in kothra.

2.307 Further, determination of tariff and tariff category for any particular class of consumer on the basis of load, usage etc is the sole prerogative of the Commission.

2.308 The Commission in its tariff order dated 28.03.2018 has already approved rebate on energy charges to the consumers availing supply at 11 KV, 33/66 KV and 220 KV as 3%, 4% and 5% respectively.

2.309 According to the Tariff schedule approved in Tariff Order dated 28.03.2018, the Commission has approved domestic tariff for Dispensary/ Hospitals/ Public Libraries/ school/ colleges/ working women's hostel/ orphanage/ charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of NCT of Delhi or any other Government Local bodies.

2.310 Accordingly, BYPL is billing all government run Hospitals/ Dispensaries including ESIC under Domestic tariff. Same has been agreed by the stakeholder in its comments by mentioning that ESIC in Seelampur, Pahar Ganj, Jhilmil areas, which falls under BYPL Licensed area, BSES has provided Domestic connection to ESIC. Further, the ESIC, Okhla where the request of category change has been sought by the stakeholder does not falls under the BYPL licensed area.

2.311 It is submitted that the Commission has already stated in its Tariff order dated 28.03.2018 that tariff of Group Housing Society (GHS) will be charged as per the tariff prescribed by the Commission. The relevant para directing the CGHS is stated as under:

Para 9 of tariff schedule

> *"The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2*

including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption."

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

Para 10 of tariff schedule

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

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

2.314 As regards the Tariff determination and Tariff Design for all consumer categories is concerned, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003. Further, as per Tariff Schedule specified by the Commission, Charitable homes run which are funded by more than 90% by Municipal Corporation of Delhi or Government of NCT will be covered under Domestic Category.

2.315 With respect to charging to paying guest at domestic category, we would like to submit that the tariff to be charged from consumer is the sole prerogative of the Commission. Further the para regarding tariff for paying guest from tariff schedule for FY 2018-19 is provided below for reference:

"Domestic

The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged Domestic Tariff

Non domestic

Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)."

2.316 kVAh billing- It is submitted that the determination of billing parameter for calculation of tariff is the sole prerogative of the Commission.

2.317 It is submitted that the Construction and Demolition (C&D) works undertaken by the stakeholder and thereby contributing in preserving the environment. It is necessary to fight against climate change by way of disposing off the waste produced daily in the city. So its role in promoting longer term environmental responsibility is going to get more significant. In view of the above and in larger interest of the public of Delhi, the Commission may include inclusion of C&D facilities under its "Public Utility" category as deem fit.

BRPL

2.318 Multiplicity of slabs, differential tariffs and abolition of cross subsidy surcharge, same would be appropriately considered by the Commission.

2.319 The rebate of 3%, 4% and 5% shall be applicable on Energy charges for supply at 11kW, 33/66 kV and 220 kV respectively. Further Single point Delivery supplier availing supply at HT and above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra up to 5% of the bill amount to recover losses and all its expenses.

2.320 The Commission vide its Tariff Order dated 26.6.2003 has held the kVAh based tariff.

2.321 While the 11kV MCD run Hospitals/Colleges/Schools fall under Non-domestic tariff category in the Tariff Schedule made by the Commission, but since these organizations are run by Govt., the Commission has provided the benefits of Domestic tariffs on cost-to-serve basis.

2.322 The tariff category as well as the voltage of supply is determined by relevant regulations issued by the Commission. As a licensee, the Petitioner strictly abides by all applicable Regulations.

2.323 With regard to kVAh billing and installation of capacitors it is submitted that it is the responsibility of consumers to maintain healthy power factor in their premises. The

Commission has mandated kVAh consumer for all commercial consumers which is aimed at encouraging healthy power factor so that the penalty of lower power factor is not loaded on other consumers.

2.324 In this regard it may be noted that Domestic Consumers are billed at tariff which have been determined on kWH basis and not kVAh basis which means power factor is not considered for domestic consumers.

2.325 Determination of tariff is the sole prerogative of the Commission

NDMC

2.326 Determination of Tariff is the prerogative of the Commission. The Commission may consider the suggestions appropriately.

COMMISSION'S VIEW

2.327 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.

2.328 Providing subsidy is the prerogative of the Government.

ISSUE 16: TARIFF FOR DMRC

STAKEHOLDER'S VIEW

2.329 DISCOMs to provide the Power Purchase Cost separately along with distribution losses for various voltage levels i.e. 220KV, 66KV, 33KV, 11KV and LT. DMRC tariff may be reviewed accordingly.

2.330 ToD Tariff should not be imposed on DMRC.

2.331 Fixed Charges should not be levied on DMRC.

2.332 DMRC may be exempted from payment of Revenue Deficit Surcharge and Pension Trust Surcharge.

2.333 No Cross Subsidy Surcharge may be levied on DMRC for energy supplied by DISCOMs as well as for Renewable Energy procured through Open Access.

PETITIONER'S SUBMISSION

TPDDL

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

2.335 It may also be noted that Power Purchase Cost for DISCOMs is a pooled cost from all sources at ex generator bus and is not differentiable at voltage levels.

2.336 In any case, the issue of drawing power at higher voltage and rebate thereof has been in-built in the Tariff design.

2.337 Any exemption in the tariff is prerogative of the Commission.

BYPL

2.338 Fixation of tariff as per agreed principle – In view of the role of DMRC as a public utility service, BYPL have special consideration of maintaining quality of power supply. BYPL endeavours to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensured 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.

2.339 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BYPL has entered into long term Power Purchase Agreements (PPA's) with various Central Govt/State Govt owned Generating station & IPP's. In addition to this, the Petitioner also purchases from other sources such as Energy Exchanges, Bilateral & Banking etc to meet the energy demand/rate variations. Thus the cumulative cost of power procurement from all these sources is applicable to all consumers of BYPL including DMRC. However the Tariff determination and tariff design for all consumer categories including DMRC is the sole prerogative of the Commission.

2.340 No Time of Day tariff to DMRC –As mentioned above, in order to ensure 24x7 power supply, DISCOMs is procuring power on Round the Clock (RTC) basis, from Long term as well as short term basis. The cost of energy generated from long term sources are is governed by Central Electricity Regulatory Commission or state electricity Regulatory Commission. Further cost of power of short term is market driven which varies according to the demand fluctuation.

2.341 The load curve of the Petitioner is not uniform, majorly due to the presence of the Non

Domestic consumers and other public utilities including DMRC, since the demand from the said categories of consumers becomes nil/ negligible during night hours as compared to the day time. On the other hand DISCOMs have to arrange power on RTC basis to serve 24x7 uninterrupted power supply. The concept of time of day tariff aims at shifting time of peak demand, thereby flattening the load curve for which the Utility provides incentives to shift consumption to off-peak hours and offers dis-incentives for consumption during peak hours.

2.342 Non Applicability of fixed charges to DMRC–Any exemption in the tariff to any category of consumer is the prerogative of the Commission.

2.343 Non Applicability of Revenue Deficit Surcharge to DMRC - As regards levying of 8% surcharge on tariff, Petitioner would like to submit that the Aggregate Revenue Requirement (ARR) is calculated on a consolidated basis for all consumers and not for a particular category consumer. The Commission in its Tariff Order dated July 31, 2013 has stated the following:

> *"2.24 The Commission is of the view that DMRC has already been considered under a special tariff category in view of the essential services being provided to common consumers of Delhi. The Commission has levied a surcharge for the recovery of revenue gap so that the burden of carrying cost may be mitigated. Further efforts are being made to analyze tariffs and bring them to cost to serve basis."*

2.344 It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission itself has recognised Regulatory Assets of Rs. 9616 Crores up to FY 2016-17 in Tariff Order dated March 28, 2018. 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. Further in order to recover the Regulatory Assets, the Commission has determined surcharge of 8%.The commission has provided reasoning for the same in Tariff order dated 31.07.2013 and the same which is reproduced below:

"2.191 For meeting the carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission had decided to introduce a surcharge of 8% over the revised tariff in tariff order dated July 13, 2012 and appropriate surcharges shall be considered by the Commission in FY 2013-14 also to reduce the burden of carrying cost on the consumers of Delhi. For meeting carrying cost of the revenue gap till FY 2013-14, the Commission has decided to continue the existing surcharge at 8% over the revised tariff. The Commission in consultation with GoNCTD shall evolve a reasonable schedule for liquidation of revenue gap which will be fair to all stakeholders."

2.345 It is noteworthy to mention here that even the surcharge of 8% is not enough to recover the carrying cost borne by the Petitioner for funding the Regulatory Asset (Revenue deficit). However, this surcharge has not made any significant dent in reduction of accumulated shortfall as it has mainly contributed towards meeting the carrying cost of the accumulated shortfall.

BRPL

2.346 Submission of Voltage level wise power purchase cost and distribution losses :

Availing supply at higher voltages also entitles the stakeholder 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.

2.347 ToD Tariff- Time of Day tariff is an important Demand Side Management (DSM) measure to flatten the load curve and to avoid such high cost peaking power purchases. The Commission had introduced Time of Day (TOD) tariff wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off-peak time, 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.

2.348 Fixed Charges- The Commission vide 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.

2.349 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.

2.350 Regulatory Surcharge- The Commission vide its Tariff Order dated 13.7.2012 had introduced the concept of 8% Regulatory surcharge (on fixed and 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.

2.351 Pension Trust Surcharge- Commission vide its Tariff Order dated 28.3.2018 has notified a surcharge of 3.80% towards recovery of Pension Trust Charges of erstwhile DVB employees/pensioners as recommended by GoNCTD.

NDMC

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

2.353 Further, as shown by DMRC itself in its submission in Table 3, the tariff for DMRC had remained constant since the last 3 years and in fact the average cost per unit has actually declined from Rs. 7.16/kVAh in 2015-16 to Rs. 6.84/kVAh in FY 2017-18.

2.354 It is further submitted that DMRC is actually a subsiding category and therefore as per National Tariff Policy, the tariff of such categories can be as high as +20% of the average cost to serve for all the consumers. In 2017-18, the average billing rate for DMRC had been lower than the average cost to serve by ~30%. Further, determination of tariff is the prerogative of the Commission and the tariff for 2019-20 may be considered based on prudence check and merits of submission made by NDMC in its petition.

2.355 The tariff for DMRC is comparable with Annual Fixed cost of Power Purchase by NDMC. It is the humble submission of NDMC that it is incurring losses due to irregular demand pattern of DMRC. DMRC's demand is typically higher between 8 am to 10 pm and fall at lower levels between 11 pm to 6 am. As per submission of DMRC, the average load factor is barely around 57%. On the contrary, NDMC has entered into PPA on the basis of peak demand of DMRC so that adequate power can be supplied in a highly reliable manner. Therefore, even though DMRC is not using the sanctioned load, NDMC has to bear the fixed charges of generators and transmission companies on the basis of such PPA and BPTA. Accordingly, fixed charges needs to be levied on a mandatory basis to DMRC.

2.356 The proposed variable charges for other HT consumers in the license area for FY 2019-20 are around Rs 9.45/unit as compared to tariff charged from DMRC which is as low as Rs 7.21/unit. Similarly, the fixed cost charged from DMRC is also lower as compared to the other HT consumers. In light of the above, a significantly lower tariff has already been approved by the Commission for DMRC which takes into account its voltage levels and further treats DMRC as a special category.

2.357 Determination of tariff is a prerogative of the Commission and therefore any consideration given to DMRC in tariff will be applied by NDMC for supply in its license area. In this aspect, NDMC submits that DMRC is supplying power to commercial establishments (shops/kiosks, advertisements) in its station premises. This aspect of redistribution of power needs to be examined by the Commission in light of the provisions of Electricity Act 2003. Further, NDMC understands that the right to supply power to such consumers in DMRC premises belongs to NDMC. The Commission is requested to issue appropriate directions in this regard.

COMMISSION'S VIEW

2.358 The issue of drawing power at higher voltage and rebate thereon has been inbuilt in the Tariff design and addressed appropriately in the Tariff Order.

2.359 The Commission has already directed the petitioners to carry out energy audit to determine the voltage wise loss in the network of the petitioner. Further, the Commission is in the process of conducting independent assessment of Energy Audit of the Distribution Licensees through independent consultants.

2.360 The Tariff determined by the Commission in respective tariff orders is fixed after considering all the factors discussed above.

ISSUE 17: COST OF FINANCE

STAKEHOLDER'S VIEW

2.361 DISCOMs may be provided cheaper loans by Central and State Governments, to reduce their carrying cost on loans.

2.362 Discom must mention the sources of funding as mentioned in Economic survey.

2.363 BSES Rajdhani gives loan to Yamuna. This is unnecessary & unethical as these amounts to related party business.

2.364 Consumer contribution should not be used as fund for capital works.

PETITIONER'S SUBMISSION

TPDDL

2.365 Any such cheaper loans, as suggested, may be extended to Delhi DISCOMs, would be welcome and in overall Consumer Interest.

BYPL

2.366 The issue does not pertain to BYPL.

BRPL

2.367 It is up to the Commission to issue Statutory Advice to the Government under the provisions of the Electricity Act.

NDMC

2.368 The issue does not pertain to NMDC.

COMMISSION'S VIEW

2.369 The cost of financing has been set by the Commission as per the performance of the Utilities from time to time. Regulations being performance based, the Utilities are expected to achieve the targets that have been set seeing their past performance and the industry standards.

2.370 The issue regarding inter DISCOM transfer of loan from BSES Rajdhani Power Limited to BSES Yamuna Power Limited has been appropriately dealt in Chapter-3 of this Tariff Order.

2.371 Consumer contribution is excluded from the Capital cost for the purpose of computation on interest of loan, return on equity and depreciation.

ISSUE 18: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.372 DISCOMs are charging 18% on LPSC on compound basis which comes as 24% per annum while in return they provide only 6% interest on security deposit and that to be adjusted in future bills, which is injustice to consumers.

2.373 Reintroduce the 0.2% prompt payment rebate to consumers.

2.374 Confusion regarding applicability of GST on meter. Since, ownership of meter is with licensee than why GST was levied on sale of meter in case of tempering event.

2.375 Discom must come under ambit of RTI.

2.376 Incentive should be provided to consumers for digital payments like online banking, Credits/ debits cards, while paying electricity bills to boost digital payments.

2.377 DISCOMs are not providing subsidy to consumers whose consumption gone above 400 units per month.

2.378 Why electricity tax is levied in electricity bills.

PETITIONER'S SUBMISSION

TPDDL

2.379 Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity. The earlier security deposit rates were notified by the Commission in 2003 and have been now revised in September 2017.

2.380 It may be noted that the Commission has considered 60 days period for computation of bill amount for determination of security deposit and accordingly security deposit rates have been revised.

2.381 GST and Income Tax are cost as per the Regulations. As per the CGST Act, sale of power is exempt from GST purview; hence no Input Tax credit is available. Therefore, GST Input cannot be discounted.

2.382 Meter cost is taken as per DERC (Supply Code and Performance Standard) Regulation, 2017 and any scrap sale of meter is offered in ARR.

BYPL

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

2.384 Further, it is important to mention that the LPSC is levied as a deterrent so that the consumer pays its electricity bill on time and the Security Deposit cannot be compared with the LPSC as the purpose of levying LPSC and Security Deposit is different. In order to avoid the LPSC, the consumer shall pay its electricity bill before the due date. Generally the honest consumers of petitioner always pay their electricity bill in time. It is also important to mention that 18% LPSC is also being levied by the Generating Companies/ Transmission Companies in case Petitioner defaults in making payment before the due date.

2.385 With respect to GST we would like to submit that a circular was issued by the Government of India, Ministry of Finance dated 01.03.2018 (Circular No. 34/8/2018-GST) which provides certain services which are applicable to GST in the Electricity Sector as well. Subsequent to the same the Commission has also directed DISCOMS to implement the GST in the services mentioned in the above circular.

2.386 The Commission has already approved relaxation to consumers making digital payment of its bill amount up to Rs 5,000/- through credit card/ debit card by waiving off the processing charges. However, determination of any further incentive scheme for promoting digital payment is the sole prerogative of the Commission subject to the fact that the said cost is pass through in the ARR of petitioner.

2.387 As per Section 65 of the Electricity Act 2003, approval of Subsidy is the sole prerogative of State Government i.e. GoNCTD.

2.388 BYPL submitted that electricity tax is being charged as per Delhi Municipal Act and is being collected by DISCOMs on behalf of municipal Corporation(s).

BRPL

2.389 It may be noted that both the interest charged for late payment and interest paid of security deposit is as per rates defined in the DERC Supply Code and Performance Standards Regulations 2017. Relevant excerpts are highlighted as under:

> *"4. Interest on Security Deposit under Regulation 20(3) of Supply Code Regulations:*
>
> *The distribution licensee shall pay interest on security deposit annually to the consumer from the date of such security deposit at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1st (first) April of that financial year:*
>
> *Provided that for the period prior to the date of applicability of this Order, the interest on security deposit shall be payable as per Delhi Electricity Supply Code and Performance Standards Regulations, 2007."*

2.390 As per Regulation 46(2) of the DERC Supply Code Regulations, 2017 if the consumer fails to remit the bill amount on or before the due date, the Distribution Licensee shall be entitled to recover Late Payment Surcharge on the outstanding amount of the bill.

2.391 The interest paid on security deposit is based on market rates and not 6% as has been alleged.

2.392 We agree with the observation of the Stakeholder, that GST is not applicable / levied to consumers of electricity. As regards Income Tax, it may be noted that it is allowed as a Cost Item in the ARR of the Licensee in terms of Regulation 116 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Relevant excerpt of the said regulation is reproduced as under:

> *"116. The Aggregate Revenue Requirement for the Retail Supply and Wheeling Business of the Distribution*
>
> *Licensees for each year of the Control Period, shall contain the following items:*
>
> *Cost of power procurement;*
>
> *Transmission & Load Dispatch charges;*
>
> *Operation and Maintenance expenses;*
>
> *Return on Capital Employed;*

Depreciation;

Income Tax;

Interest on Consumer Security Deposit;

Carrying Cost on Revenue Gap/Regulatory asset;

Less: Non-Tariff Income;

Less: Income from Other Business,

Less: Income from wheeling of electricity; and

Less: Receipts on account of charges other than Wheeling Charges from open access consumer."

2.393 The Distribution Licensee collects electricity tax on behalf of MCD on the amount billed for energy, if any.

2.394 Electricity subsidy to all domestic consumers consuming up to 400 units per month has been approved which is also applicable to the consumers for Group Housing Society. The Group Housing Society shall maintain data/records of consumption of each of the member and shall get the subsidy claim document audited by the CAG empanelled auditor and submit its report to the Discom.

NDMC

2.395 The rates of LPSC are decided by the Commission and the same acts as a deterrent for the consumers to make timely payments.

COMMISSION'S VIEW

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

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

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

2.399 Levy of GST is not in the purview of the Commission.

2.400 As per the Order of the Central Information Commission (CIC) dated 30.11.2006 *"DISCOMs are public authorities within the meaning of Right to Information Act".* The said impugned Order of the CIC was subsequently challenged before the Hon'ble High Court of Delhi by the Distribution Licensees and the said Order was stayed by the Hon'ble High Court. The matter is sub-judice.

2.401 The Commission is of the view that Electricity tax is levied by MCD and withdrawal/modification of the same has to be done by MCD.

ISSUE 19: FIXED CHARGE

STAKEHOLDER'S VIEW

2.402 Fixed Charges increased must be rolled back as its amount to granting double benefits to DISCOMs.

2.403 Burden of fixed charges should be removed from the domestic consumer bills and if found necessary extra surcharge on commercial consumers should be imposed.

2.404 Discom must make audit report public regarding the collection of fixed charges and discom expenditure with respect to fixed charges.

2.405 Fixed charges should be based on actual energy consumptions.

2.406 Discom must explain why they are charging fixed charges on 22400 MW sanctioned load while peak demand is only 7400 MW.

2.407 Fixed charges should be levied on MDI and not on sanctioned load.

2.408 Fixed charges should be withdrawal for small industries unit.

2.409 Fixed charges need to be abolished from the staff concession beneficiaries bills.

2.410 DVB employees and pensioners should be exempted from the fixed charges as it is introduced after the tripartite agreement between employees and govt.

2.411 Fixed Charges should not be levied for street light category.

2.412 Fixed charges should be abolished for 11KV SPD GHS connection for CGHS and its members.

2.413 Increase the fixed charges further to reduce the misuse of Govt subsidy. Currently, consumers are getting more than 1 meter installed in their premises to derive the benefits of the slab structure; as up to 400 units the tariff is much lower and also subsided as such consumers seek the installation of the multiple meters. If the fixed charges are increased the temptation of installation of more meters will end and misuse of subsidy will be minimized. DISCOMs must also mention how a 2 storey building is getting 4-5 meters.

PETITIONER'S SUBMISSION

TPDDL

2.414 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.

2.415 The Commission in its last Tariff Order had rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule. These can be further rationalized so as to reflect the actual fixed cost incurred by the Utility which will also serve to dissuade the consumers from taking multiple connections to reduce bill amount due to reduction in Energy charges since the fixed charges are to be paid irrespective of consumption.

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

2.417 The Commission has already started rationalizing the fixed charges and in any case, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.418 Fixed Charges are levied as per the applicable Tariff Schedule and these charges are subject to audit/prudence check by the Commission / Auditors it appoints at the time of True Up. It is pertinent to mention that information of category wise fixed charges billed has been shared on monthly basis with the Commission as per the directive given in Tariff Order.

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

2.420 If MDI reading exceeds sanctioned load, a surcharge of 30% is levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only as per Tariff Schedule of Tariff Order FY 18-19.

BYPL

2.421 The cost of distribution licensee recoverable from tariff can be segregated into two parts i.e. Fixed cost and variable cost. The fixed cost of the distribution licensee includes capacity charges to Generating companies/ Transmission companies, Depreciation, O&M Expenses etc and variable cost includes power purchase cost excluding the capacity charges, trading margin open access charges etc.

2.422 However, 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.

2.423 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.

2.424 Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively. Same provisions are also provided under 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:*
>
> *Capacity Charges of Generating Stations as approved/ adopted by appropriate Commission;*
>
> *Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/ adopted by the appropriate Commission;*
>
> *Fixed cost of Distribution Licensee:*
>
> *Return on Capital Employed;*
>
> *Depreciation; and*
>
> *Operation and Maintenance expenses.*
>
> *Regulation 131 – The Variable Charge of a Distribution Licensee shall consist of the following components:*
>
> *Energy Charges (Power Purchase Cost excluding Capacity Charges);*

Trading Margin, if any, ; and

Open Access Charges, if any. "

2.425 DERC before issuing the Tariff vide its order dated 28.03.2018, issued an approach paper for tariff rationalization for public comments/ suggestions/ objections which deals with the provisions of Regulation 129 to 131 of tariff Regulations 2017 mentioned above in S.No 2. This Approach paper was circulated for Public Comments from all Stakeholders vide its public Notice dated 23.02.2018. In view of the above, the Commission has rationalized tariff by increasing the fixed charges and reducing the energy charges.

2.426 The spirit of designing tariff is to recover fixed cost from fixed charges and variable cost from variable/energy charges in a cost reflective manner.

2.427 Further we would like to submit that, in the past there has been a wide gap between DERC projections in the Tariff Order and the actual expenses of DISCOMs resulting in creation of Regulatory Assets. The Appellate Tribunal for Electricity has also raised serious concern on the rising Regulatory Assets and deferment of legitimate expenses of DISCOM by DERC through improper projections.

2.428 This huge unrecovered Regulatory asset is severely impacting the financials of the Company leading to the precarious financial position. DISCOMs have so far sustained operations by funding the Regulatory Assets through heavy Bank Borrowings. However, this trend is detrimental to the Power Sector Reforms in the state of Delhi.

2.429 Though the Commission has introduced 8% surcharge for recovery of RA in FY 2011-12, there still remains huge unrecovered RA which was also recognized by the Commission in the previous Tariff Orders.

2.430 As regard to the stakeholders comments on charging of fixed charges on sanctioned load and not on MDI basis at the MDI is low, Petitioner would like to inform that the Commission in its Regulation 17(3) of DERC Supply Code & Performance Standards Regulations 2017 has empowered the consumers to apply for Load reduction on the basis of average of 4 consecutive MDIs.

BRPL

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

2.432 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 cot incurred by the Utility in supplying electricity. 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 such 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. Some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption.

2.433 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.

2.434 The Commission in its Tariff Order dated 31.07.2013 has held as under:

> *"2.71 The Commission would also like to point out that if fixed charges are removed, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.*
>
> *The Commission is of the opinion that the best method of levying fixed charges is on the basis of the sanctioned load, as other options do not representatively reflect the cost of providing the capacity requirements of the consumer. After*

analysing all the options of levying fixed charges, the Commission continues with the existing methodology of levying fixed charges."

2.435 The rationale behind rationalizing fixed charges has been given by the Commission in its tariff order dated 31.07.2017 and 28.03.2018 as below:

"In tariff order dated 31.08.2017: Fixed charges are levied to cover the fixed expenses of the Utilities. The infrastructure and network involves continuous running and maintenance to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. The energy charges indicate the variable charges which are directly linked to the consumption of electricity. Both fixed and energy charges form part of the electricity billing; decrease in one shall lead to increase in the other.

In tariff order dated 28.03.2018: The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule.

"For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA."

NDMC

2.436 Determination of Tariff is the prerogative of the Commission. In the previous order, the Commission has taken a considered view on the prevailing tariffs and has accordingly revised the entire tariff structure of the consumers leading to an increase in fixed charges. Any further views of the consumers may be considered by the Commission while approving the tariff for FY 2019-20.

COMMISSION'S VIEW

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

2.438 Based on the submission of the stakeholders, the Commission has reviewed the fixed charges and the energy charges. Accordingly, the Commission has determined the fixed charges and energy charges for different category of consumers as specified in Tariff Schedule for FY 2019-20.

ISSUE 20: SMART METERS

STAKEHOLDER'S VIEW

2.439 Changing of meters to smart meter will inflate the tariff as the cost will be passed on to the consumers.

2.440 Discom must upgrade the basic distribution infrastructure before installing smart meters.

PETITIONER'S SUBMISSION

TPDDL

2.441 The consumers are billed on the basis of the electronic meters installed at their premises, which records electrical consumption in their premises. Also, Tata Power-DDL has made several channels of testing available to consumers and the consumer can get their meters checked if they feel even now that it is recording excess consumption. Tata Power-DDL further reiterates that all meters procured by it conform to BIS/CEA standards and all these meters are built by reputed suppliers. The meters in Delhi have been checked on numerous occasions and many consumers have opted for such an option and got their meters checked.

2.442 Tata Power-DDL is installing the Smart Meters in compliance to Tariff Policy 2016.

2.443 Tata Power-DDL has successfully completed the pilot Automated Demand Response Pilot in AMI for KCG/ Express consumers.

2.444 Smart Grid Roadmap and Feasibility Study report by Quanta Tech has shown significant benefits like:

(a) Opex Reduction – AMR SIMS and Meter reading cost.
(b) Customized alerts to consumer wrt consumption, MDI, PF etc
(c) Improved Revenue Management - Remote Reconnection.
(d) Web and Mobile based customer portal for accessing consumption related data and reports.
(e) Meter data analysis by providing Load Survey Data to consumer for energy conservation and shifting the load from peak time to off peak/ normal timings.
(f) Zero Provisional Bills.
(g) Immediate detection of any abnormality in meter thereby reducing the meter faulty period and subsequent assessment.
(h) Improved Outage management system – Allows for faster outage detection and restoration of service.
(i) Improved AT&C – Theft detection by analyzing SP Meter data.
(j) Real time Energy Auditing.
(k) Network Planning and Asset optimization – Reduction in CAPEX.
(l) Peak demand Management.
(m) Transformer monitoring.

(n) Network Planning for asset sweating.

Distribution Transformer health monitoring and resulting in to transformer failure reduction – OPEX reduction.

BYPL

2.445 The Commission has approved the installation of smart meters in line with the revised Tariff Policy 2016. However the Petitioner is entitled to recover the cost towards capitalization of Smart Meters from ARR as per the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017.

2.446 With respect to the procurement of LANDIS meter, we would like to submit that BYPL have not procured the LANDIS smart meter.

BRPL

2.447 No reply.

NDMC

2.448 Issue do not pertain to NDMC.

COMMISSION'S VIEW

2.449 The installation of smart meters has been mandated in the revised National Tariff Policy dated 28.01.2016 issued by Ministry of Power, GoI. Accordingly, the Commission has accorded 'In-principle' approval to the proposal of DISCOMs for installation of Smart Meters, in phased manner.

ISSUE 21: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

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

PETITIONER'S SUBMISSION

TPDDL

2.451 It is clarified that Tata Power-DDL has shown wheeling charges & STOA credit separately in tariff petition. Details of the information are given below:

Particulars	Amount Rs Cr.	Reference
DTL – Wheeling Charges	324.31	Row (B I) of Table 3.29
DTL – STOA	(22.03)	Row (B IX) of Table 3.29
Total	302.28	

2.452 From the above table, it can be seen that there is no difference in the net amount booked by Tata Power-DDL (i.e. Rs 302.28 Cr) versus net amount booked by DTL (i.e. Rs. 302.28 Cr.)

2.453 Based on the actual billing done for FY 2017-18 and for FY 2018-19, Tata Power-DDL has projected wheeling charges of Rs 329.59 Cr for FY 2019-20, which is subject to the prudence check of Commission. It is further submitted that for ARR of FY 2019-20, wheeling charges shall be considered based on the Approved ARR for DTL for FY 2019-20.

2.454 It is clarified that transmission losses are booked on actual basis (in MUs).

BYPL

2.455 The petitioner has considered the Transmission charges as per the bills raised by stakeholder and the same is mentioned in the ARR petition filed by petitioner.

2.456 Transmission loss for FY 2017-18 is derived by BYPL based upon energy input data of SLDC and net energy available to Discom as per the Audit certificate.

2.457 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.

2.458 Consequently, BYPL was constrained to approach the Hon'ble Supreme Court by way of Writ Petition in February 2014, being W.P. (C.) No. 105 of 2014. The Hon'ble Supreme Court by its Order dated 19.02.2015 read with Order dated 10.03.2015, was pleased to reserve judgment in W. P. (C.) No. 105 of 2014. However, while reserving the judgment, the Hon'ble Supreme Court had observed that all the Contempt Petitions and other Civil Appeals will be listed after pronouncement of judgment in the Writ Petition.

2.459 Further, the objection of DTL that the subsidy amount released by GoNCTD has to be adjusted against the outstanding dues only, is misconceived as subsidy is a current revenue to meet the expenses incurred by BYPL including obligations towards power purchase costs.

2.460 It has been the consistent stand of BYPL that subsidy amount of current months cannot be adjusted towards payment of past outstanding dues as the subsidy is part of current revenue recoverable through tariff. In other words, the subsidy towards current month consumer bills necessarily to adjusted against current month power purchase bill amount. A treatment at variance to this would in effect take away the utility's ability to pay for the power purchase cost. The reliance placed by DTL on interim Order dated 23.05.2014 passed by the Hon'ble Tribunal in IA 164 of 2014 in Appeal No. 32 of 2014 and connected matters is incorrect since a Civil Appeal being C.A Nos. 8387-89 of 2014 regarding adjustment of subsidy amounts is pending before the Hon'ble Supreme Court against the Order dated 23.05.2014. The Hon'ble Supreme Court on 19.09.2014, was pleased to issue notice on the IA(s) seeking stay of the Order dated 23.05.2014 passed by the Hon'ble Tribunal as well as the Civil Appeals. The Hon'ble Supreme Court by its Order dated 10.03.2015 has directed that the said Appeals to be listed after pronouncement of Judgment in W.P. (C.) 104 and 105 of 2014.

2.461 Also noteworthy is the fact that the Order dated 23.05.2014 passed by the Hon'ble Tribunal is an Interim Order. An Interim Order does not have precedent value. The matter is still pending adjudication. Accordingly, it is improper to adjust the subsidy amounts pertaining to current revenue sanctioned in favour of BYPL against the past dues of the State Utilities including DTL.

2.462 The subsidy amount for the Quarter of FY 2017-18 was sanctioned by the GoNCTD and allocated to IPGCL, PPCL and DTL. Delhi Government has sanctioned subsidy amounting to Rs. 468 Crore during FY 17-18 and Rs. 422 Crore for FY 18-19 for BYPL and has adjusted the said amount towards the dues of IPGCL, PPCL and DTL.

2.463 Accordingly, without prejudice to the contentions of BYPL regarding the allocation, the amount disbursed to DTL through adjustment of subsidy is adjusted against 70% of the current dues of DTL as under:

Compliance Status as on 31.03.2019 of DTL dues as per SC order dated 12th May' 16 (Rs cr.)

BYPL	Total Dues May 16 to Mar 19	70% Dues excluding Pension Trust	Payment Details						
			Amt. paid including TDS	Subsidy adjusted during FY 2016-17	Subsidy adjusted during FY 2017-18	Subsidy adjusted during FY 2018-19	Total Payment	% Dues Paid	Balance Amount over 70% dues
A	B	C=B*70 %	D	E	F	G	H= D+E+F+G)	I = H/B	J = C-H
DTL Wheeling (Gross with TDS)	644.03	*450.82*	222.27	84.00	149.94	119.22	575.43	89%	(124.61)

2.464 BYPL has made 72% payment towards total outstanding dues from Jan'14 to March'19 as under:

2.465 Payment Status as on 31.03.2019 of DTL dues since Jan'14 (Rs Cr.)

State Generating / Transmission Utilities	Current dues as per SC Orders (W.e.f 1st Jan 2014)	Payment made by cheque	Subsidy	Total Payments	Balance	Payment %
	A	B	C	D=B+C	E=A-D	F=E/A
Delhi Transco Ltd. Wheeling	1,081	381	399	780	300.83	72%

2.466 DTL has further requested BYPL to open an LC in favour of DTL. BYPL is not in a good financial condition and accordingly it will be difficult for BYPL to provide LC at this stage. Further, the issue of LC was raised by DTL before the DERC in Petition No. 46 & 47 of 2013 wherein the DERC by its Order dated 22.11.2013 had directed for constitution of Empowered Committee. The said Order passed by the DERC is pending adjudication in Appeal No. 32 of 2014. As such, at this stage, DTL should not insist BYPL to open LC till the adjudication of Appeal No. 32 of 2014.

2.467 In view of the same, it is again submitted that, BYPL has paid more than 70% of the current dues of DTL and is in compliance with the Order dated 12.05.2016 passed by the Hon'ble Supreme Court. Further BYPL is making 100% payment of current dues for FY 2018-19 with improvement in cash flows

BRPL

2.468 Intra-state Transmission Charges & Pension Trust: As regards FY 2019-20 for the purpose of projection of State Transmission Charges, the Petitioner has considered no expenses on account of Pension Trust Contribution. Commission for the past two Tariff Orders has been considering the element of cost towards Pension Trust Contribution as a separate surcharge.

2.469 Intra-state Transmission loses: BRPL has considered the Intra-state transmission losses at 0.70% as per Delhi SLDC email dated 21.05.2015. If there is any revision or change in Delhi SLDC data then the same may be considered.

2.470 Outstanding dues towards BRPL: The matter 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.

NDMC

2.471 For FY 2017-18, NDMC has claimed Rs. 69.47 Crore towards Intra-State transmission charges which includes SLDC charges whose break up is given below:

Particulars	Amount (Rs. Cr)
DTL Wheeling Charges	68.84
DTL Reactive Energy Charges	0.23
DTL SLDC Charges	0.61

2.472 The projection of intra- state transmission for FY 2019-20 of Rs. 50.79 Crore have been worked out in the following manner:

Particulars	MoU	Amount	Ref.
Total Transmission charges paid in 2017-18 (intra state + Interstate)	Rs Crore	96.63	A
Total Long-term Units procured in 2017-18	MU	1,548.23	B
total Transmission charges	Rs /kWh	0.62	C=A*10/B
Consideration for 2019-20			
Escalation Factor Applied	%	2%	D
Per unit Transmission Charges for 2019-20		0.64	E=C*(1+D)

Particulars	MoU	Amount	Ref.
Total long-term units purchased in 2019-20	MU	1,199.85*	F
Total Transmission charges to be paid in 2019-20	Rs Crore	76.38	G
Contribution of Intrastate Transmission charges in total transmission charges as per tariff order for 2018-19	%	67% **	H
DTL Transmission charges projected for 2019-20	Rs Crore	50.79	I=G*H

BTPS is not operational and no power sourcing considered from the same.

**As per tariff order for 2018-19 the contribution of intrastate transmission charges in overall transmission charges were 67%. (Total transmission charges were Rs 99.54 crore and intra state transmission charges were Rs 66.18 Crore i.e. 67%).

2.473 Any differential in actual levy of Transmission charges, will be considered in PPAC.

2.474 The actual Intra-State Transmission Losses are considered as 0.84% as specified by DTL. The losses in million units have been worked out applying interstate transmission losses of 1.65% and intrastate transmission losses of 0.84% to arrive at the overall losses of 12.26 MU.

2.475 Similar approach has been adopted to work out the transmission losses of 15.62 MU in 2019-20.

COMMISSION'S VIEW

2.476 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.

A3: TRUE UP FOR FY 2017-18

BACKGROUND

3.1 The Commission in its DERC Tariff Regulations, 2017, has indicated that True up of FY 2017-18 shall be considered in accordance DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

3.2 The Commission appointed C&AG empanelled Consultant (M/s ADROIT & Co.) for Regulatory Audit of the books of Account of the Petitioner for FY 2017-18. M/s ADROIT & Co. (hereinafter referred to as "Consultant") has submitted the report based on the detail scope of work specified in the Tender document. Major areas of reconciliation under the scope of work are as follows:

I. Reconciliation of Power purchase quantum, cost through:

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

a. Fixed Cost

b. Variable Cost

c. Arrears

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

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

II. Reconciliation of Transmission Charges

(a) Central Transmission Utility

(b) State Transmission Utility

(c) Open Access

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

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

V. Violation of Merit Order Dispatch Principle

VI. Overlapping in Banking and Bilateral transactions

VII. Contingency limit under UI

VIII. Incentive for bulk sale of Power

IX. Violation of cash receipt from consumers exceeding the limit

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

a) Fixed charges

b) Energy charges

c) Theft / Misuse / Enforcement

d) PPAC

e) 8% Surcharge

f) Load violation surcharge (Maximum Demand)

g) ToD Surcharge/ Rebate

h) Electricity Duty / Tax

i) Late Payment Surcharge (LPSC)

j) Voltage Discount, etc.

XI. Reconciliation of Category-wise Revenue Collected

a) 8% Surcharge

b) Electricity Duty / Tax

c) Late Payment Surcharge (LPSC)

d) Street Light Maintenance charges

e) Incentive on Street Light Maintenance charges

f) Theft / Misuse / Enforcement

g) Net Revenue

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

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

XIV. Direct expenses of other business,

XV. Revenue billed on account of Own Consumption,

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

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

XVIII. Related party transactions

XIX. Inter DISCOM fund transfer

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

(a) Equity

(b) Debt

(c) Consumer Contribution

(d) Grant etc.

XXI. Prudency of Cost of Debt Financing

XXII. Hedging policy and Hedging Cost incurred

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

(a) Capitalisation

(b) Working Capital

(c) Accumulated revenue Gap

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

XXV. Reconciliation of Debtors and Computation of Collection Efficiency

XXVI. Actual O&M expenses:

(a) Employee

(b) Administrative & General

(c) Repair & Maintenance

XXVII. Actual Other expenses

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

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

3.3 The report of the Consultant has been considered appropriately by the Commission for True up of various parameters of ARR for FY 2017-18 submitted in the Petition by the Petitioner in accordance with the applicable principles laid down under the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, DERC (Business Plan) Regulations, 2017 and books of accounts maintained as per Companies Act.

ENERGY SALES

PETITIONER'S SUBMISSION

3.4 The Petitioner has submitted the actual billed 8,638 MU as sale of energy including normative own consumption of 19.05 MU against the projected billed sale of energy of 8,456 MU for the FY 2017-18. The Petitioner has submitted the summary of the category wise projected energy sale and actual energy billed as follows:

Table 3.1: Petitioner Submission: Billed energy sale (Projected vis-à-vis Actual) for FY 2017-18

S.No	Category	Projected Billed sale of Energy (MU)	Actual Billed sale of Energy (MU)
A.	Domestic	3,876	3,947
B.	Non-Domestic	1,483	1,528
C.	Industrial	2,330	2,432
D.	Agriculture	13	13
E.	Public Lighting	148	154
F.	Delhi Jal Board	255	243
G.	Railway Traction	48	51
H.	DMRC	166	155
I.	Others	137	114
J.	**Grand Total**	**8,456**	**8,638**

3.5 **Own consumption:** The Petitioner has submitted actual consumption of 11.85 MU towards own consumption against the normative own consumption of 19.05 MU for the purpose of truing up of FY 2017-18.

Table 3.2: Petitioner Submission: Billed energy sale for FY 2017-18 (MU)

S.No	Category	Total Number of consumers and sanctioned load		Units Sold
		MW	No.	MU
A.	Domestic	2,975	13,49,394	3,947
B.	Non-Domestic	1,319	2,26,467	1,528
C.	Industrial	1,466	33,816	2,432

S.No	Category	Total Number of consumers and sanctioned load		Units Sold
		MW	No.	MU
D.	Agriculture	28	4,119	13
E.	Public Lighting	94	4,565	154
F.	Delhi Jal Board	67	348	243
G.	Railway Traction	21	1	51
H.	DMRC	34	4	155
I.	Advertisement & Hoardings	0	249	1
J.	E-Rickshaw	0	49	0
K.	Actual Own Consumption	17	357	12
L.	Others	54	21,286	94
M.	**Total**	**6,075**	**1,640,655**	**8,631**

COMMISSION ANALYSIS

3.6 The Commission during the prudence check and based on the verification of the category-wise sales data from the Petitioner's SAP system with the books of accounts for FY 2017-18 by the Consultant, validated the billing database. The Commission observed as follows:

OWN CONSUMPTION

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

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

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

3.8 The Commission observed that the Petitioner has reported self consumption of energy at 11.85 MU. While reviewing the form 2.1(a), it was observed that the Petitioner had reported normative consumption of 19.05 MU which is higher than actual. The Commission considers the actual consumption at 11.85 MU. It is further directed that the Form2.1(a) must indicate the actual units billed and collection of the consumers including the self consumption.

ENFORCEMENT SALES

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

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

3.11 The Commission has observed that the Petitioner has reported 11.52 MU on account of enforcement sales. The Commission verified the same from the form 2.1(a) and observed that the units under Enforcement sales have been considered category wise and with twice the tariffs rates applicable for relevant category of services. Accordingly, the Commission considers the enforcement units at 11.52 MU.

ADJUSTMENT IN BILLING BY MORE THAN 1%

3.12 The Commission issued a directive 6.8 in Tariff Order dated 31.08.2017 which states:

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

3.13 It is observed that the total adjustments done by the Petitioner in the billing during FY 2017-18 is around 0.3% of the units billed which is less than the limit.

3.14 Accordingly, the Commission considers the trued up sales for FY 2017-18 as follows:

Table 3.3: Commission Approved: Trued Up sales FY 2017-18 (MU)

S. No.	Consumer Category	As projected in TO dated 31.08.2017	As per Petitioner	As approved
A.	Domestic	3,876	3,946.72	3,946.72
B.	Non-Domestic	1,483	1,527.96	1,527.96
C.	Industrial	2,330	2,432.50	2,432.50
D.	Agriculture	13	13.04	13.04
E.	Public Lighting	148	153.99	153.99
F.	Delhi Jal Board	255	242.83	242.83
G.	Railway Traction	48	51.44	51.44
H.	DMRC	166	155.19	155.19

S. No.	Consumer Category	As projected in TO dated 31.08.2017	As per Petitioner	As approved
I.	Advertisement & Hoardings	137	0.91	0.91
J.	E-Rickshaw		0.17	0.17
K.	Own Consumption		11.85	11.85
L.	Others*		94.28	94.28
M.	**Total**	**8,457**	**8,630.87**	**8,630.87**

**Places of Worship, Hospitals (domestic category), DVB Staff, Enforcement, Own Consumption, Temporary Connections and Advertisement & Hoardings*

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2017-18

PETITIONER'S SUBMISSION

3.15 The Petitioner has submitted to have achieved actual Distribution loss level of 8.20% for FY 2017-18 as follows:

Table 3.4: Petitioner Submission: Distribution Loss & overachievement for FY 2017-18

S. No	Particulars	MU
A.	Input	9,401.41
B.	Billed Units	8,630.87
C.	Actual Distribution Loss Level	8.20%
D.	Target Distribution Loss Level	8.38%
E.	Overachievement/(Underachievement)	0.18%

3.16 The Petitioner has submitted that the Commission has not fixed any target distribution loss level for FY 2016-17. Hence, while determination of distribution target loss level for FY 2017-18 & onward, the likely actual AT&C loss level of 8.58% for FY 2016-17 has been considered based on the Statement of Reason on Business Plan Regulations, 2017, issued by the Commission, wherein the actual trued up AT&C loss level for FY 2015-16 was 8.78% for the Petitioner as follows:

Table 3.5: Petitioner Submission: Determination of AT&C Loss level for previous year

S.No.	Particular's	FY 2015-16 (Actual)	FY 2016-17 (likely actual)
A.	AT&C Loss Level	8.78%	8.58%
B.	Likely reduction in AT&C loss level from previous year actual		0.20%

3.17 The petitioner has considered the previous year loss target at 8.58% for the purpose of computation of sharing of incentive as follows:

Table 3.6: Petitioner Submission: Distribution loss level for FY 2017-18

S.No	Particulars	MU	Ref.
A.	Previous year target	8.58%	
B.	Target Distribution Loss Level	8.38%	
C.	Actual Distribution Loss Level	8.20%	
D.	Applicability of 25(4)(i) Sharing of incentive 2/3rd to consumers and 1/3rd to DISCOM	No	As the Actual Distribution Loss Level is less than loss target minus [50%*(Previous year target- Current year Target)],hence sharing should be done as per sub regulation (ii) of 25(4) of Business Plan Regulations, 2017 [8.38% - 50%*(8.58%-8.38%)] [8.38% - 0.10%] 8.28%
E.	Applicability of Regulations 25(4)(ii) Sharing of incentive 2/3rd to consumers and 1/3rd to DISCOM	Yes	

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

Table 3.7: Petitioner Submission: Incentive on account of reduction in Distribution Loss Level

S.No	Particulars	MU
A.	Billed Sales for truing up	8,630.87
B.	Actual Distribution Loss Level	8.20%
C.	Target Distribution Loss Level	8.38%
D.	Actual Input @ actual distribution loss level	9,401.41
E.	Desired Input @ Target distribution loss level	9,420.29
F.	Saving in Input (MU) due to lower distribution loss level	18.88
G.	Power Purchase Cost per unit for FY 2017-18	5.54
H.	Total Overachievement Incentive	10.47
I.	TPDDL Share – 2/3rd of Overachievement incentive	6.98

COLLECTION EFFICIENCY AND OVERACHIEVEMENT INCENTIVE FOR FY 17-18

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

Table 3.8: Petitioner Submission: Revenue Billed for FY 17-18 (Rs. Cr.)

S. No	Particular	Amount
A	Total Revenue Billed as per Form2.1a	7,392.35
B	Less- Electricity Tax	310.91
C	Less- 8% Deficit Revenue Recovery Surcharge	516.08
D	Less- Pension Trust Surcharge of 3.70%	113.79
E	Net Revenue Billed	6,451.58

3.20 The Petitioner has submitted revenue realized at an amount of Rs. 7,376.64 Cr. against the total revenue billed of Rs. 7,392.35 Cr. The Revenue collected is computed as follows:

Table 3.9: Petitioner Submission: Revenue collected for FY 2017-18 (Rs. Cr.)

S.No	Particular	Amount
A	Total Revenue Realized	7,376.64
B	Less: Electricity Tax	305.64
C	Less: 8% Deficit Revenue Recovery Surcharge	515.52
D	Less: Pension Trust Surcharge of 3.70%	109.44
E	Revenue Collected for computation of Collection Efficiency	6,446.04

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

Table 3.10: Petitioner Submission: Collection Efficiency & Incentive for FY 17-18

S. No	Particular	UoM	Amount
A	Amount Billed	Rs. Cr.	6,451.58
B	Amount Collected	Rs. Cr.	6,446.04
C	Collection Efficiency	%	99.91%
D	Target collection efficiency	%	99.50%
E	Amount of Collection over and above 99.50% target	Rs. Cr.	26.72
F	Sharing of Incentive		
G	DISCOM 50% of E	Rs. Cr.	13.36
H	Consumers 50% of E	Rs. Cr.	13.36

3.22 The Petitioner further mentioned that during the FY 2017-18, 8% Deficit Recovery Surcharge has been billed at Rs. 516.08 Cr towards liquidation of Accumulated Revenue Gap. The said Revenue Gap has been accumulated due to absence of cost reflective tariff in the past. Hence, in order to compensate for the recovery against the earlier years, the Petitioner is requesting the Commission to consider in line with collection efficiency mechanism, an incentive that may be granted on sharing basis if the recovery through 8% Deficit Recovery Surcharges exceeds 99.50% of the target collection as follows:

Table 3.11: Petitioner Submission: Incentive towards DRS collection in FY 17-18

S.No	Particular	UoM	Amount
A	Amount Billed	Rs. Cr.	516.08
B	Amount Collected	Rs. Cr.	515.52
C	Collection Efficiency	%	99.89%
D	Target collection efficiency	%	99.50%
E	Amount of Collection over and above 99.50% target	Rs. Cr.	2.02
F	Sharing of Incentive		
i	DISCOM	Rs. Cr.	1.01
ii	Consumers	Rs. Cr.	1.01

COMMISSION ANALYSIS

ENERGY INPUT

3.23 The Petitioner submitted its Energy Input at DISCOMs periphery at 9401.41 MU. During prudence check, the Commission verified the details with SLDC Delhi who vide its email dated 10.06.2019 submitted that the Energy Input to the Petitioner was 9440.70 MU. Out of this, 42.97 MU were on account of Open Access Consumers. The statement of energy input to the Petitioner periphery was jointly signed by the petitioner and SLDC Delhi.

3.24 In case of net metering, the Petitioner submitted net injection at 0.06 MU. The same is being added to the Energy Input as it was not reported by SLDC Delhi in its report.

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

Table 3.12: Commission Approved: Energy Input for FY 2017-18 (MU)

S.No	Particulars	Petitioner submission	As approved

S.No	Particulars	Petitioner submission	As approved
A	Actual demand of FY 17-18 as per SLDC Delhi	7904.02	9,440.70
B	Less: Open Access consumer	38.32	42.97
C	Add: Solar Generation	2.14	2.14
D	Add: Provisional adjustment in UI Bills	1,533.51	-
E	Add: Net Metering Bills	0.06	0.06
F	Total Input Available for consumption by TPDDL Consumers	9,401.41	9,399.93

DISTRIBUTION LOSS

3.26 Regulation 25(1) of DERC (Business Plan) Regulations 2017 specifies the Distribution Loss Targets for FY 2017-18 as follows:

Table 3.13: Distribution Loss target for FY 2017-18 as per DERC (Business Plan) Regulations, 2017

DISTRIBUTION LICENSEE	FY 2017-18
TPDDL	8.38%

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

> *"159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:*
>
> *Incentive or penalty = Q1*(L1-L2)*P*10^6*
> *Where,*
> *Q1 = Actual Quantum of energy Purchased at Distribution periphery.*
> *L1 = Distribution Loss Target in %*
> *L2 = Actual Distribution Loss in %*
> *P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."*

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

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

Table 3.14: Commission Approved: Distribution Loss for FY 2017-18

S.No	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Energy Input	MU	9,401.41	9,399.93	Table 3.12
B	Billed Units	MU	8,630.87	8,630.87	Table 3.3
C	Actual Distribution Loss Level	%	8.18	8.18	(1-B/A)
D	Target Distribution Loss Level	%	8.38	8.38	
E	Average Power Purchase Cost	Rs./Unit	5.54	5.07	Table 3.50
F	Financial Impact of Overachievement or Underachievement	Rs. Cr.	10.47	9.46	A*(D-C)*E/10

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

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

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

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

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

Table 3.15: Commission Approved: Incentive/ Dis-incentive for Distribution Loss

S.No	Particulars	UoM	Petitioner Submission	Approved	Ref.
A	Input	MU	9,401.41	9,399.93	Table 3.12
B	Billed Units	MU	8,630.9	8,630.87	Table 3.3
C	Actual Distribution Loss Level	%	8.18	8.18	(1-B/A)
D	Target Distribution Loss Level	%	8.38	8.38	
E	Average Power Purchase Cost	Rs./Unit	5.54	5.07	Table 3.50
F	Financial impact of Overachievement or Underachievement	Rs. Cr.	10.47	9.46	Table 3.14
G	Target in Previous Year	%		10.56	Para 3.29 of TO 18-19/ Table 121 of TO 17-18
H	50% of (previous year target-Current Year target)	%		1.09	0.5*(G-D)
I	Loss target-50% of (previous year target- Current Year target)	%		7.29	D-H
J	Petitioner share of incentive	Rs. Cr.	6.98	3.15	E*1/3
K	Consumer Share of incentive	Rs. Cr.		6.31	E*2/3

REVENUE BILLED

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

Table 3.16: Commission Approved: Revenue Billed for FY 2017-18 (Rs. Cr.)

S. No.	Category	Petitioner Submission	As Approved
A	Domestic	2,157.15	2,157.15
B	Non-Domestic	1,572.78	1,572.78
C	Industrial	2,200.42	2,200.42
D	Agriculture	4.09	4.09
E	Public Lighting	113.46	113.46
F	Delhi Jal Board	192.69	192.69
G	Railway Traction	37.57	37.57
H	DMRC	97.68	97.68
I	Advertisement & Hoardings	1.30	1.30
J	E-Rickshaw	0.10	0.10
K	Own Consumption	-	-

S. No.	Category	Petitioner Submission	As Approved
L	Others (incl. Enforcement)	84.26	84.26
M	(-)Open Access Charges	(9.94)	(9.94)
N	**Net Billing**	**6,451.58**	**6,451.58**
O	Electricity Duty	310.91	310.91
P	RA Surcharge	516.08	516.08
Q	PT Surcharge	113.79	113.78
R	**Gross Amount Billed**	**7,392.35**	**7,392.35**

REVENUE COLLECTED

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

Table 3.17: Commission Approved: Revenue Collected for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Petitioner submission	As approved
A	Actual Revenue realized including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	7,376.64	7,376.64
B	Less		
a	Electricity Duty	305.64	305.64
b	Regulatory Surcharge	515.52	515.52
c	Pension Trust Surcharge	109.44	109.44
C	Actual Revenue realized excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	6,446.04	6,446.04

COLLECTION EFFICIENCY

3.34 Regulation 163 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-

*Incentive or penalty = (C1 – C2) * Ab*

Where,

*C1 = Actual Collection Efficiency in % =[Ar/Ab]*100*

Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.

C2 = Target Collection Efficiency in %

3.35 Regulation 164 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

"Any financial impact on account of underachievement less than the target and overachievement above 100%with respect to Collection Efficiency targets shall be to the Licensee's account:

Provided that any financial impact on account of over achievement over and above the target and limited to100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."

3.36 Regulation 26 of DERC (Business Plan) Regulations 2017 states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2017-18 to FY2019-20 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."

3.37 Based on the above Regulations, the financial impact of over achievement or under achievement on account of collection efficiency is as follows:

Table 3.18: Commission Approved: Collection Efficiency for FY 2017-18 (Rs. Cr.)

S.No	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Revenue Billed	Rs. Cr.	6,451.58	6,451.58	Table 3.16
B	Revenue Collected	Rs. Cr.	6,446.04	6,446.04	Table 3.17
C	Collection Efficiency	%	99.91	99.91	B/A
D	Target Collection Efficiency	%	99.50	99.50	BPR, 2017
E	Collection over and above the target	Rs. Cr.	26.73	26.73	A*(C-D)
F	Total Petitioner share @ 50%	Rs. Cr.	13.36	13.36	50% of E
G	Consumer share @ 50%	Rs. Cr.	13.36	13.36	50% of E

PENSION TRUST SURCHARGE

PETITIONER'S SUBMISSION

3.38 The Petitioner has submitted that the Commission in its Tariff Order for FY 2017-18, has introduced Pension Trust surcharge of 3.70% which was applicable w.e.f. 1st Sep, 2017 over the approved retail supply tariff to meet the Pension Trust liability of erstwhile DVB employees/ Pensioners as recommended by GoNCTD. The Hon'ble Commission further directed to the DISCOMs to deposit the amount in the Pension Trust bank account directly on monthly basis. Tata Power- DDL has fully complied with the directive 6.1 & 6.2 as given in Tariff Order FY 2017-18.

3.39 The Petition has submitted the summary of Pension Trust Billed and collected during the FY 2017-18 as given below:

Table 3.19: Petitioner Submission: Pension Trust amount billed and collected for FY 2017-18 (Rs. Cr.)

S. No	Particulars	Other than Open Access	From open Access	Total Amount
A.	Amount billed on account of Pension Trust Surcharge	113.79	0.46	114.25
B.	Amount Collected against amount billed	109.44	0.46	109.90
C.	Amount pending for collection against billed amount at the year end	4.35	-	4.35

3.40 Thus, the Petitioner has sought the deficit if Rs. 50.48 Cr. on account of under recovery of Pension Trust as a part of Revenue Gap for the year.

COMMISSION ANALYSIS

3.41 The Commission at Directive 6.2 in its Tariff Order dated 31.08.2017 stated,

> *"6.2. A total amount of Rs. 235 Cr. has to be paid to the Pension Trust in FY 2017-18 by the Petitioner. The Petitioner shall submit reconciliation of payment which has already been made to Pension Trust during FY 2017-18 and the balance amount to be paid within one month of the issuance of this Tariff Order. Based on the reconciliation statement the Petitioner is directed to pay the balance amount out of (Rs. 235 Cr. – already paid during FY 2017-18) in 7 (seven) equal monthly instalments to pension trust. Any under / over recovery on account of payment to the Pension Trust shall be trued up by the Commission at the time of True Up of ARR of FY 2017-18."*

3.42 As per the direction, the Petitioner was required to pay the balance amount in seven equal monthly instalments to the Pension Trust. The Commission sought the statement of actual payment to the pension trust by the petitioner. The petitioner vide email dated 18.06.2019 submitted that the directive issued by Commission vide tariff order dated 31.08.2017 has been complied and the balance payment was made to the pension trust. The details of payment as submitted by the petitioner are as follows:

Table 3.20: Petitioner Submission: Payment towards Pension Trust (Rs. Cr.)

Period	Date of Payment	Amount (Rs. Cr.)
Apr'17 - Aug'17	28.11.17	74.62
	31.03.18	16.93
Sep'17	31.10.17	20.49
Oct'17	11.12.17	20.49
Nov'17	30.12.17	20.49
Dec'17	08.01.18	20.49
Jan'18	07.02.18	20.49
Feb'18	07.03.18	20.49
Mar'18	07.04.18	20.49
Total		234.98

3.43 Accordingly, the Commission has considered the short recovery of the Pension Trust in the ARR for the current year as follows:

Table 3.21: Commission Approved: Deficit on account of Pension Trust (Rs. Cr.)

S.No	Particulars	Petitioner submission	As approved	Ref.
A	Total amount payable to Pension Trust for the year	235.00	235.00	TO Aug 2017
B	Less- Amount already paid to pension trust through DTL transmission tariff	74.62	74.62	TO Aug 2017
C	Net amount to be paid directly to Pension Trust	160.38	160.38	TO Aug 2017
D	Collection in respect of Pension trust surcharge	109.90	-	-
E	Amount billed through 3.70% pension trust	-	113.78	Table 3.16
F	Deficit to be allowed for the year 17-18	50.48	46.60	C-E
G	Rate of Carrying Cost		10.33%	Table 5.3
H	Carrying cost accrued on deficit during FY 2017-18		1.40	F*(G/12*7)/2
I	Total impact of Pension trust deficit	50.48	48.00	F+H

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.44 The Petitioner has submitted that it has purchased 11,372.99 MU during FY 2017-18, out of which 1,648.03 MU of surplus energy was sold as short term sale of surplus power.

3.45 Deducting the Inter-State transmission loss of 212.09 MU and Intra-State transmission loss of 111.46 MU, the Petitioner has submitted a net power purchase quantum of 9,401.41 MU (excluding open access quantum consumed by open access consumers) delivered at its distribution periphery.

3.46 The summary of power purchase quantum for FY 2017-18 as per Auditor certificate is given below:

Table 3.22: Petitioner Submission: Power Purchase Quantum for FY 2017-18 (MU)

S.No	Particulars	Actual Power Purchase
A	Power Purchase:	
I	Power Purchase Quantum	10,735.71
Ii	Short Term Power Purchase quantum	637.27
Iii	Short term sale of Power	(1,648.03)

S.No	Particulars	Actual Power Purchase
	Sub-total Power Purchase	9,724.96
B	Transmission Loss:	
I	Inter-State Transmission Loss	(212.09)
Ii	Intra-State Transmission Loss	(111.46)
	Sub-total Total Transmission Loss	(323.55)
C	Net Power Available after Transmission Loss	9,401.41

LONG TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.47 The Petitioner has submitted that against the projected energy purchase of 10351.53 MU for FY 2017-18, the Petitioner has purchased 50.96 MU from new generating stations, 20 MU from Anta, Auryia and Dadri Stations and balance 10,665 MU through other long term sources as submitted below. Accordingly, the total units purchased during FY 2017-18 is submitted at 10,735.71 MU.

Table 3.23: Petitioner Submission: Energy Purchased from Long Term Sources during FY 2017-18 (MU)

S.No	Particulars	Approved Energy in ARR	Actual Energy sought for Trued up	Difference
A	NTPC			
1	ANTA	-	1.44	1.44
2	AURIYA	-	1.91	1.91
3	DADRI	-	18.57	18.57
4	FARAKKA	24.11	27.98	3.87
5	KAHALGAON – I	94.23	66.67	(27.56)
6	NCPP – DADRI	257.64	236.89	(20.75)
7	RIHAND – I	213.79	220.92	7.13
8	RIHAND – II	255.01	283.97	28.96
9	RIHAND – III	100.59	117.96	17.37
10	SINGRAULI	308.27	297.97	(10.30)
11	UNCHAHAR - I	28.88	30.64	1.76
12	UNCHAHAR - II	60.57	66.18	5.61
13	UNCHAHAR - III	37.7	42.82	5.12
14	KAHALGAON - II	220.64	257.44	36.80
15	DADRI EXTENSION	476.04	467.35	(8.69)
16	ARAVALI	2152.08	1,967.88	(184.20)
	Sub-Total NTPC	4,229.55	4,106.61	(122.94)
B	NHPC			

S.No	Particulars	Approved Energy in ARR	Actual Energy sought for Trued up	Difference
1	BAIRA SIUL	26.04	19.96	(6.08)
2	CHAMERA – I	52.54	54.96	2.42
3	CHAMERA – II	63.28	59.05	(4.23)
4	CHAMERA – III	44.06	40.20	(3.86)
5	DHAULIGANGA	47.1	45.04	(2.06)
6	DULHASTI	82.42	89.09	6.67
7	SALAL	79.55	79.88	0.33
8	TANAKPUR	16.81	11.87	(4.94)
9	URI	88.75	76.55	(12.20)
10	SEWA –II	26.59	27.05	0.46
11	Uri – II	48.75	48.32	(0.43)
12	Parbati – III	32.02	27.17	(4.85)
	Sub-Total NHPC	607.91	579.15	(28.76)
C	NCPP			
1	RAPS – 5 & 6	100.76	122.24	21.48
2	NPCIL – NAPS	98.57	107.46	8.89
	Sub-Total Nuclear	199.33	229.69	30.36
D	OTHER STATIONS			
1	TEHRI HEP	52.35	57.05	4.70
2	KOTESHWAR	33.47	37.94	4.47
3	SJVNL	205.28	204.01	(1.27)
4	MEJIA UNIT - 6	212.38	196.67	(15.71)
5	DVC CHANDRAPUR (Ext. 7 & 8)	631.3	606.97	(24.33)
6	Haryana CLP JHAJJAR (LT-5)	364.12	569.11	204.99
7	MAITHON POWER	2046.60	1,845.95	(200.65)
8	TALA HEP	29.14	26.06	(3.08)
9	SASAN UMPP	380.43	445.45	65.02
	Sub-Total OTHER STATIONS	3955.07	3989.20	34.14
E	STATE GENERATING STATIONS			
1	GTPS	177.63	224.18	46.55
2	PRAGATI – I	270.78	373.97	103.19
3	PRAGATI – III	464.68	733.88	269.20
4	BTPS	316.84	330.31	13.47
5	RAJGHAT POWER HOUSE	-	(1.85)	(1.85)
6	RITHALA CCPP	-	-	-
	Sub-Total SGS	1229.93	1660.49	430.56
F	RENEWABLE ENERGY			
1	NET METERING	-	0.06	0.06
2	TOWMCL	50.55	51.31	0.76
3	SOLAR (SECI)	41.02	41.38	0.36
4	MSW BAWANA	36.03	24.71	(11.32)
5	OWN SOLAR	2.14	2.14	0.00
	Sub- TOTAL RENEWABLE ENERGY	129.74	119.16	(10.13)

S.No	Particulars	Approved Energy in ARR	Actual Energy sought for Trued up	Difference
G	NEW STATIONS ADDED DURING THE YEAR			
1	FEROZE GANDHI UNCHAHAR TPS 4	-	11.41	11.41
2	SINGRAULI SMALL HYDRO	-	0.41	0.41
3	SHEPL	-	33.18	33.18
4	NHPPL	-	5.96	5.96
	Sub-TOTAL NEW GENERATING STATIONS	-	50.96	50.96
	Grand Total (A to G)	10351.53	10,735.71	384.18

SHORT TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.48 The Petitioner has submitted that 637.27 MU have been purchased through bilateral/exchange/UI/Intrastate/Banking as short-term power purchase. Out of 637.27 MU the Petitioner has received back 449.02 MU of banking and purchased 50.43 MU through UI, 3.84 MU through intra state purchase and balance 133.98 MU through Exchange mode. A summary of source wise short term power purchase from various sources from FY 2015-16 onwards is submitted as follows:

Table 3.24: Petitioner Submission: Short term Power Purchase Quantum

S.No	Particulars	FY 15-16		FY 16-17		FY 17-18	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	-	-	-	-	-	-
B	Banking	627.28	56%	1387.53	94.17%	449.02	70.5%
C	Exchange	367.20	33%	44.16	3.00%	133.98	21.0%
D	Intra state	96.45	9%	6.41	0.44%	3.84	0.6%
E	UI	29.38	3%	35.39	2.40%	50.43	7.9%
F	Total	1,120.31	100%	1,473.49	100%	637.27	100.0%

SHORT TERM POWER SALES QUANTUM

PETITIONER'S SUBMISSION

3.49 The Petitioner has submitted to have sold 1,648.03 MU of surplus energy against the projected sale of surplus power at 825.03 MU for the FY 2017-18.

3.50 The petitioner has submitted to execute such sale of surplus power as follows:

Table 3.25: Petitioner Submission: Short term Power Sales Quantum

S.No	Particulars	FY 15-16		FY 16-17		FY 17-18	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	-	-	15.93	1%	18.48	1.1%
B	Banking	1,461.44	74%	440.58	24%	904.17	54.9%
C	UI	122.37	6%	148.14	8%	71.59	4.3%
D	Intra state	257.19	13%	336.89	18%	44.03	2.7%
E	Exchange	123.57	6%	888.23	49%	609.76	37.0%
F	**Total**	**1,964.57**	**100%**	**1829.78**	**100%**	**1,648.03**	**100.0%**

COMMISSION ANALYSIS

3.51 The Commission in its Tariff Order dated 31/08/2017 has approved gross power purchase quantum of 10,351.53 MU from all sources including Central and State Sector Generating Stations and sale of short term of 825.03 MU for FY 2017-18.

3.52 The Commission directed DISCOMs and SLDC Delhi to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a joint report to the Commission. SLDC vide email dated 10/06/2019 submitted a jointly signed statement for source wise Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs.

3.53 The Commission observed that there still exist deviation in the Power Purchase Quantum submitted by Delhi DISCOMs and that submitted by SLDC to the Commission due to peripheral mismatches i.e., for few plants. The Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. During Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.

3.54 During the Prudence check the petitioner submitted that the power generated through Self generation is already added in the power purchase quantum for FY 2017-18.

3.55 The short term purchase has been verified from the SLDC Delhi report as submitted during prudence check.

3.56 The Consultant observed that there was no overlapping in case of banking transactions. With respect to the contingency limit of UI sale, it is observed that such UI sale have been within the limits of contingency of 5% of Net Power Purchase. Accordingly, the short term purchase of power has been considered at 637.27 MU.

3.57 Accordingly, the Power Purchase Quantum of the Petitioner is trued up for FY 2017-18 as follows:

Table 3.26: Commission Approved: Power Purchase Quantum (MU)

S.No.	Particulars	Petitioner Submission	As Approved
A	Long Term Sources (Other than Renewables)	10,576.55	10,576.55
B	Renewables Sources (long Term)	159.16	159.16
C	Short Term Sources	637.28	637.28
E	Gross Power Purchased	11,372.99	11,372.99
F	Less: Power sold to other sources	1,648.03	1,648.03
G	Net Power Purchased	9,724.96	9,724.96

POWER PURCHASE COST

PETITIONER'S SUBMISSION

3.58 The Petitioner has submitted the power purchase cost per unit at Rs.5.54/Unit against the projected power purchase cost of Rs. 5.63/unit for FY 2017-18. The summary of the same is as submitted below:

Table 3.27: Petitioner Submission: Power Purchase Cost for FY 2017-18

Particulars	As per TO dated 31.08.2017			Petitioner Submission		
	(MU)	(Rs Cr)	Rs/ kWh	(MU)	(Rs Cr)	Rs/ kWh
Power Purchase from CSGS	8,991.86	3,606.39	4.01	8,916.06	3,297.74	3.70
Short Term Power Purchase	-	-	-	637.28	240.78	3.78
Power Purchase Delhi Gencos	1229.93	693.09	5.64	1660.49	879.99	5.30
RPO Obligations	129.74	81.68	6.30	159.16	91.56	5.75
Cost of REC certificate	-	193.59		-	81.18	
Gross Power Purchase Cost	10,351.53	4,574.75	4.42	11,372.99	4,591.27	4.04
Add: Transmission Charges						

Particulars	As per TO dated 31.08.2017			Petitioner Submission		
	(MU)	(Rs Cr)	Rs/ kWh	(MU)	(Rs Cr)	Rs/ kWh
PGCIL charges	204.11	524.92		212.09	452.97	
DTL charges *(including Pension Trust)*	91.36	451.76		111.46	382.96	
Other transmission charges					69.36	
Less: Surplus Power sold / Banked / UI sales	825.03	247.51	3.00	1648.03	586.31	3.56
Power Purchase Cost (Audited)	9,231.03	5,303.92	5.75	9,401.42	4,910.25	5.22
Less- Net Normative Rebate on power purchase		87.62			83.53	
Less- Rebate on account of Transmission charges		19.46			15.52	
Less- Impact of Anta Auriya & Dadri for FY 2016-17 considered as a part of FY 17-18					2.86	
Add- Differential amount towards Rithala based on True up Petition					53.74	
Add- Differential amount towards reversal of UI penalties					0.10	
Add-Incentive on Sale of Surplus Power					28.75	
Add- Amount of REC pertaining to previous year compliance					315.84	
Add- Normative additional units of power Banking @ 4/unit					3.85	
Net Power Purchase Cost	**9,231.03**	**5,196.82**	**5.63**	**9,401.41**	**5,211.04**	**5.54**

3.59 The Petitioner has submitted to incur gross power purchase cost of Rs. 4,510.08 Cr (excluding cost of RE Certificates) for the gross power purchase quantum of 11,372.99 MUs in FY 2017-18 from all sources including intra-state, bilateral, UI and exchange. The petitioner has submitted that the revenue of Rs. 586.31 Cr on account of sale of

1,648.03 MU of surplus energy through bilateral, intra-state, UI and exchange has been adjusted against the gross power purchase cost.

3.60 The Petitioner has submitted to incur transmission charges of Rs. 905.29 Cr which includes Rs 74.62 Cr paid to DTL towards Pension Trust as per the Directive of the Commission in its Tariff Order FY 2017-18.

3.61 Accordingly, the Petitioner has submitted source wise power purchase cost including arrears, if any, as follows:

Table 3.28: Petitioner Submission: Power Purchase Cost Station wise for FY 2017-18

S.No	Particulars	Energy (MU)	Cost without PY arrears (Rs Cr.)	PY arrears Rs Cr.	Total Charges (Rs. Cr.)	Avg. Rate (Rs./kWh)
A	NTPC					
1	ANTA	1.44	6.89	1.28	8.17	56.79
2	AURIYA	1.91	11.22	-1.06	10.16	53.20
3	DADRI	18.57	17.86	0.81	18.66	10.05
4	FARAKKA	27.98	12.79	(0.03)	12.76	4.56
5	KAHALGAON - I	66.67	27.25	(1.63)	25.62	3.84
6	NCPP - DADRI	236.89	126.63	(21.47)	105.16	4.44
7	RIHAND – I	220.92	46.11	(9.11)	36.99	1.67
8	RIHAND – II	283.97	59.61	(2.15)	57.47	2.02
9	RIHAND – III	117.96	33.05	(1.64)	31.41	2.66
10	SINGRAULI	297.97	60.47	(4.79)	55.68	1.87
11	UNCHAHAR - I	30.64	14.11	(1.20)	12.91	4.21
12	UNCHAHAR - II	66.18	27.77	0.30	28.07	4.24
13	UNCHAHAR - III	42.82	19.61	(1.27)	18.35	4.28
14	KAHALGAON - II	257.44	97.18	(0.57)	96.60	3.75
15	DADRI EXTENSION	467.35	244.21	(12.55)	231.67	4.96
16	ARAVALI	1,967.88	1,061.24	3.47	1,064.71	5.41
	Sub-Total NTPC	4,106.61	1,866.00	(51.61)	1814.39	4.42
B	NHPC					
1	BAIRA SIUL	19.96	4.26	0.13	4.39	2.20
2	CHAMERA – I	54.96	10.61	0.66	11.27	2.05
3	CHAMERA – II	59.05	12.38	0.34	12.72	2.15
4	CHAMERA – III	40.20	18.74	(0.00)	18.74	4.66
5	DHAULIGANGA	45.04	14.06	2.62	16.68	3.70
6	DULHASTI	89.09	47.35	2.48	49.83	5.59
7	SALAL	79.88	15.31	0.53	15.85	1.98
8	TANAKPUR	11.87	4.80	0.19	4.99	4.20
9	URI	76.55	16.47	1.50	17.97	2.35
10	SEWA –II	27.05	11.65	0.04	11.69	4.32

S.No	Particulars	Energy (MU)	Cost without PY arrears (Rs Cr.)	PY arrears Rs Cr.	Total Charges (Rs. Cr.)	Avg. Rate (Rs./kWh)
11	Uri – II	48.32	30.43	0.04	30.47	6.31
12	Parbati – III	27.17	14.25	(0.01)	14.24	5.24
13	WATER CESS		5.00		5.00	
	Sub-Total NHPC	579.15	205.30	8.52	213.80	3.69
C	NCCP					
1	RAPS – 5 & 6	122.24	49.56	0.16	49.71	4.07
2	NPCIL – NAPS	107.46	34.38	0.12	34.49	3.21
	Sub-Total Nuclear	229.69	83.93	0.27	84.21	3.67
D	Other Stations					
1	TEHRI HEP	57.05	27.93	(9.10)	18.82	3.30
2	KOTESHWAR	37.94	15.73	0.01	15.73	4.15
3	SJVNL	204.01	48.84	0.01	48.84	2.39
4	MEJIA UNIT - 6	196.67	75.50	36.26	111.77	5.68
5	DVC CHANDRAPUR (Ext. 7 & 8)	606.97	211.26	(2.45)	208.80	3.44
6	Haryana CLP JHAJJAR (LT-5)	569.11	272.56	0.38	272.94	4.80
7	MAITHON POWER	1,845.95	621.14	(195.34)	425.80	2.31
8	TALA HEP	26.06	5.63	-	5.63	2.16
9	SASAN UMPP	445.45	71.30	0.75	72.05	1.62
	Sub-Total Others	3,989.21	1,349.88	(169.49)	1,180.39	2.96
E	New Stations					
1	FEROZE GANDHI UNCHAHAR TPS 4	11.41	4.95		4.95	4.33
	Sub- Total New Generating Stations	11.41	4.95		4.95	4.33
F	State Generating Stations					
1	BTPS	330.31	156.96	(14.65)	142.31	4.31
2	GTPS	224.18	114.91	(4.65)	110.26	4.92
3	PRAGATI – I	373.97	172.97	(3.67)	169.30	4.53
4	PRAGATI – III	733.88	429.73	(0.06)	429.68	5.85
5	RAJGHAT POWER HOUSE	(1.85)	-0.70	4.47	3.77	(20.37)
6	RITHALA CCPP	-	24.68	-	24.68	
	Sub-Total SGS	1,660.49	898.55	(18.56)	879.99	5.30
	Grand Total (A to F)					
	Grand Total	10,576.54	4,408.64	(230.85)	4,177.76	3.95

COMMISSION ANALYSIS

3.62 The Commission, in its Tariff Order dated 31/08/2017 had projected the Power Purchase cost at Rs. 4,299.50 Cr.

3.63 The Consultant has verified the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2017-18 as submitted in the Petition and audited power purchase certificate. The Consultant has observed that for few stations of NTPC the AFC billed by the Generating Stations are higher than that approved in CERC Order as follows:

Table 3.29: Calculation of AFC difference for FY 2017-18 (Rs. Cr.)

S.No.	Name of Station	AFC as per Tariff Order	AFC as per Bill	Difference
i.	ANTA GPS	6.88	6.88	-
ii.	Auriya GPS	10.05	10.05	-
iii.	Dadri GPS	11.31	11.31	-
iv.	BTPS	31.33	37.58	6.25
v.	Singrauli STPS	19.88	20	0.12
vi.	Rihand STPS-I	17.42	17.51	0.09
vii.	Rihand STPS-II	22.93	23.04	0.11
viii.	Rihand III	41.54	41.65	0.12
ix.	Unchahaar-I TPS	4.75	5.29	0.54
x.	Unchahaar-II TPS	8.56	9.62	1.06
xi.	Unchahaar-III TPS	7.57	8.22	0.65
xii.	Dadri NCTPS(Th)	105.1	120.74	15.64
xiii.	Kahalgaon I	10.86	10.91	0.05
xiv.	Kahalgaon II	37.19	37.39	0.2
xv.	Farakka	3.96	3.98	0.03
xvi.	NTPC Jhajjar	458.73	462.43	3.7
xvii.	Total	798.04	826.6	28.56

3.64 The Commission in its Tariff Order dated 28.03.2018 had also dealt the matter and allowed annual fixed charges (AFC) as billed by NTPC on provisional basis subject to filing of Petition by the Petitioner within a month of the issuance of the Tariff Order and its outcome with CERC. The Petitioner had filed the Petition before CERC and therefore the Commission continues to allow the average fixed cost on provisional basis.

IMPACT OF ANTA, AURIYA AND DADRI

PETITIONER'S SUBMISSION

A) Impact of Rs 17.64 Cr for FY 2016-17 allowed in Tariff Order March, 2018

3.65 The Petitioner has submitted that the Commission in its Tariff Order dated 28.03.2018 has allowed Rs 17.64 Cr. for FY 2016-17 towards Anta, Auriya and Dadri Plants based on the N2 Rate of exchange. The Petitioner in its books of account has recorded an amount of Rs 4.63 Cr in FY 2016-17 towards these three plants and balance amount of Rs 40.05 Cr was shown as contingent liability.

3.66 Based on the Tariff Order dated 28.03.2018, the Petitioner recorded an additional amount of Rs. 13.01 Cr. (i.e. Rs 17.64 Cr minus 4.63 Cr) towards Power Purchase cost for FY 2017-18.

B) PY Arrears pertaining to FY 2012-2017 of Rs 10.15 Cr billed in FY 2017-18

3.67 During the FY 2017-18, NTPC raised bills amounting to Rs 10.15 Cr. towards Anta, Auriya and Dadri plants. Due to dis-allowance of previous years cost of these plants by the Commission, the Petitioner did not recognized this cost as a part of its Power Purchase Cost for FY 2017-18, but considered as a contingent liability.

3.68 Thus, based on above submissions, the net impact is computed at Rs 2.86 Cr. as indicated below:

Table 3.30: Petitioner Submission: Net impact on Anta Auriya Dadri Cost for FY 2017-18 (R.Cr.)

Particulars	FY 17-18
a) Total amount required to be reduced from FY 2017-18 PP cost in line with Tariff Order Mar, 2018	13.01
Less- b) Amount required to allowed additionally	10.15
Net Amount to be reduced from PP cost for FY 2017-18	2.86

IMPACT OF COMMISSION'S ORDER DATED 04.07.2018 IN PETITION NO. 34/2018

3.69 In addition to the above, the Petitioner also seeks the disallowed claim cost since FY 2012-13 in view of the Commission's Order dated 04.07.2018 as under:

Table 3.31: PPC for Anta, Auriya & Dadri Power Stations for FY 2012-13 to FY 2016-17

Prior period claims	Amount (Rs. Cr.)
FY 2012-13	26.84
FY 2013-14	35.28
FY 2014-15	30.82
FY 2015-16	32.53
FY 2016-17	23.02

COMMISSION ANALYSIS

3.70 The Commission in its Tariff order dated 28.03.2018 allowed the cost of Power purchased from Anta, Auraiya and Dadri as follows:

> *"3.50 Accordingly, the Commission has allowed a total amount of Rs 17.64 Cr for Anta, Auraiya and Dadri Gas Stations restricted to N2 rates at IEX during True up exercise for FY 2016-17.*
> *3.51 The petitioner has included the bill of April 2016 in its claim on account of Gross Power Purchase Cost of Rs. 0.44 Cr., Rs. 1.22 Cr. & Rs. 1.82 Cr. for Anta, Auraiya and Dadri Gas Stations respectively which needs to be reduced in Net Power Purchase Cost to be allowed for FY 2016-17. The impact of Rs. 3.49 Cr. on account of same will be considered in next Tariff Order."*

3.71 During the Prudence check, the Commission observed that the Petitioner had booked Rs.13.01 Cr. (i.e. Rs. 17.64 Cr. – Rs. 4.63 Cr.) as power purchase cost during FY 2017-18 based on difference of cost of Rs. 17.64 Cr. allowed for FY 2016-17 on N2 rates of IEX and the actual cost of Rs. 4.63 Cr. booked by the Petitioner during FY 2016-17. Accordingly, the Commission has reduced the power purchase cost for FY 2017-18 by Rs. 13.01 Cr. as booked by the Petitioner.

3.72 It is also observed that the Petitioner did not recognize the arrears invoiced by NTPC amounting to Rs. 10.15 Cr. as a part of its Power Purchase Cost for FY 2017-18 in view Petition no 34/2018 pending before the Commission. During the prudence check it was observed that the Petitioner has included Rs. 4.63 Cr. in Gross Power Purchase cost for FY 2016-17. Accordingly, the Commission has reduced Rs. 4.63 Cr. against Rs. 3.49 Cr. for determining the disallowed cost on account of Anta, Auriya and Dadri power Stations for FY 2016-17.

3.73 The Commission in its Order dated 04.07.2018 for the Petition no. 34/2018 decided that "as a special case, the Petitioner is allowed the cost of power purchase from FY 2012-13 till FY 2016-17 on the principle of Merit Order." The Commission in its previous Tariff Orders has disallowed the power purchase cost for Anta, Auriya and Dadri power Stations since FY 2012-13 as under:

Table 3.32: Net PPC earlier disallowed for Anta, Auriya & Dadri Power stations (Rs. Cr.)

S.No	Financial Year	Cost Dis-allowed		Cost Allowed		Net Impact
		Amount (Rs. Cr.)	Remarks	Amount (Rs. Cr.)	Remarks	
A	FY 2012-13	38.22	Table 3.20 of TO 29.9.15	11.38	Table 95 of TO 31.8.17	26.84
B	FY 2013-14	39.66	Table 3.71 of TO 29.9.15	4.38	Table 95 of TO 31.8.17	35.28
C	FY 2014-15	30.82	Table 134 of TO 31.8.17	0.19	Table at Page 110 of TO 28.3.18	30.63
D	FY 2015-16	32.53	Table 135 of TO 31.8.17			32.53
E	FY 2016-17	32.56	*i+ii-iii-iv*			32.56
i	*Actual cost booked in books of accounts by the Petitioner*	*44.68*				
ii	*Arrear bills received in FY 2017-18*	*10.15*				
iii	*Allowed by the Commission*	*17.64*	*Table 19 and para 3.50 of TO 28.3.18*			
iv	*Allowed in Gross purchase cost of FY 2016-17*	*4.63*	*Included in Gross power purchase cost at table 27 of TO 28.3.18*			
F	Net Cost Disallowed	173.79	Sum (A-E)	15.95		157.84

3.74 Accordingly, the power purchase cost on account of Anta, Auriya, Dadri power stations for FY 2012-13 to FY 2016-17 has been considered as per the Commission's Order dated 04.07.2018.

DIFFERENTIAL AMOUNT OF TRUING UP OF RITHALA POWER PLANT FOR FY 2017-18

PETITIONER'S SUBMISSION

3.75 The Petitioner has stated that as per Para 27(a) of the Rithala Order dated 31.08.2017, the Commission has allowed the cost of the plant upto March 2018 meaning thereby that the Commission shall fix the tariff for Rithala Plant upto FY 2017-18. It is also directed to the Petitioner that it shall file true up Petition since operation of this plant till FY 2016-17 before the Commission. In order to comply with the said directive, Without prejudice to the its rights and contentions the Petitioner has filed True up Petition No 51 of 2017 for seeking True Up of expenses for FY 2010-11 to FY 2016-17 and ARR for FY 2017-18, in terms of applicable Tariff Regulations (2007 & 2011) read with Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001.

3.76 During the prudence check of this petition the Commission has also directed to the Petitioner to file true up Petition for Rithala plant for FY 2017-18 also. The Petitioner has filed an interim application dated 7th Sep, 2018 has requested to the Commission for consideration of Rithala ARR of FY 2017-18 as a true up Petition for FY 2017-18.

3.77 The Petitioner further stated that as the Commission is doing truing up of FY 2017-18, hence it is requested to the Commission to allow the differential impact of Rithala Power Plant for FY 2017-18 also (i.e. Amount Sought in the Rithala True up Petition minus amount already sought as a part of power purchase cost for FY 2017-18). Computation of differential amount additionally sought is given below:

Table 3.33: Petitioner Submission: Differential amount sought towards Rithala CCP for FY 2017-18 (Rs Cr.)

S.No.	Particulars	Amount
A.	O&M expenses	33.88
B.	Depreciation	25.99
C.	Interest on Loans	0
D.	Return on Equity	8.33
E.	Interest on Working Capital	7.95
F.	Income Tax	2.26
G.	Sub- Total	78.42
H.	Less- Already sought as a part of Audited Certificate for Power Purchase of FY 17-18	24.68
I.	Differential amount additionally sought	53.74

COMMISSION ANALYSIS

3.78 The Commission in its Order dated 31.08.2017 decided as follows:

> *"27. In view of the foregoing discussion and the deliberations carried out in the preceding notes ante and the records placed before the Commission, the petitions are decided as follows:*
>
> *(a)* ***Petition No. 11 of 2009:*** *under Section 62, 86(1) of the Electricity Act, 2003 seeking approval of Terms and Conditions for Sale and Purchase of Power between two divisions of the Petitioner viz. TPDDL (G) and TPDDL (D) is allowed to the extent of permission granted by Govt. of Delhi for operation of the Plant i.e. 06 year from the year of COD in Combined Cycle Mode which comes out to be March, 2018.*
>
> *(b)* ***Petition No. 7 of 2010:*** *under clause 5.5 and 11 of the License Conditions of the Petitioner's Distribution and Retail Supply License issued by this Commission, seeking approval regarding usage of 6 Acres of land located in the Petitioner's licensed area for setting up the Rithala Plant is allowed as the land belongs to GoNCTD and DDA has issued NOC for establishment of the power plant on temporary basis. Further the profit, if any, from the plant shall be governed by the provisions of DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005.*
>
> *(c)* ***Petition No. 6 of 2013 :*** *under Section 62, 86(1) of the Electricity Act, 2003 seeking approval of the generation tariff, the Commission approves fixed charges and operational parameter required for computation of energy charges as indicated in para 21 and 22, respectively for The Petitioner's 94.80 MW Rithala Plant. The Petitioner shall file true up petitions based on the applicable Regulations for the aforesaid parameters for finalization of generation tariff for the respective years."*

3.79 The Petitioner filed its true up petition for finalisation of generation tariff for Rithala Power plant which is pending before the Commission. The cost of power purchase from Rithala Power plant shall be trued up in ARR of the Petitioner after determination of the generation tariff of the Generator. Accordingly, the cost of power purchase of Rs.24.68 Cr. in FY 217-18 pertaining to Rithala power plant is not being considered as part of power purchase cost for FY 2017-18.

COST OF OWN SOLAR GENERATION PLANTS

PETITIONER'S SUBMISSION

3.80 The Petitioner has submitted the Solar power procured from own generating stations as follows:

Table 3.34: Petitioner Submission: Own Solar Generating Stations (FY 2017-18)

S.No.	Generating Station	Billed MU (As per Certificate)	Tariff (Rs./kWh)	Total Charges as per Petitioner
A.	1 MW Solar at Keshavpuram	1.38	16.67	2.30
B.	225 KW Solar Plant RG-5	0.26	8.08	0.21
C.	25 KW Solar at Cennet, Pitampura	0.03	16.67	0.05
D.	43 KW Solar at A-7 Narela	0.06	6.67	0.04
E.	45 KW Solar at Bawana Clear Water Grid	0.07	7.14	0.05
F.	50 KW Solar Plant RG-22	0.06	6.67	0.04
G.	54 KW at Pooth Khurd	0.07	7.14	0.05
H.	55.2 KW Solar Plant RG-23	0.07	7.14	0.05
I.	60 KW Solar DSIDC Grid – NDPL Narela	0.06	18.33	0.11
J.	25 KW GTK Grid	0.03	16.67	0.05
K.	RG 2 Grid	0.03	10.00	0.03
L.	RG 24 Grid	0.03	10.00	0.03
	Total	**2.14**	**14.07**	**3.01**

3.81 The Petitioner had appealed before the Hon'ble APTEL in Appeal No. 82, 285, 136 of 2015 and 58 of 2016 for the tariff for four solar plants i.e. 1 MW Solar at Keshavpuram, 25 KW Solar at Cennet, Pitampura, 25 KW GTK Grid and 60 KW Solar DSIDC Grid – NDPL Narela. The relevant extracts of the judgment on the Hon'ble APTEL in the matter dated 16.04.2019 are as follows:

"12.1 In light of our consideration and findings mentioned in the preceding paragraphs, we are of the considered opinion that without getting registered under the GBI scheme of MNRE, Govt. of India, the Appellant is not entitled to the generic tariff of Rs. 18.44 per unit, as applicable under the CERC Regulations. The instant case being unique in nature, where generator and distributor has the

same parent company, the grant of generic tariff without GBI would have been a huge burden on the consumers and keeping these aspects in view, the State Commission has taken a just and reasonable decision in the instant case by not allowing generic tariff.

12.2 The directions of the State Commission that the Appellant should go for REC mechanism to cover up its loses are against the settled principles of law that once the option has been exercised by any generator to follow REC or non REC mechanism, cannot be forced to go beyond the selected route.

12.3 The State Commission vide its Order dated 23.02.2008, advised the Appellant to try to achieve 1% of the total power purchase from renewable sources and accordingly approved the execution of Solar PV Projects. During course of implementation of the projects, the Appellant could not avail the facility of incentive/subsidy from MNRE and as a result the reference projects could not qualify for generic tariff applicable as per CERC regulations. Merely by not allowing generic tariff to the Appellant's projects, does not amount to any violation of the Electricity Act and Policies of the Government to promote the generation from RE sources.

12.4 Thus, we hold that the approach of the State Commission to allow computed tariff for first two years and APCC tariff for balance 23 years is erroneous. We are of the considered opinion that in the facts and circumstances of the instant cases, the State Commission ought to have computed project wise tariff based on the actual/audited cost and other associated parameters after prudence check. Having regard to the peculiar facts and circumstances of the case as stated supra, we are constrained to observe that the State Commission has delayed the processing of the tariff petition beyond proportion. There is inordinate delay of 5 years in deciding the claim of the Appellant. We specifically observe that such things should not be repeated in future.

ORDER

For the forgoing reasons, as stated supra, we are of the considered opinion that issues raised in the instant appeals being Appeal No. 82, 136, 274, 285 of 2015 & 58 of 2016 have merit and accordingly, the appeals are partly allowed. The Impugned orders passed by Delhi Electricity Regulatory Commission dated 09.01.2015, 16.03.2015, 07.01.2015, 24.04.2015 & 07.01.2016 in Appeal Nos. 82, *136, 274, 285 of 2015 & 58 of 2016 are hereby set aside so far it relates to our findings and directions as stated in Paragraph 12.1 to 12.4.*

The Respondent State Commission is directed to pass the consequential orders in the light of the observations made in the above paragraphs from 12.1 to 12.4 as expeditiously as possible within a period of 4 months from the date of receipt of this copy of judgment and order."

3.82 The Petitioner has claimed Rs.3.01 Cr. towards power purchase cost of own solar generation plants for FY 2017-18.

COMMISSION ANALYSIS

3.83 The Commission has considered the power purchase cost for all the solar plants of the Petitioner as approved in respective orders.

3.84 The Commission has provisionally considered the Average power Purchase cost, which comes to Rs. 4.11 per kWh for the power drawn from these solar plant.

3.85 Accordingly, the Commission has considered the power purchase cost for the self solar generation plants of the Petitioner for FY 2017-18 as follows:

Table 3.35: Commission Approved: Power Purchase cost for the Solar self-generation plants

S.No.	Generating Station	TPPDL Billed MU (As per Certificate)	Tariff as per the PPAs approved	Total Charges trued up as per DERC
A.	1 MW Solar at Keshavpuram	1.38	4.11	0.57
B.	225 KW Solar Plant RG-5	0.26	8.04	0.21
C.	25 KW Solar at Cennet, Pitampura	0.03	4.11	0.01
D.	43 KW Solar at A-7 Narela	0.06	6.77	0.04
E.	45 KW Solar at Bawana Clear Water Grid	0.07	6.96	0.05
F.	50 KW Solar Plant RG-22	0.06	7.13	0.04
G.	54 KW at Pooth Khurd	0.07	7.04	0.05
H.	55.2 KW Solar Plant RG-23	0.07	7.38	0.05
I.	60 KW Solar DSIDC Grid – NDPL Narela	0.06	4.11	0.02
J.	25 KW GTK Grid	0.03	4.11	0.01
K.	RG 2 Grid	0.03	7.64	0.02
L.	RG 24 Grid	0.03	7.64	0.02
	Total	**2.14**	**5.14**	**1.10**

3.86 The Commission accordingly allows Rs. 1.10 Cr. towards the cost of self solar generation plants of the petitioner.

SHORT TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.87 The Petitioner has submitted to have procured 637.27 MU through Exchange/UI/Intrastate/Banking under short-term power purchase as follows:

Table 3.36: Petitioner Submission: Short term Power Purchase

S.No	Short Term Purchase	Units (MU)	Rate per Unit	Amount (Rs Cr.)
A	Banking Purchase	449.02	3.91	175.76
B	DSM Purchase	50.43	2.67	13.46
C	IDT Purchase	3.84	2.67	1.02
D	IEX Purchase	133.98	3.77	50.54
E	**Total Short Term Purchase**	**637.27**	**3.78**	**240.78**

3.88 **Banking Transactions:** The Petitioner submitted that while banking the units with the other utility, the transaction is recorded at normative cost say Rs 4/unit. At the time of return of the said banked units along with extra unit if any, the transactions equal to the value recorded at the time on inception of transaction are recorded, thus, not considering the impact of additional units. For example: If the utility has banked 100 MUs then for the purpose of recording the transaction in books of accounts, it has considered notional value of Rs. 40 Cr. (i.e. 100 MU * Rs 4/unit). At the time of return of those banked units the other utility has returned 104 MU. However in order to nullify the said transaction for accounting purpose the original utility has kept the value Rs 40 Cr. by reducing the notional rate of Rs 4/unit to Rs. 3.84/unit in its books of account. As the statutory auditor has certified the power purchase cost based on books of account, hence, has certified return of banked units of 449.02 MU @ reducing cost of Rs 3.91/unit against the notional cost of Rs 4 /unit.

3.89 Therefore, for the purpose of truing up of banking transaction, the Petitioner is seeking return of banking transaction at notional rate of Rs. 4 per unit. Impact of the same is given in table below:

Table 3.37: Petitioner Submission: Short term Power Purchase through banking

S.No.	Short Term Purchase	MOU	Units (MU)	Amount (Rs Cr.)
A.	Banking Purchase/refund	MUs	449.02	175.76
B.	Rate Considered	Rs./unit	3.91	
C.	Notional Rate to be considered	Rs./unit	4.00	
D.	Additional Impact to be computed for the purpose of ARR	Rs Cr.	3.85	449.02* (4.00-3.91)/10

COMMISSION ANALYSIS

3.90 The Commission in its Tariff Order dated 31/08/2017 has directed the Petitioner as follows:

> *"6.10k. The Distribution licensee is directed to take necessary steps to restrict the cost of power procured through Short Term contracts at Rs.5 per kWh. Further in case of Short Term power purchase at a rate higher than the above ceiling rate (of Rs.5 per kWh), the impact of such purchase on total Short Term power purchase shall not exceed 10 Paise /kWh during the financial year. In case the cost of power proposed to be procured exceeds the above limits, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. The Commission reserves the right to restrict allowance to the permissible limit if proper justification is not provided."*

3.91 The Consultant examined the short term power purchase transactions where the rate per unit was more than Rs. 5/KWh. It was observed that the impact of such purchases on total Short Term power purchase did not exceed 10 paise/kWh at its periphery.

3.92 **Banking transactions:** The Consultant observed that there was no overlapping in case of banking transactions. The Commission has been considering the purchase of power through banking as revenue neutral in its earlier tariff orders. Thus, additional cost of Rs.3.85 Cr. as claimed by the petitioner on account of banking is not allowed.

3.93 Accordingly, the summary of short term power purchase based on the above findings as considered to be allowed in True up of FY 2017-2018 is as under:-

Table 3.38: Commission Approved: Short Term Power Purchase

S. No.	Particulars	Units (MU)	Amount (Rs. Cr.)
A.	Bilateral		
B.	Banking	449.02	175.76
C.	DSM Purchase	50.43	13.46
D.	IDT Purchase	3.84	1.02
E.	IEX Purchase	133.98	50.54
F.	Total	637.27	240.78

DIFFERENTIAL AMOUNT OF ADSM/UI PENALTIES

PETITIONER'S SUBMISSION

3.94 The Petitioner has stated that based on the disallowances carried out by the Commission on account of ADSM in the previous years and the revisions carried out by SLDC Delhi subsequent to issuance of the True-up orders, the petitioner has compiled the details of the DSM and the Additional DSM charges available on the SLDC Delhi website from the UI reports from FY 2012-13 onwards, the summary of the same is as follows:

Table 3.39: Petitioner Submission: Differential amount sought towards reversal of UI penalties (Rs Cr.)

Financial Year	ADSM as per final revision bills (Rs. Cr.)	ADSM Deducted as per the tariff orders of DERC (Rs. Cr.)	Extra ADSM amount deducted now required to be pass through (Rs. Cr.)	DERC order
2012-13	1.92	1.92	0.00	23rd July 2014 Page 144
2013-14	0.73	0.78	0.05	29th Sep 2015 Page 231
2014-15	4.88	4.85	(0.03)	31st Aug 2017 Page 260
2015-16	2.39	2.39	0.00	31st Aug 2017 Page 261
2016-17	2.02	2.11	0.09	28th March 2018 Page 125
Grand Total	11.95	12.05	0.10	

3.95 The Petitioner requested the Commission to take cognizance of the same and reconsider the disallowance made on account of UI charges while truing-up exercise for FY 2017-18.

COMMISSION ANALYSIS

3.96 The Commission has considered the additional UI charges as per the joint statement submitted by the Petitioner and SLDC. In case of any revision in the bills, the changes are already accounted for in the subsequent bills. Thus, the Commission has not considered the claim of the petitioner for Rs. 0.10 Cr. in power cost for FY 2017-18.

3.97 For FY 2017-18, the Commission has considered the additional UI charges as per the joint statement submitted by the Petitioner and SLDC as Rs. 1.98 Cr. as part of Power purchase cost.

MERIT ORDER DISPATCH, SALE OF SURPLUS POWER AND INCENTIVE THEREON

PETITIONER'S SUBMISSION

3.98 The Petitioner submitted that during the FY 2017-18 the Petitioner sold 1648.03 MU against the projected sale of surplus power at 825.03 MU. The source wise summary of sale of surplus power during the FY 2017-18 is shown below:

Table 3.40: Petitioner Submission: Short term Power Sales

S.No	Particulars	FY 17-18		
		Units (MU)	Rate per Unit	Amount (Rs Cr.)
A	Banking Sale	(904.17)	4.00	(361.67)
B	Bilateral sale	(18.48)	4.41	(8.15)
C	DSM Sale	(71.59)	1.21	(8.64)
D	IDT Sale	(44.03)	3.64	(16.03)
E	IEX Sale	(609.76)	3.15	(191.84)
F	Total Short Term Sale of surplus power	(1,648.03)	3.56	(586.31)

3.99 The Petitioner has referred the Business Plan Regulations, 2017 issued by the Commission on the Incentive on Sale of surplus Power.

3.100 The Petitioner has claimed the incentive on sale of surplus power at Rs.28.75 Cr. for FY 2017-18 and has requested the Commission to consider the same as per DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017.

COMMISSION ANALYSIS

3.101 Regulation 121 of DERC (Terms and Conditions for determination of Tariff) Regulations 2017, stipulates that *while approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering the principles of merit order schedule and despatch based on ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis*.

3.102 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various Technical Constraints and the balance power from the left over stations after meeting the required demand, are not scheduled. Such balance power from the left over stations could have been backed down considering Technical Constraints and such surplus power could have been avoided.

3.103 The Commission has excluded various power stations from Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.104 Regulation 123 of DERC(Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

> *"123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral and Power Exchange transactions other than the forced scheduling, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in it's area of supply;"*

3.105 Further, Regulation 165 of DERC(Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

"165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the (Business Plan) Regulations of the control period:

Provided that any financial impact of under realisation on account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee."

3.106 Further, Regulation 29 of DERC (Business Plan) Regulations 2017 specifies the incentive sharing mechanism as follows:

"29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the *relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensees.*

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensees."

3.107 The Commission vide its letter dated 16.11.2018, in respect of clarification sought by the DISCOM for rate of Banking transaction and mechanism for incentive of surplus power as per various provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017, has clarified as under:

"the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith."

3.108 The Commission through the above referred letter dated 16.11.2018 clarified by way of sample calculation the computation of the incentive on a monthly basis in line with the Regulation 165 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

3.109 During the prudence Check it was observed that the Petitioner has not computed dis-incentive as specified in proviso of Regulation 165 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Further the incentive computed by the Petitioner on monthly basis was not in line with the clarification issued by the Commission vide its letter dated 16.11.2018.

3.110 Accordingly, the Commission has computed the total incentive/(Disincentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission as Rs. (-)5.48 Cr. for FY 2017-18 as follows:

Table 3.41: Commission Approved: Incentive/(Disincentive) of Sale of Surplus Power for FY 2017-18 (Rs. Cr.)

Particulars	Petitioner Submission	As approved
Apr-17	3.00	(0.75)
May-17	0.62	(0.86)
Jun-17	-	(0.96)
Jul-17	-	0.00
Aug-17	-	0.00
Sep-17	-	0.00
Oct-17	3.20	2.92
Nov-17	4.93	0.05
Dec-17	3.90	(3.01)
Jan-18	4.63	(2.70)
Feb-18	2.54	(4.02)
Mar-18	5.94	3.87
Total	**28.75**	**(5.48)**

TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.111 The Petitioner has submitted to incur the transmission charges of Rs. 905.29 Cr. including an amount of Rs. 74.62 Cr. paid directly to DTL towards Pension Trust. The party wise breakup of the transmission charges is given in the table below:

Table 3.42: Petitioner Submission: Transmission charges for FY 17-18

S.No	Name of Station-Particulars / Party Name	Amount (Rs Cr.)
A	PGCIL TRANSMISSION CHARGES	
I	PGCIL POC BILL-Power Grid Corporation of India Ltd.	394.56
II	PGCIL POC BILL 3	57.11
III	PGCIL Non PoC	1.30
B	DTL/ SLDC TRANSMISSION CHARGES	
I	DTL-Wheeling Charges	324.31
II	DTL-Pension Trust	74.62
III	DTL-Reactive Energy Charges	2.26
IV	DTL-SLDC Charges	2.70
V	DTL-NRLDC Charges	0.79
VI	DTL-PG Cell Charges	0.30
VII	DTL-Application Charges	0.01
VIII	DTL-Congestion Charges	0.02

S.No	Name of Station-Particulars / Party Name	Amount (Rs Cr.)
IX	DTL-STOA	-22.03
C	OTHER TRANSMISSION CHARGES	
I	Chandrapura Thermal Power Station - Unit 7 & 8	-19.98
II	Mejia Thermal Power Station - Unit 6 Tx Charges	-10.79
III	NHPPL - SLDC-Nanti Hydro Power Pvt. Ltd.	0.04
IV	NHPPL- Transmission	0.48
V	NTPC TRANSMISSION Charges-NTPC TRANSMISSION Charges	5.70
VI	SECI- SLDC-Solar Energy Corporation of India	0.20
VII	SECI- Transmission	1.77
VIII	SHEPL- SLDC-Suryakanta Hydro Energies Pvt. Ltd.	1.56
IX	SHEPL- Transmission	2.37
X	CLP Jhajjhar Tx charges-Tata Power Trading Company Ltd.	10.21
XI	THEP (Koteshwar)- NRLDC Charges-THDC India Ltd.	0.01
XII	THEP (Tehri)-NRLDC Charges	0.02
XIII	BBMB Charges	0.43
XIV	NHPC and NPCIL	0.03
XV	Short Term Purchase	26.97
XVI	Short term Sale	50.33
	Total of Transmission charges	905.29

COMMISSION ANALYSIS

3.112 The consultant has verified the transmission charges incurred during FY 2017-18 from the books of accounts and bills raised to the Petitioner. Accordingly, the Commission has considered the transmission charges as follows:

Table 3.43: Commission Approved: Transmission charges (Rs. Cr.)

S.No	Description	Petitioner's Submission	As Approved
A	Inter-state transmission charges (PGCIL)	452.97	452.97
DTL Charges			
B	Intra-state transmission charges (DTL)	382.96	382.96
Other Transmission charges including Pension Trust			
C	Chandrapura Thermal Power Station - Unit 7 & 8 Tx Charges-DVC- Transmission Charges	-19.98	-19.98
D	Mejia Thermal Power Station - Unit 6 Tx Charges	-10.79	-10.79

S.No	Description	Petitioner's Submission	As Approved
E	NHPPL - SLDC-Nanti Hydro Power Pvt. Ltd.	0.04	0.04
F	NHPPL- Transmission	0.48	0.48
G	NTPC TRANSMISSION Charges-NTPC TRANSMISSION Charges	5.70	5.70
H	SECI- SLDC-Solar Energy Corporation of India	0.20	0.20
I	SECI- Transmission	1.77	1.77
J	SHEPL- SLDC-Suryakanta Hydro Energies Pvt. Ltd.	1.56	1.56
K	SHEPL- Transmission	2.37	2.37
L	CLP JhajjharTx charges-Tata Power Trading Company Ltd.	10.21	10.21
M	THEP (Koteshwar)- NRLDC Charges-THDC India Ltd.	0.01	0.01
N	THEP (Tehri)-NRLDC Charges	0.02	0.02
O	BBMB Charges	0.43	0.43
P	NHPC	0.01	0.01
Q	NPCIL	0.02	0.02
R	Short Term Purchase	26.97	26.97
S	Short term Sale	50.33	50.33
T	Total 2017-18	905.29	905.29

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.113 The Petitioner has submitted that the Commission in its Tariff Determination Regulations, 2017 has specified that

> *"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."*

3.114 The Commission in its Tariff Order FY 2017-18 has considered 2% normative rebate and approved power purchase cost net of rebate. Following the same principle of normative rebate of 2%, the Petitioner has computed net normative rebate of Rs. 98.63 Cr. as follows:

Table 3.44: Petitioner Submission: Normative Rebate for FY 17-18 (Rs. Cr.)

S.No	Vendor	Maximum Normative Rebate (in %)	Rebate able Amt	Amount offered as normative rebate
A	Towards Power Purchase			
1	APCPL	2.00%	1071.04	21.42
2	DTL (LT)	2.00%	324.31	6.49
3	DVC	2.00%	265.78	5.32
4	DMSWSL	2.00%	17.37	0.35
5	IPGCL	2.00%	111.13	2.22
6	NHPC	2.00%	212.49	4.25
7	NHPPL	2.00%	2.56	0.05
8	NPCIL	2.00%	83.96	1.68
9	NTPC	2.00%	922.05	18.44
10	PGCIL	2.00%	451.67	9.03
11	PPCL	2.00%	599.83	12.00
12	PTC	0.01paisa/KWh for energy from tala & Other's 2%	5.63	0.03
13	SASAN	2.00%	58.96	1.18
14	SJVNL	2.00%	48.84	0.98
15	SHEPL	2.00%	12.60	0.25
16	THDC	2.00%	34.59	0.69
17	TOWMCL	2.00%	33.02	0.66
18	TPTCL	2.00%	687.92	13.76
	Total (i)		4943.74	98.79
B	Towards Sale of Power			
1	PTC	2.00%	3.81	0.08
2	APPCPL	2.00%	4.34	0.09
	Total (ii)		8.15	0.16
	Grand Total (i)-(ii)		4935.59	98.63

COMMISSION ANALYSIS

3.115 Regulation 119 of DERC (Terms and conditions for Determination of Tariff) Regulations, 2017, specifies that :

"Distribution Licensee shall be allowed to recover the net cost of power purchase from the long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers".

3.116 The Commission noted from power purchase agreement that the normative rebate in case of NPCIL is 2.5% and 2% for other CGS, SGS and Transmission Companies. Accordingly, the Commission has considered the maximum normative rebate on Rebatable amount, which is as follows:

Table 3.45: Commission Approved: Rebate on PPC and Transmission Charges for FY 2017-18

S. No	Party	Maximum Normative Rebate (in %)	Rebate-able amount	Normative rebate
	Towards power Purchase			
A	APCPL	2.00%	1,071.04	21.42
B	DTL (LT)	2.00%	324.31	6.49
C	DVC	2.00%	265.78	5.32
D	DMSWSL	2.00%	17.37	0.35
E	IPGCL	2.00%	111.13	2.22
F	NHPC	2.00%	212.49	4.25
G	NHPPL	2.00%	2.56	0.05
H	NPCIL	2.50%	83.96	2.10
I	NTPC	2.00%	922.05	18.44
J	PGCIL	2.00%	451.67	9.03
K	PPCL	2.00%	599.83	12.00
L	PTC	2.00%	5.63	0.03
M	SASAN	2.00%	58.96	1.18
N	SJVNL	2.00%	48.84	0.98
O	SHEPL	2.00%	12.60	0.25
P	THDC	2.00%	34.59	0.69
Q	TOWMCL	2.00%	33.02	0.66
R	TPTCL	2.00%	687.92	13.76
S	Total (i)		4,943.74	99.21
	Towards Sale of power			
T	PTC	2.00%	3.81	0.08
U	APCPL	2.00%	4.34	0.09
V	Total (ii)		8.15	0.16
W	Grand Total (i-ii)		4,935.59	99.05

RENEWABLE PURCHASE OBLIGATION

PETITIONER'S SUBMISSION

3.117 The Petitioner has referred the Commission's notification dated 01st Oct' 2012 mandated that all the obligated entities have to meet certain specified percentage of energy through renewable energy.

3.118 The Petitioner submitted that in order to comply with above Regulations, the petitioner had sought some clarification vide letter TPDDL/PMG/Regulatory/03 Dated 25th May'2018 with respect to computation methodology to be adopted by the Commission. The Petitioner in its letter submitted that procurement of hydro power (other than small hydro) has to be excluded from total sale of power (to the consumers within the TATA Power- DDL License area) for calculating the RPO applicability in line with the Regulation, 27(1).

3.119 Thus, the Petitioner submitted to consider hydro power as a clean energy source, hence, the practice of excluding Hydro Power has been adopted for the purpose of truing up of RPO obligations.

3.120 The Petitioner submitted that vide Regulation 27(2) of the Business Plan Regulations, 2017, the Commission has given liberty to the DISCOMs to purchase the RE certificates within 3 months from the end of respective financial year. Thus, the petitioner purchased the RE certificates pertaining to FY 2017-18 in Q1 of FY 18. Accordingly, the status of Renewable Power obligation for FY 2017-18 as submitted by the Petitioner is as follows:

Table 3.46: Petitioner Submission: RPO obligations for FY 2017-18

S.No.	Generating Stations	Estimated by DERC in Tariff Order dated 31st Aug 2017			Actual cost including PY arrears (B)			Difference (B-A)	
		Energy (MU)	Amt (Rs Cr)	Av. Rate (Rs/unit)	Energy (MU)	Amt (Rs Cr)	Av. Rate (Rs/unit)	Energy (MU)	Amt (Rs Cr)
A.	Total Billed Sales				8,630.87				
B.	Less- units from Hydro				904.21				
C.	Balance Billed sales to be met through RPO obligation				7,726.67				
D.	Solar RPO Obligations				@ 2.75%				
E.	TPDDL Generation	2.14	1.17	5.47	2.14	3.01	14.04	(0.00)	(1.84)
F.	Net metering (Net Injected)	-	-	-	0.06	0.03	5.13	(0.06)	(0.03)
G.	Net Metering (Consumed)				5.78			(5.78)	
H.	Less- Adjusted				(1.23)			1.23	

S.No.	Generating Stations	Estimated by DERC in Tariff Order dated 31st Aug 2017			Actual cost including PY arrears (B)			Difference (B-A)	
		Energy (MU)	Amt (Rs Cr)	Av. Rate (Rs/unit)	Energy (MU)	Amt (Rs Cr)	Av. Rate (Rs/unit)	Energy (MU)	Amt (Rs Cr)
	towards Past REC								
I.	SECI	41.02	22.56	5.50	41.38	22.76	5.50	(0.36)	(0.20)
J.	Balance Solar Energy to be purchased	358.57	86.06	2.40	164.34	18.41	1.12	194.23	67.65
K.	Total – RPO to be met through Solar @ 2.75%	401.73	109.79	2.73	212.48	44.21	2.08	189.25	65.58
L.	Non- Solar RPO Obligations				@ 8.75%				
M.	REC Purchase	716.88	107.53	1.50	560.52	62.78	1.12	156.36	44.75
N.	TOWMCL	50.55	32.53	6.44	51.31	33.02	6.44	(0.76)	(0.49)
O.	MSW Bawana	36.03	25.33	7.03	24.71	17.37	7.03	11.32	7.96
P.	Suryakanta Hydro				33.18	12.61	3.80	(33.18)	(12.61)
Q.	Nanti Hydro				5.96	2.56	4.29	(5.96)	(2.56)
R.	Singrauli Small Hydro				0.41	0.21	5.06	(0.41)	(0.21)
S.	Sub Total Non-Solar @ 8.75%	803.46	165.39	2.06	676.08	128.54	1.90	127.38	36.85
T.	TOTAL RPO	1205.19	275.18	2.28	888.57	172.75	1.94	316.62	102.43
U.	Total RE Certificates to be purchased					81.18			

3.121 The Petitioner submitted that the gross generation of energy through rooftop solar was 5.84 MU, out of which 4.64 MU was self-consumed by the consumers and 1.20 MU injected into the Petitioner's Network against which the respective consumer gets the benefit of setoff of his/her upcoming self-consumption upto the end of that financial year. The consumers have set off 1.14 MU against their self-consumption and for balance 0.06 MU the Petitioner has booked towards power purchase from roof top solar generation.

3.122 The Petitioner submitted that as per Net Metering Guidelines, the DISCOMs has to claim the amount of such power purchase cost in its ARR. Therefore, the Petitioner requested to consider Rs. 0.03 Cr for FY 2017-18 as a part of power purchase cost.

3.123 In addition to the above, the petitioner has submitted that in order to meet all pending RPO obligations, an amount of Rs 315.84 Cr. has been incurred towards purchase of RE certificates. The Petitioner has included the said cost in the Power Purchase Cost of FY 2017-18.

COMMISSION ANALYSIS

3.124 Regulation 27 of DERC (Business Plan) Regulations, 2017 states,

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION
The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2017-18 to FY 2019-20 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for Renewable Purchase Obligation shall be as follows:

Sr. No.	*Distribution Licensee*	*2017-18*	*2018-19*	*2019-20*
1	*Solar Target (Minimum)*	*2.75%*	*4.75%*	*6.75%*
2	*Total*	*11.50%*	*14.25%*	*17.00%*

3.125 Regulation 27(5) of DERC (Business Plan) Regulations, 2017 states that non compliance of the RPO targets shall attract penalty @10% of the weighted average floor price of solar and non solar renewable energy certificate, as specified by CERC for the relevant year, for quantum of shortfall in RPO.

3.126 Regulation 27(6) of DERC (Business Plan) Regulations, 2017 states that amount of penalty imposed on the distribution licensee due to non compliance of the RPO targets shall be reduced from the ARR during true up of the relevant financial year in terms of Regulation 124 of DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017.

3.127 It is observed that Petitioner has purchased 904.21 MU power from Hydro Stations which is to be excluded from total MU billed for the purpose of calculation of MU to achieve the RPO targets.

3.128 Accordingly, the status for compliance of RPO targets for FY 2017-18 is verified as follows:

Table 3.47: Commission Approved: Compliance of RPO targets for FY 2017-18 (MU)

S.No.	Particulars	Details		
A.	Total sales to retail consumers			8,630.87
B.	Purchase from Hydro Power			904.21
C.	Sales net of hydro power			7,726.66
D.	RPO Obligation	Solar	Non Solar	Total
E.	%	2.75%	8.75%	11.50%
F.	Targeted RPO	212.48	676.08	888.57
G.	RPO Met			
H.	ToWMCL		51.31	51.31
I.	MSW Bawana		24.71	24.71
J.	SECI	41.38		41.38
K.	Surya Kanta small Hydro		33.18	33.18
L.	Nanti small Hydro		5.96	5.96
M.	Singrauli Small Hydro		0.41	0.41
N.	Self Generation	2.14		2.14
O.	Net Metering	5.84		5.84
P.	Past REC	(1.23)		
Q.	Total RPO Met (MU)	48.13	115.57	163.70
R.	Shortfall	164.35	560.51	724.87
S.	REC Purchased	733.64	13.82	747.46
T.	Excess REC purchased (in 1st Qtr of FY 2018-19)			22.59

3.129 The Commission imposed penalty of 10% in its Tariff Order dated 31.08.2017 in line with directive 6.9 of the Tariff Order dtd.29/09/2015 of Rs. 25.13 Cr. upto FY 2015-16. The directive 6.9 of the Tariff Order dtd.29/09/2015 stipulates,

> *"6.9. The Commission directs the Petitioner that RPO requirements for green power for the year 2015-16, must be met along with requirements carried over from the previous year, and if so required by way of purchase of REC's from the exchange. Non compliance of Renewable Purchase Obligation (RPO) shall attract penalty of 10% of the cost of REC for quantum of shortfall in RPO."*

3.130 The Petitioner met its Renewable Power Obligation for earlier years by purchasing the RE Certificates as follows:

Table 3.48: Quantum of RPO Targets for FY 2012-13 to FY 2016-17 (% & MU)

S.No.	Particulars	Target %		Actual Sales (MU)	Target (MU)		Actual (MU)	
		Solar	Non-Solar		Solar	Non-Solar	Solar	Non-Solar
A.	FY 2012-13	0.15%	3.25%	6,967.90	5.23	113.23	2.07	
B.	FY 2013-14	0.20%	4.60%	7,187.40	14.37	330.62	1.95	
C.	FY 2014-15	0.25%	5.95%	7,615.91	19.04	453.15	2.20	4.26
D.	FY 2015-16	0.30%	7.30%	7,854.29	23.56	573.36	35.25	6.19
E.	FY 2016-17	0.35%	8.65%	8,263.00	28.92	714.75	48.43	54.72

Table 3.49: Amount of RPO Targets met for FY 2012-13 to FY 2016-17

S.No.	Particulars	Shortfall (MU)		REC Rate (Rs. / kWh)		Non solar REC Cost (in FY 16-17) (Rs. Cr.)	Non solar REC Cost (in FY 17-18) (Rs. Cr.)		
		Solar	Non-Solar	Solar	Non-Solar		REC Cost	GST Cost	Total
A.	FY 2012-13	(3.16)	(113.23)		1.50	16.98			
B.	FY 2013-14	(12.42)	(53.43)		1.50	8.02			
			(277.19)		1.50		41.58	3.33	44.90
C.	FY 2014-15	(16.84)	(448.88)		1.50		67.33	5.39	72.72
D.	FY 2015-16	11.69	(567.18)		1.50		85.08	6.81	91.88
E.	FY 2016-17	19.51	(660.03)		1.50		99.00	7.92	106.92
F.	Total					25.00	292.99	23.44	316.43
G.	Less Adjusted towards								
H.	Gross Special Incentive- REC Trade								0.59
I.	Total								315.85

3.131 During the Prudence check, the Commission observed that the cost of RE Certificates purchased for the earlier period during FY 2017-18 includes the cost of GST of Rs. 23.44 Cr. If the Petitioner had purchased the RE Certificates well in time, the cost of GST would not have been incurred. The Commission is of the view that the consumers should not be burdened with this additional cost of GST which has been incurred due to delay in purchase of RE certificate by the petitioner. The Commission therefore, has considered the Renewable Power Obligation for the earlier years at Rs. 292.41 Cr. after excluding the GST Cost of Rs. 23.44 Cr.

3.132 The Petitioner filed a Petition 50 of 2017 before the Commission requesting to waive off the Penalty. The Commission, in its order dated 28.02.2018 decided as follows:

> *"11. Admittedly, the annual RPO targets could not be achieved by the Petitioner during the respective years. For underachievement of RPO targets by the Petitioner, 10% the cost of REC to a tune of Rs. 25.13 crore was disallowed in the ARR of the Petitioner Vide Tariff Order dated 31.08.2017. However, as of now, the petitioner has cleared the backlog of RPO targets for previous years upto 2016-17, therefore, the basic aim of RPO targets to promote generation of electricity from renewable sources has now been achieved to a great extent*
>
> *12. In view of the foregoing discussion, all the facts and the efforts made by the petitioner to clear the back log of Annual RPO targets, this Commission has reached to a considered decision to allow 10% of the cost of REC to a tune of Rs. 25.13 crore, which was disallowed in the Tariff Order dated 31.08.2017 for underachievement of RPO targets by the Petitioner. The aforesaid amount of Rs.25.13 crore shall be considered in the next Tariff Order for the Petitioner."*

3.133 In view of the above, the Commission has waived off the penalty of Rs. 25.13 Cr. and allowed it in true up of FY 2017-18.

TRUED UP POWER PURCHASE COST

3.134 Based on the above, the Commission approves the power purchase cost for the Petitioner for FY 2017-18 as follows:

Table 3.50: Commission Approved: Power Purchase Cost for FY 2017-18

S. No	Particulars	Petitioner submission		As Approved		Ref
		Quantum (MU)	Amt. (Rs.Cr.)	Quantum (MU)	Amt. (Rs.Cr.)	
A	Power Purchase:					
i	Gross Power Purchase	11,372.99	4,591.27	11,372.99	4,589.34	A (i)(a+b-c+d+e)
a	Long Term Sources (Other Than Renewables)	10,576.55	4,177.73	10,576.55	4,177.73	
b	Renewables Sources (long Term)	159.16	91.56	159.16	91.56	
c	Less: Adjustment on account of Own Generation Solar Plants				(1.91)	Table 3.35
d	RE Certificates		81.18		81.18	
e	Short Term Sources	637.28	240.78	637.28	240.78	Table 3.38
ii	Less: Power sold to other	1,648.03	586.31	1,648.03	586.31	

S. No	Particulars	Petitioner submission		As Approved		Ref
		Quantum (MU)	Amt. (Rs.Cr.)	Quantum (MU)	Amt. (Rs.Cr.)	
	sources					
iii	Net Power Purchase	9,724.96	4,004.96	9,724.96	4,003.03	A(i-ii)
B	Transmission Loss:					
i	Inter-State Transmission Loss	212.09	452.97	212.09		
ii	Intra-State Transmission Loss	111.46	382.96	111.46		
iii	Other Transmission Charges		69.36			
iv	Total transmission loss	323.55	905.29	323.55	905.29	Table 3.43
C	Net power available after Transmission Loss	9,401.41	4,910.25	9,401.41	4,908.32	A(iii)+B(iv)
D	Less: Rebate		98.63		99.05	Table 3.45
E	Less Disallowances:					
a.	Additional UI Charges				1.98	
b.	Impact of excess cost of AAD in the earlier year		2.86		-	
c.	Additional cost booked on account of AAD for FY 2016-17				13.01	
F	Add:					
a	Differential amount towards Rithala		53.74		(24.68)	
b	Differential amount towards reversal of UI penalties		0.10		-	
c	Incentive on sale of surplus power		28.75		-	
d	REC Pertaining to PY Compliances		315.84		-	
e	Normative Additional units of power banking @ 4/unit		3.85		-	
G	Net PPC	9,401.41	5,211.46	9,401.41	4,769.60	C-D-E(a+b+c)+F(a+b+c+d+e)
H	Average Power Purchase cost		5.54		5.07	

OPERATION AND MAINTENANCE (O&M EXPENSES)

PETITIONER'S SUBMISSION

3.135 The Petitioner has submitted that the normative O&M expenses for FY 2017-18 are computed by applying the approved per unit rates for FY 2017-18 on the actual line length and power transformation capacity added for FY 2017-18. The Commission has also conducted the quarterly audit of the Capitalisation for FY 2017-18.

3.136 The Petitioner has accordingly computed the normative O&M expenses for FY 2017-18 as follows*:*

Table 3.51: Petitioner Submission: Normative O&M Expenses for FY 2017-18 (Rs Cr.)

S.No.	Particulars	Unit	2017-18	Capacity	Capacity as on 31.03.2018	Amount
A.	66 kV Line	Rs. Lakh/ckt.km	3.297	Ckt.km	960.43	31.67
B.	33 kV Line	Rs. Lakh/ckt.km	3.297	Ckt.km		
C.	11 kV Line	Rs. Lakh/ckt.km	0.862	Ckt.km	6,197.42	53.42
D.	LT Line System	Rs. Lakh/ckt.km	6.372	Ckt.km	6,894.85	439.34
E.	66/11 kV Grid S/s	Rs. Lakh/MVA	0.927	MVA	4,579.00	42.45
F.	33/11 kV Gris S/s	Rs. Lakh/MVA	0.927	MVA		
G.	11/04.15 kV DT	Rs. Lakh/MVA	1.326	MVA	5,830.07	77.31
H.	Total					644.18

3.137 The Petitioner has requested the Commission to allow the normative O&M expenses of Rs. 644.18 Cr. during FY 2017-18 as submitted in the above table as per the DERC (Business Plan) Regulations, 2017.

COMMISSION ANALYSIS

3.138 The Commission in its Tariff Order dated 31.08.2017 allowed O&M Expenses based on the network capacity projection of the Petitioner. The Petitioner has submitted the actual network capacity as on 31.03.2018 as above and claimed the O&M expnses at Rs. 644.18 Cr.

3.139 The physical verification of the assets capitalised has been undertaken by the Commission for FY 2017-18. The Commission has provisionally disallowed capitalisation of an amount of Rs. 34.86 Cr. (Rs. 1.10 Cr. on account of Assets not found physically and Rs. 33.76 Cr. on account of receipt of EIC after 31st March, 2018). The impact of the same on O&M Expenses has been determined as follows:

Table 3.52: Impact of capitalisation disallowance during FY 2017-18

S.No.	Distribution Infrastructure	Capacity on 31.03.17	Capacity on 31.03.18	Change	Unit Rate (Rs. lacs/ Unit)	Incremental O&M Exps (Cr.)
A	Network Capacity					
i	66 kV Line (Ckm)	379.29	432.61	53.32	3.297	1.76
ii	33 kV Line (Ckm)	514.73	527.24	12.51	3.297	0.41
iii	11 kV Line (Ckm)	5922.72	6197.32	274.6	0.862	2.37
iv	LT Lines system (Ckm)	6675.3	6895.57	220.27	6.372	14.04
v	66/11 kV Grid sub-station (MVA)	2615	2815	200	0.927	1.85
vi	33/11 kV Grid sub-station (MVA)	1795	1764	-31	0.927	(0.29)
vii	11/0.4 kV DT (MVA)	5663.06	5830.1	167.04	1.326	2.21
B	Incremental O&M Exps					22.35
C	Gross Capitalisation as per the petitioner					479.34
D	Assets - Not found physically during verification					1.10
E	Assets - EIC dated after 31st March 2018					33.76
F	Impacting assets on O&M Exps					34.86
G	Proportionate reduction in O&M Expenses					1.63

3.140 Accordingly, the revised network capacity has been considered for determination of the O&M expenses on a provisional basis is as follows:

Table 3.53: Commission Approved: O&M Expenses for FY 2017-18

Network	Approved in TO dated 31.8.2017			Petitioner Submission			Commission Approved		
	Network Capacity	Unit Rate (Rs. lacs / Unit)	Rs. Cr.	Network Capacity	Unit Rate (Rs. lacs / Unit)	Rs. Cr.	Network Capacity	Unit Rate (Rs.lacs / Unit)	Rs. Cr.
66 kV Line (kms)	925.80	3.30	30.52	960.43	3.297	31.67	432.61	3.297	14.26
33 kV Line (kms)		3.30			3.297		527.24	3.297	17.38

Network	Approved in TO dated 31.8.2017			Petitioner Submission			Commission Approved		
	Network Capacity	Unit Rate (Rs. lacs / Unit)	Rs. Cr.	Network Capacity	Unit Rate (Rs. lacs / Unit)	Rs. Cr.	Network Capacity	Unit Rate (Rs.lacs / Unit)	Rs. Cr.
11 kV Line (kms)	6,004.40	0.86	51.76	6,197.42	0.862	53.42	6,197.32	0.862	53.42
LT Lines system (kms.)	6,959.90	6.37	443.48	6,894.85	6.372	439.34	6,895.57	6.372	439.39
66/11 kV Grid sub-station (MVA)	4,962.50	0.93	46.00	4,579.00	0.927	42.45	2,815.00	0.927	26.10
33/11 kV Grid sub-station (MVA)		0.93			0.927		1,764.00	0.927	16.35
11/0.4 kV DT (MVA)	5,819.80	1.33	77.15	5,830.07	1.326	77.31	5,830.10	1.326	77.31
Total			648.92			644.16			644.21
Impact of Capitalisation Disallowed during FY 2017-18									1.63
Net O&M Expenses									642.58

3.141 Accordingly, the Commission has allowed the O&M expenses for the Petitioner at Rs.642.58 Cr. for FY 2017-18 subject to finalisation of capitalisation.

ADDITIONAL O&M EXPENSES

LICENSE FEES

PETITIONER'S SUBMISSION

3.142 The Petitioner has submitted that as per clause 12.1, of the Distribution and Retail Supply License, the Petitioner is required to pay annually 0.05% of amount billed of previous year as license fees to the Commission. Since the same is linked to sales which is uncontrollable and is trued up, the license fee too needs to be trued up.

Table 3.54: Petitioner Submission: License fee for FY 2017-18 (Rs Cr.)

S.No	Particulars	Amount
A	Billed Sale for Previous Year – as per P&L accounts	6,637.89
B	License fee (0.05%) based on billed Sale of previous year	3.32
C	Amount of License fee allowed as a part of normative O&M expenses	2.92
D	Differential amount now sought	0.40

3.143 The Petitioner has requested that the additional amount spent on this account of Rs. 0.40 Cr. may be allowed as part of ARR for FY 2017-18.

COMMISSION ANALYSIS

3.144 The Commission has determined the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.145 The actual O&M Expenses considered by the Commission include the expenses on account of license fee paid. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

LAND LICENSEE FEES TOWARDS GRID

PETITIONER'S SUBMISSION

3.146 The license fee is applicable as per the rates decided by GoNCTD for using Land. During FY 17-18 the Petitioner has booked an amount of Rs. 6.83 Cr towards land licensee fee which is uncontrollable in the hands of the Petitioner, thus, needs to be trued up on actual basis.

Table 3.55: Petitioner Submission: Land License fee (Rs Cr.)

S.No	Particulars	Amount
A	Land License fees for FY 2017-18	6.83
B	Already allowed as a part of Normative ARR	2.45
C	Differential amount now sought	4.38

3.147 The Petitioner has requested the Commission to allow the differential amount of Rs 4.38 Cr. towards Land licensee fee.

COMMISSION ANALYSIS

3.148 The Commission has determined the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 based on the actual O&M expenses of the Petitioner during FY 2011-

12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.149 The actual O&M Expenses considered by the Commission include the expenses on account of land license fee. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

INTERIM RELIEF FOR FRSR EMPLOYEES

PETITIONER'S SUBMISSION

3.150 The Petitioner has submitted to have paid an interim payment of Rs. 43.33 Cr towards to FRSR employees in order to comply with the recommendations of Wage Revision Committee for disbursement of Interim Relief w.e.f. 01.01.2016 and for payment of other allowance w.e.f. 01-07-2017, which has been approved by the Govt. of NCT of Delhi, Department of Power vide their Order No. F.11 (62)/2015/Power/Pt-I/2116 dated 26-07-2017. In addition to above the petitioner has made a corresponding provision of Rs. 36.66 Cr for increase in FRSR employees towards their leave salary contribution and pension contribution. Consequently an amount of Rs 80 Cr. has been booked/provided for as an impact of interim relief for 7th Pay Commission and further out of this an amount of Rs. 4.22 Cr has been transferred as a part of Capitalizations.

3.151 Based on above submission, the Petitioner has therefore seeking total of Rs 75.77 Cr for 2017-18 on account impact of Interim Relief of 7th pay.

COMMISSION ANALYSIS

3.152 Regulation 23(4) of the DERC (Business Plan) Regulations 2017 states,

> *"Impact of any statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year."*

3.153 In view of Regulation 23(4) of DERC (Business Plan) Regulations, 2017, the Commission has considered the revision in its employees' cost on account of the 7th Pay revision subject to actual payment of the dues. During the prudence check, the Commission observed from the audited financial statement of the Petitioner that an amount of Rs. 43.34 Cr has been paid by the Petitioner on account of 7th pay revision. The Commission observed that the Petitioner has capitalised Rs. 2.62 Cr. as its employee Cost out of this Rs. 43.34 Cr towards the 7th pay revision. The Commission also observed that the Petitioner has made a provision of Rs. 36.66 Cr. in its audited financial statement towards leave salary and contribution towards 7th pay revision and accordingly the same has not been considered. Accordingly, the Commission has considered the revision in its employees' cost on account of the 7th Pay Commission subject to actual payment of the dues net of capitalisation of the Employee expenses out of the 7th pay Commission dues. Thus, Commission has allowed Rs. 40.72 Cr towards statutory pay revision under additional O&M expenses as follows:

Table 3.56: Commission Approved: 7th pay revision during FY 2017-18 (Rs. Cr.)

S.No.	Interim Relief towards- 7th Pay Revision- FRSR	Upto 31.03.17	01.04.17 - 31.03.18	Ref.
A	Towards leave salary & Pension	20.68	15.98	
B	Towards salary	17.13	26.21	
C	Sub-total	37.82	42.19	A+B
D	Less: Capitalization		4.22	E+F
E	*Towards leave salary & Pension*		*1.60*	
F	*Towards salary*		*2.62*	
G	Amount Sought	37.82	37.97	C-D
H	Interim Relief as considered by Commission		40.72	B-F

IMPACT OF GST

PETITIONER'S SUBMISSION

3.154 The Petitioner has submitted that GST has been implemented since 1st July, 2017 and considering the increase of the same on distribution business O&M expenses, the Petitioner has sought GST impact of approx. Rs 10.93 Cr for FY 2017-18 on provisional basis.

Table 3.57: Petitioner Submission: Impact of GST

Particulars	Amount (Rs Cr.)
Total Amount of GST	
- Towards Labour and A&G Expenses -"A"	29.77
- Towards Material –"B"	1.00
Less- Previous year Taxes –"C"	19.84
Incremental amount sought (A+B-C)	10.93

** Figures subject to change based on audited certificate*

3.155 The Petitioner has requested to the Commission to consider and allow the impact of incremental cost of GST based on auditor certificate.

COMMISSION ANALYSIS

3.156 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.157 The actual O&M Expenses considered by the Commission already include the expenses on account of service tax. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity.

3.158 The Goods & Services Tax, that came into effect from 01.07.2017 subsumed the service tax and that, it was not a new statutory levy. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission disallows the claim on account of implementation of GST.

MINIMUM WAGES IMPACT

PETITIONER'S SUBMISSION

3.159 The Petitioner has submitted that Govt. of Delhi issued the Delhi Gazette notification No. 85 dated 03.03.2017 (Notification attached as Annexure A-6 in Volume II of the Petition) and revised the minimum wages for various Employment Categories effective 03.03.2017. This unprecedented increase in minimum wages impact the service contracts issued by the Petitioner that are in force, because such increase was unprecedented and not factored in the contract prices.

3.160 The Petitioner has claimed the additional expenses of Rs. 19.55 Cr towards Increase in Minimum Wages. The Petitioner is requesting to the Hon'ble Commission to consider and allow the impact of minimum wages based on auditor certificate.

COMMISSION ANALYSIS

3.161 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

> *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:*
>
> *Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;*
> *Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."*

3.162 The additional claim of expenses related to manpower based contract is part of the normative O&M expenses and do not qualify for the second proviso to the Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The said claim also does not qualify for statutory pay revision under Regulation 23(4) of the DERC (Business Plan) Regulations 2017 as it is not an employee's cost of the Petitioner. Accordingly, the claimed amount is not allowed by the Commission.

FINANCING CHARGES

PETITIONER'S SUBMISSION

3.163 The Petitioner has referred to Regulation 87 of Tariff Regulations, 2017 which specify that "The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and

Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:”

3.164 The Petitioner submitted that financing charges towards raising of loans for funding of working capital and Regulatory assets are never formed part of base year normative expenses. Thus, the Petitioner has claimed the financing charges of Rs 0.45 Cr on actual basis.

COMMISSION ANALYSIS

3.165 The Commission is of the view that financing charges are covered in A&G expenses. And such A&G expenses are being allowed in ARR as O&M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

PROPERTY TAX

PETITIONER’S SUBMISSION

3.166 The Petitioner has submitted that they have been subjected to and held liable for payment of property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001, after a protracted legal battle. The dispute involved determination of liability for bearing property tax in respect of properties which reflected in respective schedules of the Transfer Scheme Rules 2001. A brief background of the said dispute is explained below for reference:

a. The Assessment & Collection department of the MCD vide its order dated 26.03.2003 determined the rateable value of a vacant land measuring 8080 sq. meter near sub-station, Civil Lines at Rs. 58,53,960/. TPDDL challenged such order of the MCD under section 169 of the MCD Act, 1957 before the District Judge (House Tax Tribunal), Delhi.

b. The Hon’ble House Tax Tribunal vide its Judgment dated 03.01.2004 in HTA no. 164/2003 held that the land is owned by the Delhi Govt. and that TPDDL was a licensee to the land, hence quashed the aforesaid Assessment Order.

c. Aggrieved by the said Judgment of the Hon'ble House Tax Tribunal, MCD approached to the High Court by filing a Writ Petition No 3193/2004. The Single Judge of the Delhi High Court vide its order dated 25.07.2005 held that TPDDL is liable to pay the property tax as

i) it is entitled to let out the properties

ii) TPDDL is successor in respect to matters relating to all liabilities and assets, and

iii) the transfer scheme do not rule out liability of TPDDL to pay Municipal Taxes.

3.167 The Single Bench Order of the Hon'ble Delhi High Court was then challenged by TPDDL in its LPA No.2630/2005 on the ground that the Distribution License issued by the Ld. State Commission to TPDDL under Section 20 of the DERA, 2000 is distinct from the License for land granted in its favour and therefore, TPDDL is not the owner of the land hence is not liable to pay the property tax. The Division Bench vide its Judgment dated 09.12.2013 held that Delhi Govt. was not the owner of the land, instead DPCL was the owner of the land under the Transfer Scheme and that it was the power companies that were liable to pay the property tax even though they held the land as licensees of the Govt. and passed certain directions remanding the matter back to North-MCD to decide whether it was TPDDL or DPCL which was liable to pay the property tax.

3.168 This Judgment of the Division Bench was then challenged by TPDDL, MCD and GoNCTD before the Apex Court through CA no. 5654/2014 wherein the Hon'ble Supreme Court vide its judgment dated 10.08.2016 inter alia reversed the findings of the Division Bench of the High Court with respect to the liability of payment of property tax and held that if the Distribution License empowers the distribution company to let out the land, then it will have to pay the property tax even if it is only a licensee to the land. The Court directed the incidence of property tax to be decided by the MCD and hence, the matter was again remanded back to MCD. It was directed that the assessing authority (North Delhi Municipal Corporation – NDMC) should consider the provisions of Delhi Municipal Corporation Act, Delhi Electricity Reforms Act, Transfer Scheme

Rules and Distribution License issued under section 20 of the Delhi Electricity Reform Act for deciding the incidence of property tax in regard to the property i.e. Land Measure 8080 sq. meter near sub-station, civil lines.

3.169 In compliance of the above directions of the Hon'ble Supreme Court, proceedings were carried on before MCD wherein submissions were made by TPDDL and DPCL and a written opinion was submitted by GoNCTD. After examining the provisions of Delhi Electricity Reforms Act, Transfer Scheme Rules 2001, DMC Act and its bye-laws framed there under and Distribution License issued under section 20 of the Delhi Electricity Reforms Act, NDMC held that property tax is liable to be paid by the NDPL/TPDDL.

3.170 Therefore, MCD has raised an Assessment Order for 449 properties of Tata Power- DDL from the period FY 2004-05 to FY 2016-17 seeking property tax of Rs. 21.07 Cr, Interest of Rs. 15.02 Cr and also levied penalty of Rs. 6.32 Cr. In addition to the aforesaid total demand of Rs. 42.41 Cr, North MCD has also raised additional demand of Rs. 2.29 Cr for payment of property tax for FY 2017-18 also.

3.171 On 26.03.2018, North DMC has come up with "Amnesty Scheme 2017-18" vide its order numbered A&C (HQ) NDMC/2018/290. The Amnesty Scheme provided waiver of 100% Interest and penalty for all types of properties. Further As per the terms and conditions of the said scheme, in order to avail the 100% waiver of interest and penalty, the assesse has to withdraw all pending litigations if any.

3.172 Thus, in order to avail the benefit of said Amnesty Scheme, Tata Power- DDL has made the full payment of property tax as given in table below:

Table 3.58: Petitioner Submission: Property Tax for FY 2017-18 (Rs. Cr.)

S.No.	Financial Year	Amount
A.	From FY 2002-03 to FY 2016-17	21.07
B.	For FY 2017-18	2.29
C.	Total Property Tax paid	23.36

3.173 The Petitioner has requested Commission to allow an amount of Rs 23.36 Cr. towards property tax based on actuals.

COMMISSION ANALYSIS

3.174 During Prudence check the Commission observed that the Petitioner has included the claim of Rs. 0.85 Cr. towards property tax for the land allocated towards Rithala Plant. Accordingly, the Commission has not considered the property tax towards land for Rithala plant and has allowed net property tax at Rs. 22.51 Cr. (Rs. 23.36 Cr. – Rs. 0.85 Cr.) as paid during FY 2017-18.

SMS CHARGES

PETITIONER'S SUBMISSION

3.175 The Petitioner has submitted that the Commission vide its letter dated 13.01.2016 (Copy attached as Annexure A-8 in Volume II of the Petition) had issued directive to send the SMS to consumer on various occasions. In order to comply the said directive, Tata Power DDL has incurred an amount of Rs 0.49Cr toward SMS charges in FY 2017-18. The said expenses are incurred on the direction of this Commission therefore it is requested to allow the same as a part of other expenses.

3.176 As these expenses are not factored while computing the normative O&M expenses for FY 2017-18, hence the Petitioner is requesting to the Commission to allow Rs. 0.49 Cr over and above the normative O&M Expenses.

COMMISSION ANALYSIS

3.177 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.178 During the prudence check it was observed that the expense of similar nature booked by the Petitioner in its audited financial statement under the head of Communication expenses have already been considered by the Commission at the time of determining the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017.

3.179 The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the expense.

DSM EXPENSES

PETITIONER'S SUBMISSION

3.180 The Petitioner has submitted that the Commission vide its letter dated 13th May, 2015 has given its approval for implementation of AC replacement scheme in the Petitioner region to be read with DERC other letter No. F. 17(23)/DERC/Engg./2014-15/4604/288.

3.181 The Petitioner has incurred an amount of Rs. 5.00 Cr. in FY 2017-18 towards implementation of AC rebate scheme.

3.182 Further, in order to implement the net metering in its area of operations, Tata Power-DDL has incurred Rs 0.03 Cr towards ESCO.

3.183 Thus, the Petitioner is requesting to the Hon'ble Commission to allow Rs 5.03 Cr on account of DSM initiatives taken during the FY 2017-18.

COMMISSION ANALYSIS

3.184 The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.

3.185 DSM scheme was implemented by the Petitioner from FY 2015-16. Therefore, the actual O&M Expenses considered by the Commission already include the expenses on account of DSM scheme implemented by the Petitioner. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

PRI LINES

PETITIONER'S SUBMISSION

3.186 The Commission vide its letter dated 07.04.2017(copy attached as Annexure A-9 in

Volume II of the Petition) has directed to enhance PRI Lines and clearly specified that any additional expense if done it shall be allowed additionally over and above the normative O&M expenses. During the FY 2017-18, Tata- Power DDL has incurred an amount of Rs. 0.37 Cr towards PRI Lines. Therefore, it is requested to the Hon'ble Commission to allow Rs 0.37 Cr additionally over and above normative O&M Expenses.

COMMISSION ANALYSIS

3.187 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the normative O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

3.188 During the prudence check it was observed that the expense of similar nature booked by the Petitioner in its audited financial statement under the head of Communication expenses have already been considered by the Commission at the time of determining the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017.

3.189 The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the expense.

WATER CHARGES

PETITIONER'S SUBMISSION

3.190 The 3rd MYT Regulations, 2017 specified that water charges are required to be trued up based on actuals. Relevant extract of the same is given below:

> *"Provided that the Normative O&M Expenses for the respective Control Period shall not be trued up.*
>
> *Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M Expenses."*

3.191 Based on above, the Petitioner seeks additionally an incremental amount of Rs 0.67 Cr for FY 2017-18.

COMMISSION ANALYSIS

3.192 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 state

"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:

Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;

Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."

3.193 As per the second proviso of the Regulation, the water charges are to be allowed to the Petitioner over and above the normative O&M expenses, in case indicated separately in the audited financial statements.

3.194 While finalizing the norms for the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017, the Commission considered the water charges in the audited O&M expenses of the Petitioner. Thus, the water charges are already included in the normative O&M expenses of the Petitioner and, therefore, are not being allowed.

LEGAL EXPENSES

PETITIONER'S SUBMISSION

3.195 The Petitioner has submitted that while fixing the normative O&M expenses, the Commission has not considered Legal Expense of the DISCOMs. Further in SOR, the Commission has specified that it shall allow the legal expense on actual basis after making a prudence check on legal expenses.

3.196 During the FY 2017-18, TPDDL has incurred an amount of Rs. 17.08 Cr (net of BD Expenses) under the head Legal and Professional Expenses. Given below is the sub-head wise bifurcation of aforesaid Legal and Professional Expenses.

Table 3.59: Petitioner Submission: Legal Expenses for FY 2017-18

S.No	Nature	Amount (Rs. Cr.)
A	Auditor Expenses	0.71
B	Other Misc. Legal Expenses	0.01
C	Consultancy Expenses	1.05
D	Professional Fees/Charges	2.85
E	Compensation Charges	0.11
F	Advocate and Legal Fees	12.35
	Total	17.08

3.197 The Petitioner requested the Commission to allow Rs 17.08 Cr towards Legal and Professional Fees.

COMMISSION ANALYSIS

3.198 During the prudence check, the Commission observed that the Petitioner has claimed the total legal expenses. The Commission is of the view that the legal expenses incurred by the Petitioner on account of enforcement cases where the Petitioner has won such cases before the Appropriate Forum may be allowed. Accordingly, the Petitioner may provide requisite data, case-wise. The same shall be considered subject to the Prudence check of the claims.

SUMMARY OF THE ADDITIONAL O&M EXPENSES FOR FY 2017-18

PETITIONER'S SUBMISSION

3.199 Based on the above submissions, the Petitioner is seeking Rs. 158.48 Cr additionally on account of O&M expenses for FY 2017-18 towards statutory levies/uncontrollable factors, change in law, minimum wages etc..

Table 3.60: Petitioner Submission: Summary of Additional O&M Expenses (Rs. Cr.)

S.No	Particulars	(Amount)
A	Licensee fees	0.40
B	Land Licensee fees	4.38
C	Interim Relief towards- 7th Pay Commission- FRSR	75.77
D	Impact of GST	10.93
E	Impact of Minimum wages	19.55
F	Financing Charges	0.45

S.No	Particulars	(Amount)
G	Property Tax	23.36
H	SMS Charges	0.49
I	DSM Expenses	5.03
J	PRI Lines	0.37
K	Water Charges	0.67
M	Legal Expenses	17.08
N	Total	158.48

COMMISSION ANALYSIS

3.200 Thus the additional O&M Expenses as approved by the Commission for FY 2017-18 are as follows:

Table 3.61: Commission Approved: Additional O&M Expenses for FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Petitioner submission	Approved
A	Licensee fees	0.40	-
B	Property Tax	23.36	22.51
C	Land Licensee fees	4.38	-
D	Water Charges	0.67	-
E	DSM expenses	5.00	-
F	ESCO Exp	0.03	-
G	Impact of GST	10.93	-
H	Impact of Minimum wages	19.55	-
I	Interim Relief towards- 7th Pay Commission-FRSR	75.77	40.72
J	Legal Expenses	17.08	-
K	Financing Charges	0.45	-
L	PRI Lines	0.37	-
M	SMS Charges	0.49	-
N	Sub total	158.48	63.24

CAPITAL EXPENDITURE AND CAPITALISATION

3.201 The Petitioner has submitted that for the purpose of Tariff fixation for FY 2017-18, the Commission in its Tariff Order August, 2017 has projected capitalization of Rs. 439 Cr against which the Petitioner has done actual capitalization of 479.34 Cr.

Table 3.62: Petitioner Submission: Projected v/s Actual Capitalization for FY 2017-18

S.No.	Particulars	Approved	Sought for Trued up
A.	Capitalization	439	479.34
B.	Smart Meter		
C.	Deposit Work		
D.	Total Capitalization	439	479.34

3.202 The Petitioner has submitted that in Tariff Order FY 2018-19, the Commission had provisionally trued up an amount of Rs. 4,675.30 Cr. towards the closing value of gross fixed assets at the end of FY 2016-17. The Petitioner would like to mention that the above provisional trued up value of fixed assets are considered on lower side as the physical verification of the fixed assets of the Petitioner is pending since FY 2005-06 onwards. In the last Financial Year the Commission has initiated the process of doing physical verification of assets for some of the years by appointing third party auditors.

3.203 The Petitioner in its last Tariff Petition had requested to the Commission to consider the capitalization based on audited financial statements, but the Commission considered the opening balance of gross fixed assets as trued up in previous tariff orders.

3.204 Therefore, without prejudice its right, the Petitioner in this petition has considered closing value of provisional trued up fixed assets as per last tariff order and prayed to the Commission to consider the actual value of capitalization if the exercise of the physical verification is completed before issuance of Tariff Order against this tariff Petition.

3.205 Based on above submissions, the Petitioner has submitted the value of Gross Fixed Assets for FY 2017-18 as below:

Table 3.63: Petitioner Submission: Actual Capitalization (Rs. Cr.)

S.No.	Particulars	Amount
A.	Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement)	4,675.31
B.	Add- Capitalization during the year	479.34
C.	Less- Retirement/ De-capitalization for the year	80.16
D.	Closing balance of Gross Fixed Assets (net of Retirement)	5,074.49
E.	Average Balance of Gross fixed Assets	4,874.90

COMMISSION ANALYSIS

3.206 Regulation 24 of DERC (Business Plan) Regulations, 2017 determines the tentative Capital Investment Plan for the Petitioner as follows:

Table 3.64: Commission Approved: Projected Capitalization Cost for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Amount
A.	Capitalization	423
B.	Smart Meter	66
C.	Less: Deposit Work	50
D.	Total	439

3.207 The Commission has undertaken the exercise of review of capitalisation and physical verification of the assets during FY 2017-18 and has shared the draft report with the Petitioner for its comments. The Commission has sought the details of total meters capitalised on account of new connections, meters replaced on account of consumers, meters replaced on account of Petitioner etc. However, the Petitioner has submitted the information after sharing of draft report. The comments on draft report of capitalisation have not yet been received from the Petitioner. The details submitted by the petitioner shall be considered along with other comments to be received from the petitioner. The Commission has provisionally disallowed the capitalisation as mentioned in the draft report. It is observed that the petitioner has obtained EI certification for the capitalisation of Rs. 33.76 Cr. after the completion of financial year. The Commission has not considered such capitalisation during FY 2017-18 as it pertains to FY 2018-19. It is further observed that the meters are also being replaced on account of fault of Distribution Licensee before the useful life of meters. Accordingly, the Commission has provisionally disallowed 20% cost of the meters capitalised during FY 2017-18.

3.208 The Commission observed that the Petitioner has capitalised an amount of Rs. 43.99 Cr. on account of A&G expenses during FY 2017-18. The Commission, as para 4.320 of tariff order dated July, 2012 has stated for consideration of 10% of employee expenses to be capitalised. The Commission has examined the A&G expenses as capitalised for FY 2017-18 which should not exceed 10% of the A&G Expenses and Employee Expenses as allowed to the petitioner. While determining the norms for O&M Expense in the DERC (Business Plan) Regulations, 2017, the Commission had considered the A&G Expenses and Employee Expenses of the total O&M Expenses as follows:

Table 3.65: O&M Norms for FY 2017-18 (Rs.Lac/Capacity Unit)

Particulars	A&G, Emp, R&M	A&G and Emp
66 kV Line	3.297	2.524
33 kV Line	3.297	2.524
11kV Line	0.862	0.660
LT Line system	6.372	4.881
66/11 kV Grid substation	0.927	0.710
33/11 kV Grid Sub-station	0.927	0.710
11/0.415 kV DT	1.326	1.015

3.209 Using the above norms, the Commission examined that the A&G expenses as capitalised by the Petitioner are within 10% of the A&G and Employee Expenses. However, the Commission observed that the Petitioner has also capitalised the Employee expenses amounting to Rs. 1.60 Cr. out of the provision for leave salary and Pension for FY 2017-18 on account of 7th pay revision. The Commission has not allowed the provision for the leave salary and pension, therefore the corresponding capitalisation of such expenses is also not being allowed.

3.210 The Commission has accordingly allowed the Capitalisation for FY 2017-18 as follows on a provisional basis:

Table 3.66: Commission Approved: Provisional Capitalisation for FY 2017-18 (Rs. Cr.)

Particulars	Amount
Total Capitalisation as per financial statements	479.34
Disallowances for FY 2017-18	
Assets not found during physical verification	1.10
Opex nature of work covered under capex	9.83
RR Charges (on behalf of GST)	0.70
Schemes EIC stated not required, but major electrical equipment	4.36
EIC (not provided against schemes)	13.94
EIC (for schemes where EIC date is after 31st March 2018)*	33.76
Excess labour charges	43.99
Time over Run (Excess IDC)	0.16
Cost Over run	0.03
Excess A&G Expenses	-
Excess Meter Cost Capitalised	10.61
Disallowance on account of 7th pay revision provision	1.60
Provisional Capitalistion for FY 2017-18	359.26

**total capitalized cost of schemes in which EIC was dated after March 31, 2018 is Rs.45.92 Cr. out of which Rs.11.89 Cr. has been considered in labour charges and Rs.0.27 Cr. has been considered towards RR Charges*

3.211 Regulation 24(4)(a) of DERC (Business Plan) Regulations 2017 states:

"(4) The quarterly Capital Cost submitted by the Distribution Licensee as per aforesaid sub-Regulation (3) shall be trued up by the Commission and financial impact on account of variation in projected capital cost in the Tariff Order vis-a-vis actual capital cost & scheduled date of commissioning vis-a-vis actual date of commissioning shall be dealt under the Annual true up of relevant financial year as follows:

(a) Any excess tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 1.20 times of the bank rate prevalent on 1st April of respective year:

Provided that any excess tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization due to reasons beyond the control of the Distribution Licensee i.e., delay in 'In-principle' approval of the schemes, road cutting permission from the concerned agencies etc., shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate equal to bank rate prevalent on 1st April of respective year.

(b) Any shortfall in tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 0.80 times of the bank rate prevalent on 1st April of respective year."

3.212 The Commission approved Capitalisation for FY 2017-18 as per the Tariff Order dated 31.08.2017 is as follows:

Table 3.67: Commission Approved: Projected Capitalization Cost in Aug'17 Tariff Order (Rs. Cr.)

S.No	Particulars	FY 2017-18
A.	Capitalization	423
B.	Smart Meter	66
C.	Less: Deposit Work	50
D.	Total	439

3.213 In terms of Regulation 24(4) of DERC(Business Plan) Regulations 2017, the variation range of 10% upon projected capitalisation is as follows:

Table 3.68: Variation in Capitalisation Cost

S.No.	Capitalisation approved as per Tariff Order FY 2017-18	Amount (Rs.Cr.)
A.	Variation range (10% of projection)	43.90
B.	Lower range (with (-) 10% variation)	395.10
C.	Upper Range (with (+) 10% variation)	482.90

3.214 The provisional Capitalisation allowed by the Commission is Rs. 359.26 Cr. as discussed in previous paragraphs. It is observed that the Petitioner has received the Consumer Contribution of Rs. 41.28 Cr. during FY 2017-18. The petitioner has also retired the assets of Rs. 80.16 Cr. during FY 2017-18. Thus, the capitalisation considered for FY 2017-18 for the purpose of determination of excess/shortfall in recovery of Tariff is as follows:

Table 3.69: Commission Approved: Actual Capitalisation (Rs.Cr.)

S.No.	Particulars	Amount (Rs. Cr.)
A.	Actual Capitalisation	359.26
B.	Less: Consumer Contribution	41.28
C.	Less: Decapitalisation	80.16
D.	Total	237.82

3.215 It is observed that there is a shortfall in the projected capitalisation (Rs.439 Cr.) and the approved capitalisation (Rs.237.82 Cr.) of the Petitioner. In accordance with Regulation 24(4), of DERC (Business Plan) Regulations, 2017, the shortfall of capitalisation, leading to excess recovery of the Tariff considering the bank rate on 01.04.2017 as 8% has been computed as follows:

Table 3.70: Impact of variance more than 10% in approved v/s projected capitalisation

S.No.	Particulars	Amount (Rs. Cr.)
A	Shortfall in Capitalisation from projection during the year	157.28
B	Depreciation thereon (%) As allowed in Aug 17 TO	3.91%
C	Depreciation thereon (Rs. Cr.)	3.07
D	WACC thereon (%) As allowed in Aug 17 TO	13.16%
E	ROCE thereon (Rs. Cr.)	10.35
F	Total	13.42
G	Bank Rate as on 1st April 2017	8.00%
H	1.2 times thereof	9.60%
I	Recovery on account of Regulation 24(4)(a)	0.64

3.216 Accordingly, the recovery of interest on account of Regulation 24(4)(a) of DERC (Business Plan) Regulations, 2017 is considered towards the Revenue available towards ARR of the Petitioner.

LOSS ON SALE OF RETIREMENT OF ASSETS/ DE-CAPITALIZATION OF ASSETS

PETITIONER'S SUBMISSION

3.217 Regulation 45 to 47 of the Tariff Regulations, 2017 deals with the methodology of allowance of Loss or gain due to De-capitalization/Retirement of Fixed Assets.

3.218 As per the aforesaid Regulations, the Petitioner has bifurcated the total retirement/de-capitalization of Rs. 80.16 Cr. in above three categories and computed the loss or gain as given below:

Table 3.71: Petitioner Submission: Loss/Gain on Retirement of Assets for FY 2017-18 (Rs. Cr)

S.No.	Particulars	Regulation 45.	Regulation 46.	Regulation 47.
A.	Gross value of Retired Assets	68.43	6.87	4.86
B.	Less- Allowance of Dep.	27.34	1.18	4.13
C.	Less- Sales Consideration		0.90	0.01
D.	Amount sought in this true up towards allowance of Extra depreciation upto 90% - A	7.61	3.25	0.25
E.	Loss/(gain) not claimable from DERC	0.01	1.53	0.48
F.	Loss/gain on sale of FA - B	33.47	-	
G.	Total Loss/gain including Depreciation (i.e. Rs 33.47+7.61+3.25+0.25)	44.59		
H.	Less- Amount of Sales Consideration	8.36		
I.	Balance Amount Sought in the ARR – Rs Cr.	36.23		

COMMISSION ANALYSIS

3.219 Regulation 45 to 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

"45. Loss or Gain due to de-capitalization of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalization of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.

47. Loss or Gain due to de-capitalization of asset after the completion of useful life of asset shall be to the account of the Utility."

3.220 During the prudence check, the Commission sought the basis of computation of the loss on sale of retirement of assets under Regulations 45, 46 and 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

3.221 The Petitioner has submitted the details vide email dated 17.07.2019. The Commission noted from the list of assets retired by the Petitioner that loss on account of replacement of meters on the direction of the Commission, qualifies for loss on retirement of assets under Regulation 45 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 due to technological obsolescence. The Petitioner could not establish that other assets were retired on the direction of the Commission. The in-principle approval of the Commission from time to time, for replacement of assets on the request of Petitioner, qualify under Regulation 46 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Accordingly, the Commission has considered loss provisionally on account of retirement of assets as Rs. 0.01 Cr as under:

Table 3.72: Petitioner Submission: Assets Decapitalised for FY 2017-18 (Rs. Cr.)

Assets	Faulty & Beyond Repairable		Meters Burnt/ Enforcement		Others – Theft		Others Misc.		Technological obsolescence		Total	
	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep
11KV Switch Gears	(10.13)	4.92	(0.07)	0.04	(0.07)	0.04	(0.07)	0.02	(0.05)	0.04	(10.39)	5.05
Capacitors	(0.45)	0.29	-	-	-	-	-	-	-	-	(0.45)	0.29
Computers	(6.65)	6.45	-	-	(0.02)	0.01	-	-	-	-	(6.67)	6.46
EHV Switch Gears	(2.75)	1.33	-	-	-	-	-	-	-	-	(2.75)	1.33
Energy Meters	(14.95)	10.87	(1.11)	0.33	(0.06)	0.01	-	-	(0.01)	0.00	(16.14)	11.21
Furniture & Fittings	(2.69)	2.50	-	-	-	-	-	-	-	-	(2.69)	2.50
Lightening	(0.24)	0.18	-	-	-	-	-	-	-	-	(0.24)	0.18

Assets	Faulty & Beyond Repairable		Meters Burnt/ Enforcement		Others – Theft		Others Misc.		Technological obsolescence		Total	
	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep.	Gross Fixed Asset	Dep
Arrestors												
LT Switch Gears	(0.49)	0.29	(0.02)	0.00	-	-	(0.13)	0.01	-	-	(0.64)	0.30
Office Equipment	(2.65)	2.22	-	-	(0.00)	0.00	(0.00)	0.00	-	-	(2.66)	2.22
Other Plant & Machinery	(0.36)	0.19	-	-	-	-	-	-	-	-	(0.36)	0.19
Overhead Lines	(1.48)	0.64	(0.03)	0.00	-	-	(2.68)	1.14	(0.40)	0.20	(4.58)	1.98
SCADA/ Control & Instrumentation	(15.13)	10.32	-	-	-	-	-	-	(0.89)	0.48	(16.02)	10.80
Street Lightening	(0.15)	0.12	-	-	-	-	-	-	-	-	(0.15)	0.12
Transformers	(1.60)	0.94	(0.01)	0.00	(0.12)	0.06	-	-	-	-	(1.72)	1.00
Underground Cables	(1.19)	0.42	-	-	(0.00)	0.00	(1.59)	0.11	(0.20)	0.09	(2.98)	0.62
Grand Total	(60.89)	41.67	(1.24)	0.38	(0.27)	0.12	(4.47)	1.27	(1.55)	0.81	(68.43)	44.25

CONSUMER CONTRIBUTION/GRANT

PETITIONER'S SUBMISSION

3.222 The Petitioner referred the Regulation 66 of the Tariff Regulations, 2017 which stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized shall be deducted.

3.223 In Tariff Order FY 2018-19, the Commission had provisionally trued up an amount of Rs. 776.98 Cr. towards consumer contribution & capital grant. Therefore, the Petitioner in this petition has considered consumer contribution and grants as per last tariff order and prayed to the Commission to consider the value of consumer contribution and grants corresponding to the value of fixed assets, if the exercise of the physical verification is completed before issuance of Tariff Order against this tariff Petition.

Table 3.73: Petitioner Submission: Consumer Contribution/grants (Rs. Cr)

S.No	Particulars	Amount
A	Opening Balance	776.98
B	Total Addition during the year	41.28
C	Closing Balance	818.26
D	Average Consumer Contribution	797.62

COMMISSION ANALYSIS

3.224 The Commission has considered the closing balance of Consumer Contribution and Grants approved for FY 2016-17 in the Tariff Order dated 28.03.2018 as opening balance of Consumer Contribution and Grants for FY 2017-18. The Commission verified the additions towards Consumer Contribution and Grants during the year from the audited financials of the Petitioner.

3.225 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

Table 3. 74:Commission Approved: Consumer Contribution/Grants (Rs. Cr.)

S. No.	Particulars	Petitioner submission	Approved	Ref.
A	Opening Balance	776.98	776.98	Tariff Order Mar, 18
B	Capitalized during the year	41.28	41.28	Audited Financials
C	Closing Balance	818.26	818.26	A + B
D	Average Cumulative Capitalized Consumer Contribution/Grants	797.62	797.62	(A + C)/2

FUNDING OF CAPITALISATION

PETITIONER'S SUBMISSION

3.226 The Petitioner has considered 70:30 as Debt equity ratio for the purpose of means of finance for FY 2017-18 for the Capitalisation as follows:

Table 3.75: Petitioner Submission: Investment capitalised for FY 2107-18 (Rs. Cr.)

S.No	Particulars	Amount (Cr.)
A	Capitalization during the year	479.34
B	Less- Retirement	(80.16)
C	Net Capitalization	399.18
D	Less- Consumer Contribution, Grants, etc. for the year	41.28
E	Balance Capitalization required to be funding	357.89
F	Funding through – Debt @ 70% of E	250.53
G	Funding through – Equity @ 30% of E	107.37

COMMISSION ANALYSIS

3.227 The closing GFA for FY 2016-17 as approved in the Tariff Order dated 28.03.2018 has been considered as opening GFA for FY 2017-18.

3.228 Accordingly, the provisionally approved Capitalisation for the Petitioner is as follows:

Table 3.76: Commission Approved: Capitalisation for FY 2017-18

S.No	Particulars	Petitioner submission	Approved	Ref.
A	Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement)	4,675.31	4,675.30	
B	Add- Capitalization during the year	479.34	359.26	Table 3.66
C	Less- Retirement/ De-capitalization for the year	80.16	80.16	Table 3.69
D	Closing balance of Gross Fixed Assets	5074.49	4,954.40	A +B- C
E	Average Gross Fixed Assets (Net of Retirement of Assets)	4874.90	4,814.85	(A+D)/2

DEPRECIATION

PETITIONER'S SUBMISSION

3.229 The Petitioner has computed depreciation on average of net fixed assets (i.e. Average of Gross Fixed Assets for the year – Average of Consumer Contribution/capital subsidy/grant for the year).

3.230 The computation of assets class wise depreciation without finalization of pending capitalization due to physical verification, has been submitted by the petitioner by using average deprecation rate based on audited financial statement and then applied the rate on average net fixed assets to compute the depreciation for the year.

3.231 Based on above methodology, average depreciation rate is submitted as follow:

Table 3.77: Petitioner Submission: Average rate of Depreciation for FY 2017-18

S.No	Particulars	Amount (Rs Cr.)
A	Average of Fixed Assets	5,484.85
B	Depreciation	273.28
C	Rate of Depreciation	4.98%

3.232 Considering the above average depreciation rate, allowable depreciation on Average Assets (net of consumer contribution/grants) is submitted as below:

Table 3.78: Petitioner Submission: Depreciation for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Amount
A	Average Assets	4,077.28
B	Average Depreciation Rate	4.98%
C	Depreciation (Net of Consumer Contribution)	203.15

3.233 The Petitioner has submitted that in Tariff Order FY 2018-19, the Commission had provisionally trued up an amount of Rs. 1,768.14 Cr. towards accumulated depreciation without reducing the impact of corresponding depreciation towards retired assets till FY 2016-17. While computing the RRB the Commission had considered Gross Fixed assets net of Retirement, however, Depreciation had been considered at gross level. Thus the Petitioner has requested to rectify the said methodology and allowed the loss on retirement upto FY 2016-17 along with carrying cost.

3.234 It is further clarified that as the exercise of physical verification of capitalization is under process, the Petitioner in this petition has considered same value of accumulated depreciation as per last tariff order and prayed to the Commission to consider the revised value (net of retired assets) if the exercise of the physical verification is completed before issuance of Tariff Order against this tariff Petition.

Table 3.79: Petitioner Submission: Accumulated Depreciation (Rs. Cr.)

S.No	Particulars	Amount
A	Opening Balance of provisionally approved depreciation	1,768.14
B	Addition during the year	203.15
C	Deletion due to De-capitalization	32.65
D	Closing Balance	1,938.64

COMMISSION ANALYSIS

3.235 Regulations 78 to 83 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the provisions of Depreciation for the FY 2017-18 as follows:

"78. Annual Depreciation shall be computed based on Straight Line Method for each class of asset as specified in Appendix-1 of these Regulations.

79. The base value for the purpose of depreciation shall be the capital cost of the asset approved by the Commission. Depreciation shall be chargeable from the first year of commercial operation and in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

81. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

82. In case of existing assets, the balance depreciable value as on 1st April of any financial year shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March of the preceding financial year from the gross depreciable value of the assets.

83. The Depreciation for Life extension projects/scheme shall be allowed in the manner as indicated in Regulation 51 of these Regulations."

3.236 The Commission continues to apply the rate of depreciation at the rate of 4.98% for FY 2017-18 on provisional basis as per the audited financial statements of the Petitioner. Accordingly, depreciation on the assets capitalised provisionally is as computed below:

Table 3.80: Commission Approved: Depreciation for FY 2017-18

S.No	Particulars	Petitioner Submission	As Approved	Ref.
A	Average Gross Fixed Assets	4,874.90	4,814.85	Table 3.76
B	Average Consumer Contribution	797.62	797.62	Table 3.74
C	Average Fixed Assets (net of Consumer Contribution/ grants)	4,077.28	4,017.23	A-B
D	Rate of Depreciation	4.98%	4.98%	
E	Depreciation Approved	203.15	200.16	(C*D)

3.237 The Commission in its previous Tariff Orders has considered the retirement of assets. However, the corresponding depreciation on account of retired assets was not reduced except for FY 2014-15 and FY 2015-16 due to non submission of the details by the Petitioner. Now the petitioner has submitted the depreciation on account of the retired assets which has now been considered accordingly. The revised opening balance of accumulated depreciation is now considered as Rs. 1,503.27 Cr. (1768.14-264.87) for FY 2017-18. Accordingly, the accumulated depreciation for FY 2017-18 is as follows:

Table 3.81: Commission Approved: Accumulated Depreciation (Rs. Cr.)

S. No.	Particulars	Petitioner Submission	As Approved	Ref.
A	Opening Depreciation (Net of De Cap)	1,768.14	1,503.27	
B	Addition during the year	203.15	200.16	Table 3.80
C	Less- Depreciation towards Retirement	32.65	51.78	Audited financials
D	Closing value of Accumulated Depreciation	1,938.64	1,651.65	A+B-C

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.238 In view of Regulation 84 (4) of Tariff Regulations, 2017 the Petitioner has submitted working capital for FY 2017-18 as below:

Table 3.82: Petitioner Submission: Working Capital Requirement for FY 2017-18

S.No	Particulars	Amount (Rs. Cr.)	Ref.
A	ARR for Distribution business as a whole	7,016.00	
B	ARR equivalent to 2 months	1,169.33	(A/12*2)
C	Power Purchase expenses	5,211.04	
D	Less: 1/12th of power purchase expenses	434.25	(C/12*1)
E	Total working capital for the year	735.08	(B-D)

3.239 The Petitioner has considered value of working capital as provisionally trued up of Rs. 582.14 Cr. in Tariff Order FY 2018-19 and computed the addition in working capital as below:

Table 3.83: Petitioner Submission: Computation of Change in working capital

S.No	Particulars	Amount (Rs Cr)
A	Total working capital for the year	735.08
B	Less- Opening Working Capital	582.14
C	Working Capital for the year	152.94

COMMISSION ANALYSIS

3.240 Regulation 84(4) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the working capital determination for Distribution Licensee as follows:

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

(4) Distribution Licensee as follows:

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

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

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

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

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

3.241 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and ARR as approved in the truing up for FY 2017-18 as follows:

Table 3.84: Commission Approved: Working Capital for FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Petitioner submission	Approved	Ref.
A	Annual Revenue	7,016.00	6,161.22	Table 3.108
B	Receivables equivalent to 2 months average billing	1,169.33	1,026.87	(A/12*2)
C	Power Purchase expenses including transmission charges	5,211.04	4,769.60	Table 3.50
D	Less: 1/12th of power purchase expenses	434.25	397.47	(C/12*1)
E	Total working capital	735.08	629.40	(B-D)
F	Opening working capital	582.14	582.14	Table 148 of TO March, 2018
G	Change in working capital	152.94	47.26	E-F

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.242 Based on the actual capitalization and corresponding deprecation, consumer contribution and working capital requirement for FY 2017-18, the computation of

Regulated Rate Base as submitted by the Petitioner is as below:

Table 3.85: Petitioner Submission: Regulated Rate Base for FY 17-18 (Rs. Cr.)

S.No	Particulars	Amount
A	Opening Balance of OCFA	4,675,31
B	Opening Balance of Working Capital	582.14
C	Opening Balance of Accumulated Depreciation	1,768.14
D	Opening balance of Accumulated Consumer Contribution	776.98
E	Provisionally trued up opening RRB	2,712.33
	RRB - for the year	
F	Net Capitalization during the year	399.18
G	Net Depreciation for the year	170.50
H	Consumer Contribution, Grants, etc. for the year	41.28
I	Change in Working Capital	152.94
J	RRB – Closing for the year	3,052.66
K	ΔAB (Change in Regulated Base)	246.64
L	Average RRB for the purpose of ROCE	2,958.97

COMMISSION ANALYSIS

3.243 Regulation 65 to 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

"65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

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

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:

RRBi = RRB i-1 + ΔABi /2 + ΔWCi;

Where,

"i" is the ith year of the Control Period;

RRBi: Average Regulated Rate Base for the ith year of the Control Period;

ΔWCi: Change in working capital requirement in the ithyear of the Control Period from (i-1)th year;

ΔABi: Change in the Capital Investment in the ith year of the Control Period;

This component shall be arrived as follows:

ΔABi = Invi – Di – CCi - Reti;

Where,

Invi: Investments projected to be capitalised during the ith year of the Control Period

and approved;

Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;

CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;

Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;

RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the

Opening Regulated Rate Base for the Base Year i.e. RRB_O;

$RRB_O = OCFA_O – AD_O – CC_O + WC_O$;

Where;

$OCFA_O$: Original Cost of Fixed Assets at the end of the Base Year;

AD_O: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;

CC_O: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WC_O: working capital requirement in the (i-1)thyear of the Control Period.

Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

RoCE=WACCi RRBi*

Where,

WACCi is the Weighted Average Cost of Capital for each year of the Control Period;

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$\text{WACC} = \left[\frac{D}{D+E}\right] * r_d + \left[\frac{E}{D+E}\right] * r_e$$

Where,

***D** is the amount of Debt derived as per these Regulations;*

***E** is the amount of Equity derived as per these Regulations;*

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective *years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;*

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

***Rd** is the Cost of Debt;*

***Re** is the Return on Equity."*

3.244 Accordingly, the Commission approves the RRB for FY 2017-18 as follows:

Table 3.86: Commission Approved: RRB for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Petitioner submission	As Approved	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	4,675.31	4,675.30	Table 3.76
B	Opening Accumulated depreciation (ADo)	1,768.14	1,503.27	Table 3.81
C	Opening consumer contributions received (CCo)	776.98	776.98	Tariff Order Mar, 18
D	Opening Working capital (WCo)	582.14	582.14	Tariff Order Mar, 18
E	Opening RRB (RRBo)	2,712.33	2,977.19	A-B-C+D
F	Investment capitalised during the year (INVi)	479.34	359.26	Table 3.66
G	Depreciation during the year (Di)	203.15	200.16	Table 3.80
H	Depreciation on decapitalised assets during the year	32.65	51.78	Table 3.81
I	Consumer contribution during the year (CCi)	41.28	41.28	Table 3.69
J	Fixed assets retired/decapitalised during the year (Reti)	80.16	80.16	Table 3.76
K	Change in capital investment (ΔABi)	187.40	89.43	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	152.94	47.26	Table 3.84
M	RRB Closing	3,052.67	3,113.89	E+K+L
N	RRBi	2,958.97	3,069.17	E+K/2+L

DEBT & EQUITY, INTEREST ON LOAN, WACC

PETITIONER'S SUBMISSION

3.245 The petitioner has submitted that based on 70: 30 Debt Equity Ratio, approved Equity Deployed in the Business in as below:

Table 3.87: Petitioner Submission: Approved Equity as per Previous Tariff Orders (Rs. Cr)

S.No.	Particular	Opening Equity	Addition	Addition during the year - Working Capital	Closing Equity	Average Equity
A.	FY 07-08	610.15	(51.69)	59.69	618.15	
B.	FY 08-09	618.15	70.57	5.83	694.55	
C.	FY 09-10	694.55	36.86	(1.79)	729.62	
D.	FY 10-11	729.62	95.92	(1.50)	824.04	
E.	FY 11-12	824.04	56.94	7.25	888.23	
F.	FY 12-13	888.23	33.40	(70.37)	851.26	
G.	FY 13-14	851.26	24.79		876.05	
H.	FY 14-15	876.05	63.57		939.62	
I.	FY 15-16	939.62	65.01		1,004.63	
J.	FY 16-17	1,004.63	88.34		1,092.97	
K.	FY 17-18	1,092.97	107.37		1,200.34	1,146.66

3.246 The Petitioner has submitted that the Commission in its Tariff Order FY 2017-18 has approved the interest rate of 9.73% towards Capex loans. The Petitioner with its continual efforts is able to reduce the weighted average interest rate of capex loans to 8.84% for FY 2017-18 against the approved interest rate of 9.73%.

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

3.248 For the purpose of computation of WACC, the Petitioner has considered Grossed up Return on Equity and Actual weighted average rate of Interest for Capex loans. Computation of WACC for FY 2017-18 as below:

Table 3.88: Petitioner Submission: Weighted Average Cost of Capital (Rs. Cr.)

S.No	Particulars	Amount
A	RRB (i)	2,958.97
B	Average Equity deployed in the business	1,146.66
C	Average Debt including working capital	1,812.31
D	Rate of return on equity (re)	16.00%
E	Normal Income Tax Rate	34.61%
F	Grossed up Return on Equity	24.47%
G	Rate of interest on debt (rd)	8.84%
H	WACC	14.90%
I	RoCE	440.77

COMMISSON'S ANALYSIS

3.249 Regulation 22 of the DERC (Business Plan) Regulations, 2017 stipulates the margin for rate of interest on loan as follows:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:

Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%.

(2) The Distribution Licensees shall follow transparent mechanism to avail Loans and, to the extent possible, shall endeavour to invite open tender for availing Loans."

3.250 During the prudence check the rate of interest on Capex loan and working capital loan has been verified at 8.84% and 8.14% for FY 2017-18.

3.251 Accordingly, the WACC, ROCE as approved by the Commission for the Petitioner is as follows:

Table 3.89: Commission Approved: WACC & ROCE for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Petitioner submission	As Approved	Ref
A	RRBi	2,958.97	3,069.17	Table 3.86
B	Opening Equity for Capitalisation (limited to 30%)		718.52	
C	Closing Equity limiting to 30% of net capitalisation		745.35	
D	Average Equity for Capitalisation (limited to 30%)	1146.66	731.93	
E	Opening Debt at 70% of net capitalisation		1676.54	
F	Closing Debt at 70% of net capitalisation		1,739.14	
G	Average Debt at 70% of net capitalisation	1,812.31	1,707.84	(E+F)/2
H	Debt at 100% of working capital		629.40	A-D-G
I	Debt- balancing figure		2337.24	A-D
J	Rate of return on equity (re)	24.47%	16.00%	
K	Rate of debt (rd) on capitalisation		8.84%	
L	Rate of debt (rd) on working Capital		8.14%	
M	Rate of interest on debt(rd) Blended	8.84%	8.64%	
N	WACC	14.90%	10.40%	
O	RoCE	440.77	319.31	A*N

INCOME TAX

COMMISSION ANALYSIS

3.252 The Commission approves the Income tax based on the return on Equity as follows:

Table 3.90: Commission Approved: Income tax for FY 2017-18 (Rs. Cr.)

S.No	Income Tax	Approved	Ref.
A	Average Equity for Capitalisation (limited to 30%) (Rs. Cr.)	731.93	Table 3.89
B	Rate of return (re) (%)	16%	
C	Return on equity (Rs. Cr.)	117.11	
D	Effective Income Tax Rate (%)	23.60%	
E	Grossed-up return on Equity	20.94%	B/(1-D)
F	Return on equity including income tax (Rs. Cr.)	153.28	A*E
G	Tax (Rs. Cr.)	36.17	F-C
H	Actual Tax Paid (Rs. Cr.)	94.51	Audited financials
I	Tax allowed (Rs. Cr.)	36.17	Min(G, H)

INCENTIVE FOR REFINANCING OF LOAN WITH RESPECT TO REDUCTION IN CAPEX LOANS AND REVENUE GAP LOANS

PETITIONER'S SUBMISSION

3.253 During the FY 2017-18, the Petitioner has submitted to have put continual efforts to bring down the cost of financing i.e. Rate of interest for Capex Loan as well as Revenue Gap Loans against the approved Cost of Debt for Capex and Revenue Gap Loans as follows:

Table 3.91: Petitioner Submission: Approved and actual cost of debt for FY 2017-18 (Rs. Cr)

S.No	Particular	Approved in TO FY 2017-18	Actual as per Petitioner
A	Cost of Debt- Capex Loan/working capital	9.73%	8.84%
B	Cost of Debt- Revenue Gap Loans	9.68%	8.82%

3.254 Accordingly, the Petitioner has computed the incentive on savings by way of re-financing of loan as follows:

Table 3.92: Petitioner Submission: Incentive on Capex loan

S.No	Particulars	Amount (Rs Cr)	Amount based on Approved cost of Debt(Rs Cr)
A	RRB (i)	2,958.97	2,958.97
B	Average Equity deployed in the business	1,146.66	1,146.66
C	Average Debt including working capital	1,812.31	1,812.31
D	Rate of return on equity (re)	16%	16%
E	Normal Income Tax Rate	34.61%	34.61%
F	Grossed up Return on Equity	24.47%	24.47%
G	Rate of interest on debt (rd)	8.84%	9.73%
H	WACC	14.90%	15.44%
I	RoCE	440.77	456.90
J	Saving in ROCE		16.13
K	Petitioner Share 50% of J		8.06

Table 3.93: Petitioner Submission: Incentive on Revenue gap loan

S.No	Particulars	Amount based on approved cost of Debt	Amount Sought for truing up based on actual cost
A	ROE	14%	14%
B	Cost of Debt	9.68%	8.82%
C	Carrying Cost Rate	10.98%	10.37%
D	Average Revenue Gap for the year	3,990.08	3,990.08
E	Carrying Cost	437.95	413.93
F	Saving in Carrying Cost		24.02
G	Petitioner Share @ 50% of F		12.01

3.255 The Petitioner has then reduced its share of incentive of Rs. 8.06 Cr. and Rs 12.01 Cr. from the Revenue available towards ARR.

COMMISSION ANALYSIS

3.256 Regulation 71 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

"The Utility shall make every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission."

3.257 Regulation 31 of Business Plan Regulations, 2017 deals with Incentive Sharing Mechanism for Re-financing of Loan and provided that "*(1) The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR.*

(2) The incentive on account of re-financing of loan computed as per sub clause (1) above shall be shared equally between the Consumers and the Distribution Licensee."

3.258 In view of the above Regulations, the Commission has determined the incentive on refinancing of loan as follows:

Table 3.94: Commission Approved: Incentive on re-financing of Loans (Rs. Cr.)

S. No	Particulars	Amount of Debt	Rate of Interest	Capping of interest rates	Total incentive	Petitioners' Share
A	Capitalisation	1,707.84	8.84%	9.73%	15.20	7.60
B	Working Capital	629.40	8.14%	9.73%	10.01	5.00
C	Revenue Gap	1,533.21	8.76%	9.68%	14.12	7.06
	Total	**3,870.45**			**39.32**	**19.66**

NON-TARIFF INCOME (NTI)

PETITIONER'S SUBMISSION

3.259 The petitioner has submitted the non-tariff income of Rs. 71.27 Cr. for FY 2017-18 as below:

Table 3.95: Petitioner Submission: Non-Tariff Income for FY 17-18 (Rs. Cr.)

S.No.	Particular	Amount	
A	Other Operating Revenue		119.60
B	Other Income		64.90
	Total –(I)		184.50
C	Transfer from capital grants	0.74	
D	Transfer from consumer Contribution for Capital work	42.78	
E	Incentive towards Street Light	1.35	
F	Interest Income /Short term capital gain	5.00	
G	Financing Cost of LPSC	8.79	
H	Income from other Business	57.92	
	Total –(II)		116.56
I	Differential amount of Service Line Charges - III		3.35
	Sub- Total		71.27

COMMISSION ANALYSIS

3.260 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states, *"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:*

(i) Income from rent of land or buildings;

(ii) Net Income from sale of de-capitalised assets;

(iii) Net Income from sale of scrap;

(iv) Income from statutory investments;

(v) Net Interest on delayed or deferred payment on bills;

(vi) Interest on advances to suppliers/contractors;

(vii) Rental from staff quarters;

(viii) Rental from contractors;

(ix) Income from Investment of consumer security deposit;

(x) Income from hire charges from contactors and others, etc."

3.261 The Commission has trued up the Non tariff Income in accordance with the Regulation as above.

GRANT/CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.262 The petitioner submitted that since the Gross Capital Grant/Consumer Contribution is utilised for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for financing of capex/capitalization.

COMMISSION ANALYSIS

3.263 The Commission is of the view that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

INCENTIVE TOWARDS STREET LIGHT

PETITIONER'S SUBMISSION

3.264 The Petitioner has submitted that in order to evolve a performance driven system that the Commission vide its order dated 22.09.2009 has put up the incentive/disincentive mechanism for maintaining street lights.

3.265 Relevant extract of para no. 20 on page no 9 of the aforesaid order is given below:

"On going through the relevant submission made by the DISCOMs and MCD/PWD etc., it is decided that the performance level/ efficiency for the purpose of incentive shall be reviewed during next control period till such time the same arrangement for incentive/ disincentive shall continue as under:

Performance level achieved	*Incentive*	*Example*
Between 90-95%	*1% of the maintenance cost for each percentage in over achievement from target of 90%*	*Actual Performance 93%* *Incentive 93-90 = 3%*
Between 95-97%	*1.5% of the maintenance cost for each percentage in over achievement from target of 95%*	*Actual Performance 97%* *Incentive= 5 + 3 = 8%*
Above 97%	*2.0% of the maintenance cost for each percentage in over achievement from target of 97%*	*Actual Performance 99%* *Incentive = 8 + 4 = 12%*

Performance less than 90% shall attract disincentive for the DISCOMS according to the following table:

Performance level achieved	*Disincentive*	*Example*
Between 80-90%	*1% of the maintenance cost for each percentage in shortfall to achieve target of 90%*	*Actual Performance 83%* *Disincentive 90-83 = 7%*
Between 70-80%	*1.5% of the maintenance cost for each percentage in shortfall to achieve target of 80%*	*Actual Performance 77%* *Disincentive =10+4.5 = 14.5%*
Below 70%	*2% of the maintenance cost for each percentage in shortfall to achieve target of 70%*	*Actual Performance 60%* *Disincentive = 25 + 20 = 45%*

The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month.''

3.266 As mentioned in the State Commission Order, the incentive earned by the Petitioner would not be a pass through in the ARR, hence, the Petitioner has retained Rs. 1.35 Cr as an incentive earned towards the maintenance of Street Light. It is further clarified that the total amount of maintenance charges of Rs. 16.68 Cr. under the head Other Operating Revenue as appearing in Note No 29(d) of Audited Balance Sheet is inclusive of aforesaid street light incentive of Rs. 1.35 Cr., therefore, Tata Power- DDL has deducted amount of Rs 1.35 Cr from the Non-Tariff Income.

COMMISSION ANALYSIS

3.267 The Commission has considered the submission of the petitioner and allowed the amount of Rs. 1.35 Cr. to be reduced from Non tariff Income towards incentive for street light.

INTEREST ON SURPLUS FUNDS OUT OF SHAREHOLDER'S MONEY

PETITIONER'S SUBMISSION

3.268 During the FY 2017-18, Tata Power – DDL has earned an amount of Rs. 5 Cr as Interest Income/ Gain on investment in mutual funds by investing shareholder's funds at different point of time.

3.269 The Petitioner requested the Commission that an amount of Rs 5.00 Cr be excluded from Non-Tariff Income.

COMMISSION ANALYSIS

3.270 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that income from statutory investments will form part of Non tariff Income.

3.271 The Petitioner submits to hold certain short term investments with the banks as margin for Debt service coverage in order to service its debt facility.

3.272 Accordingly, the Commission allows to reduce income from such investments to be reduced from Non Tariff Income.

FINANCING COST FOR LPSC

PETITIONER'S SUBMISSION

3.273 The Petitioner has stated that LPSC is levied on consumers who do not make payment within the credit period allowed for payment. This compensates the Utility for the additional interest cost that gets incurred on the additional working capital requirements due to non-payment for timely payments of such dues by the consumers by the respective due dates.

3.274 The Hon'ble APTEL in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates. The Hon'ble APTEL categorically held that "the financing cost relating to the late payment surcharge" must be derived from the "prevalent market lending rates." This is imperative because the Petitioner is required to finance working capital requirement arising out of delayed payment throughout the year.

3.275 The Hon'ble APTEL vide its judgment dated July 12, 2011 in Appeal No. 142 of 2009 had held that the Petitioner is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. The relevant portion of the judgment is reproduced below:

> *"19.5…*
>
> *Accordingly, the Appellant is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. (Emphasis added)"*

3.276 The Commission in its Tariff Regulations, 2017 has upheld the Judgment of the Hon'ble APTEL and clearly stated in Regulations 94(v) that net interest on delayed or deferred payment of bills shall be considered as Non-Tariff Income.

3.277 Thus in order to compute the financing cost of LPSC, Tata Power DDL has considered the actual interest rate of 8.84% on actual basis against the approved rate of 9.73% by the Commission in its Tariff Order for FY 2017-18.

3.278 Based on above submission, financing cost for LPSC is computed as follows:

Table 3.96: Petitioner Submission: Financing cost of LPSC (Rs. Cr.)

S.No	Particular	UoM	Amount
A	LPSC earned (Note 29(a) of Audited Financial Statement)	(Rs. Cr.)	17.89
B	Late payment surcharge rate as per Regulations	%	18% p.a.
C	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B)	(Rs Cr)	99.39
D	Interest Rate	%	8.84%
E	Financing Cost (C*D)	(Rs Cr)	8.79

COMMISSION ANALYSIS

3.279 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

...

(v) Net Interest on delayed or deferred payment on bills;

..."

3.280 The Commission during prudence check has verified the working capital rate of interest and trued up at 8.14%. Accordingly, the Commission has considered the net interest on delayed or deferred payment on bills as Non Tariff Income of the Petitioner as follows:

Table 3.97: Commission Approved: Financing Cost of LPSC (Rs. Cr.)

S.No	Particular	Petitioner submission	Approved
A	LPSC earned	17.89	17.89
B	Late payment surcharge rate as per Regulations (%)	18%	18%
C	Principal Amount	99.39	99.39
D	Normative Interest Rate (Working Capital	8.84%	8.14%
E	Financing Cost	8.79	8.09

SERVICE LINE CHARGES

PETITIONER'S SUMBISSION

3.281 The Petitioner has submitted that Tata Power- DDL would like to bring in the kind attention of the Commission that as per Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR. However under Ind-As since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Hence any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges are shown under the head other operating income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2017-18. Given below is the amount additionally considered as a part of Non-Tariff Income.

Table 3.98: Petitioner Submission: Service Line Charges for FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Rs. Cr.
A.	Receipt on account of Service Line charges	32.18
B.	Amortized and transferred to Profit & Loss	28.83
C.	Amount additionally offered as NTI	3.35

COMMISSION ANALYSIS

3.282 The Commission has been considering the SLD charges on receipt basis as part of the non tariff income of the Petitioner.

3.283 The Commission verified the audited financial statements and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of three years. Accordingly, the additional amount towards Non tariff Income has been determined by the Commission as under:

Table 3.99: Commission Approved: Difference on account of SLD (Rs. Cr.)

S.No.	Particulars	Petitioner submission	Approved
A	Receipt on account of Service Line charges	32.18	32.18
B	Amortized and transferred to Profit & Loss	28.83	28.83
C	Addition to NTI	3.35	3.35

INCOME FROM OTHER BUSINESS INCOME

PETITIONER'S SUBMISSION

3.284 The Petitioner has submitted that with the objective of creating additional avenues for growth, sharing of knowledge & best practices across utilities, and most importantly, in line with its strategy of providing power at competitive rates to consumers, Tata Power- DDL is exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.

3.285 Tata Power-DDL during the course of its transformation journey in the National Capital Territory of Delhi has acquired & developed its knowledge base, built its core competencies in utility management and is using these competencies to expand its footprints in different geographies both nationally and internationally, providing distribution related services including operations management, commercial management integration of information and operations technologies for smarter and intelligent functioning of distribution networks, change management, process re-engineering, capacity building etc.

3.286 Tata Power-DDL's exclusivity is due to its unique positioning amongst the players in the power domain. Being a power distribution utility, Tata Power-DDL scores over all the service providers through its in depth knowledge of the business processes that go into the daily functioning of any distribution utility. Tata Power-DDL has been a forerunner in the adoption of state-of-art technologies and is a hub of all technological solutions. Moreover, Tata Power-DDL has amalgamated all the available solutions from different vendors in a seamless integrated architecture.

3.287 During the FY 2017-18, Tata Power- DDL has earned Rs. 57.92 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below;

(a) Optimal utilization of Distribution Assets (Rs. 1.40 Cr); and

(b) Consultancy Income/other (Rs. 52.81 Cr)

(c) Income through Training (Rs. 3.31 Cr)

(d) Income from DSM (Rs. 0.40 Cr.)

3.288 The Petitioner further submitted that the Commission in its Tariff Regulations, 2017, vide Regulations 96 has stated that the *net income after tax from other Business shall be shared as per* DERC Treatment of Income From Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 as amended from time to time.

3.289 To generate Revenue from other Business, Tata Power- DDL has incurred expenses of Rs. 44.97 Cr. during the FY 2017-18, which in line with the above Regulation has to be deducted while computing the net income available for sharing between consumers and DISCOMS. Computation of the net direct expenditure is given below:

Table 3.100: Petitioner Submission: Other Business Income

S.No.	Particulars	Revenue earned by not using Distribution Fixed Assets Rs. Cr.	Revenue earned by using Distribution Fixed Assets Rs. Cr.	Income from DSM by using Distribution Fixed Assets Rs. Cr.	Total Rs Cr.	Remark
A	Total Revenue earned	56.12	1.40	0.40	57.92	Note 30(C) & 38(1)of the Audited Financial Statement
-	- Consultancy	52.69				
-	- Training	3.31				
-	- Others	0.12	1.40	0.40		

S.No.	Particulars	Revenue earned by not using Distribution Fixed Assets Rs. Cr.	Revenue earned by using Distribution on Fixed Assets Rs. Cr.	Income from DSM by using Distribution on Fixed Assets Rs. Cr.	Total Rs Cr.	Remark
B	Less- Expenses incurred	44.65	0.18	0.14	44.97	Note 38(2) of the Audited Financial Statement
C	Income net of Expenses before Tax	11.47	1.22	0.26	12.95	
D	Income Tax @ 34.608%	3.97	0.42	0.09	4.48	
E	Net Revenue available for sharing	7.50	0.80	0.17	8.47	

3.290 Petitioner further mentioned that the Commission vide its order reference No.F.3 (470)/Tariff-Engg./ DERC/ 2016-17/5435 has amended sub- Regulation (1)(a) of Regulation 4 and sub-Regulation (5) of Regulation 5. The relevant extract of sub-Regulation (5) of 5 is reproduced below:

"(5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:

(a) where the Licensee utilizes the assets and facilities of the licensed business for other business the Licensee shall retain 40% of the net revenue from such business and pass on the remaining 60% of the net revenue to the regulated business; and

(b) where the Licensee does not utilize the assets and facilities of the licensed business for other business, the Licensee shall retain 60% of the net revenue from such business and pass on the remaining 40% of the net revenue to the regulated business;

Provided that any deficit on account of such other business shall be to the account of the licensee."

3.291 Based on the above amendment net revenue from the Other Business Income shall be shared as under:

Table 3.101: Petitioner Submission: Share in Other Business Income

S.No.	Particulars	Revenue earned by not using Distribution Fixed Assets Rs. Cr.	Revenue earned by using Distribution Fixed Assets Rs. Cr.	Income from DSM by using Distribution Fixed Assets Rs. Cr.	Total Rs Cr.
A.	Net Revenue available for sharing	7.50	0.80	0.17	8.47
B.	TPDDL Share %	60%	40%	40%	
C.	Consumer Share %	40%	60%	60%	
D.	Consumer Share in Rs Cr.	3.00	0.48	0.10	3.58

3.292 The Petitioner requested that based on above submission, in addition to non-tariff income of Rs. 71.27 Cr., an amount of Rs. 3.58 Cr. from other Business Income is additionally offered as a pass through in ARR of FY 2017-18.

COMMISSION ANALYSIS

3.293 Regulation 5(5)(a) of DERC (Treatment of Income from other businesses of Transmission Licensee and Distribution Licensee) first Amendment Regulation, 2017 states that where the Licensee utilises the assets and facilities of the Licenses business for Other business, the Licensee shall retain 40% of the net revenue from such business and pass on remaining 60% of the net revenue to the regulated business.

3.294 During prudence check, it was observed that the Petitioner has claimed the expenses on account of other business Income. However, such expenses claimed already form part of the normative O&M Expenses as claimed by the Petitioner.

3.295 Regulation 96 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

"96. The net income after tax from Other Business shall be calculated as per "DERC Treatment of Income from Other Business of Transmission Licensee and

Distribution Licensee Regulation, 2005" as amended from time to time and shall be adjusted in the ARR."

3.296 In view of the above Regulation, the Commission considers the Income tax at effective rate of 23.60% on the net income of the Other Business income of the Petitioner as follows:

Table 3.102: Commission Approved: Income from Other Business (Rs. Cr.)

S.No	Particulars	Revenue earned by not using Distribution Fixed Assets	Revenue earned by using Distribution Fixed Assets	Income from DSM by using Distribution Fixed Assets	Total
A.	Total Revenue earned	56.12	1.4	0.4	57.92
i	- Consultancy	52.69			
ii	- Training	3.31			
iii	- Others	0.12	1.4	0.4	
B.	Less- Expenses incurred	-	-	-	-
C.	Income net of Expenses before Tax	56.12	1.4	0.4	57.92
D.	Income Tax @ 23.60%	2.71	0.29	0.06	3.06
E.	Net Revenue available for sharing	53.41	1.11	0.34	54.86
Sharing of Other Business Income (Rs. Cr.)					
S.No	**Particulars**	**Revenue earned by not using Distribution Fixed Assets**	**Revenue earned by using Distribution Fixed Assets**	**Income from DSM by using Distribution Fixed Assets**	**Total**
A.	Net Revenue available for sharing	53.41	1.11	0.34	54.86
B.	TPDDL Share %	60%	40%	40%	
C.	Consumer Share %	40%	60%	60%	
D.	DISCOM share	32.05	0.44	0.14	32.63
E.	Consumer Share in Rs Cr.	21.37	0.67	0.2	22.24

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER'S SUBMISSION

3.297 The Petitioner referred the Regulation 5.34 of MYT Regulations, 2011 which specify that

> *"Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007", and shall be a pass through in the ARR."*

Regulation 16(vi) of Delhi Electricity Supply Code and Performance Standards Regulations, 2007", specify that

> *"vi The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year."*

Further the Delhi Electricity Supply Code and Performance Standard Regulations, 2017 provided that w.e.f 1st September 2017 onwards Rate of Interest for Consumer Security Deposit shall be considered the SBI MCLR rate on 1st April. Therefore, w.e.f 1st September, 2017 the Petitioner has paid consumer security deposit at the rate of 8% (i.e. SBI MCLR on 1st April, 2017).

3.298 In addition to the directly payment of interest on consumer security deposit, the Commission has adopted the methodology of reducing differential interest (i.e. Cost of funding working capital – minus Interest actually credited/paid to consumers) from the ARR. Hence in order to compute the differential net interest on consumer security deposit, interest rate equivalent to cost of debt @ 8.84% has been considered for FY 2017-18.

Table 3.103: Petitioner Submission: Interest on Consumer Security Deposit (Rs Cr)

S.No	Particulars	Amount
A	Opening balance of consumer security deposit as on 01.04.2017	502.34
B	Closing balance of consumer security deposit as on 31.03.2018	552.81
C	Average balance	527.58
D	Interest Rate (%)	8.84%
E	Interest amount	46.64
F	Less- adjustment for Interest on Consumer security deposit already passed to the consumers in their bills	40.65
G	Differential amount of interest offered in ARR for FY 2017-18	5.98

3.299 Based on the above computation, the Petition is offering Rs. 5.98 Cr as interest on CSD while computing the Annual Revenue Requirement for FY 2017-18.

COMMISSION ANALYSIS

3.300 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2017-18.

3.301 The Commission has considered the working capital interest rate for FY 2017-18 as trued up is 8.14% for the purpose of determining normative interest on Consumer Security Deposit.

3.302 The actual amount of interest paid to the consumers comes to Rs. 42.94 Crs as per the audited financial statements. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2017-18 is being considered as part of the Non Tariff Income of the Petitioner as follows:

Table 3.104: Commission Approved: Consumer Security Deposit for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Petitioner submission	Approved	Ref.
A	Opening Balance Of Consumer Security Deposit	502.34	502.34	
B	Closing Balance of Consumer Security Deposit	552.81	552.81	
C	Average Balance Of Consumer Security Deposit	527.58	527.58	(A+B)/2
D	Working Capital Interest Rate	8.84%	8.14%	
E	Normative amount of Interest	46.64	42.94	(C*D)

S.No	Particulars	Petitioner submission	Approved	Ref.
F	Actual Amount of Interest	40.65	40.65	
G	Difference to be additionally offered	5.98	2.29	(E-F)

INCOME FROM OPEN ACCESS

PETITIONER'S SUBMISSION

3.303 The Petitioner has submitted that for the FY 2017-18, the Petitioner has computed Income of Rs 10.94 Cr. from Open Access consumers. Computation of the same is given below:

Table 3.105: Petitioner Submission: Income from Open Access (Rs Cr.)

S.No	Particulars	Amount
A	Total Income from Open Access	11.49
B	Less- E. Tax for the year	0.55
C	Income from open access available for ARR	10.94

COMMISSION ANALYSIS

3.304 The Commission has considered Rs. 10.94 Cr on account of income from Open Access Charge in Non Tariff Income for FY 2017-18.

SUMMARY OF NON-TARIFF INCOME

3.305 The Commission has approved the Non-tariff Income for FY 2017-18 as follows:

Table 3.106: Commission Approved: Non-tariff Income for FY 2017-18 (Rs. Cr.)

S.No	Particular	Petitioner Submission	Approved	Ref.
A	Other Operating Revenue	119.60	119.60	Audited financials
B	Other Income	64.90	64.90	Audited financials
C	Open Access Charges	10.94	10.94	
D	Income from Normative Interest on security deposit	5.98	2.29	Table 3.104
E	Impact of SLD charges	3.35	3.35	Table 3.99
	Total –(I)	204.78	201.08	Sum (A-E)
Less:				
F	Transfer from capital grants	0.74	0.74	

S.No	Particular	Petitioner Submission	Approved	Ref.
G	Transfer from consumer Contribution for Capital work	42.78	42.78	
H	Incentive towards Street Light	1.35	1.35	
I	Interest Income /Short term capital gain	5.00	5.00	
J	Financing Cost of LPSC	8.09	8.09	Table 3.97
K	Income from other Business	54.34	32.63	Table 3.102
L	Total –(II)	112.30	90.59	Sum(F-K)
M	Net Non Tariff Income	92.48	110.50	Total-(I)-(II)

TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2017-18

PETITIONER'S SUBMISSION

3.306 The Petitioner has submitted that Based on the submission made above for truing up of FY 2017-18, the total Aggregate Revenue Requirement for the FY 2017-18 comes to Rs. 7,012.38 Cr against the projected ARR of Rs. 6,449.51 Cr. Components wise ARR sought for trued up vis-à-vis Approved ARR is given in table below:

Table 3.107: Petitioner Submission: Aggregate Revenue Requirement for FY 2017-18 (Rs. Cr)

S.No	Particulars	Approved ARR	Amount sought for True up
A	Power Purchase cost (incl. Transmission charges)	5196.81	5,211.04
B	O&M Expenses	648.92	644.16
C	Other expenses/Statutory levies		158.48
D	Depreciation	160.90	203.15
E	Loss on Retirement		36.23
F	Return on Capital Employed (RoCE)	379.59	440.72
G	Carrying Cost	196.54	410.39
H	Less: Non-tariff income	133.25	(71.27)
I	Less- Interest on Consumer Security Deposit		(5.98)
J	Less- Income from Non Energy Business		(3.58)
K	Less- Income from Open Access		(10.94)
L	Aggregate Revenue Requirement	6,449.51	7,012.38

COMMISSION ANALYSIS

3.307 The Aggregate Revenue Requirement (ARR) approved by the Commission for FY 2017-

18 is as follows

Table 3.108: Commission Approved: Aggregate Revenue Requirement for FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Petitioner Submission	Approved	Ref.
A.	Power Purchase Cost (including transmission charges)	5,211.04	4,769.60	Table 3. 50
B.	Prior Period obligation on REC Met		292.41	
C.	O&M expenses	644.16	642.58	Table 3.53
D.	Other expenses/ statutory levies	158.48	63.24	Table 3.61
E.	Depreciation	203.15	148.38	Table 3.81
F.	Loss on retirement of assets	36.23	0.01	Table 3.72
G.	Return on capital employed	440.72	319.31	Table 3.89
H.	Income Tax	-	36.17	Table 3.90
I.	Carrying cost	410.39	-	
J.	Less- Non Tariff Income	91.77	110.50	Table 3.106
K.	Aggregate Revenue Requirement	7,012.38	6,161.22	Sum(A-I) – J

COMPUTATION OF NET REVENUE AVAILABLE TOWARDS ARR

PETITIONER'S SUBMISSION

3.308 The Petitioner has submitted the Computation of net revenue available after adjusting the Incentive towards lower Distribution Loss Level and Higher Collection Efficiency as follows:

Table 3.109: Petitioner Submission: Revenue available towards ARR for FY 17-18 (Rs Cr.)

S.No	Particular	Collection Other than (DRS/PTS)	8% DRS	Total Amount
A	Total Collection	6446.04	515.52	6961.56
B	Less- Overachievement Incentive towards Lower Distribution Loss	6.98	-	6.98
C	Less- Overachievement incentive towards Collection	13.36	1.01	14.37
D	Collection available towards ARR	6425.70	514.51	6940.21

3.309 The Petitioner has computed Revenue available towards ARR (net of Incentive towards refinancing of capex loans and revenue gap loans) in the table as given below.

Table 3.110: Petitioner Submission: Revenue available towards ARR net of incentives for FY 2017-18 (Rs. Cr.)

S.No	Particular	Actual as per Petitioner
A	Revenue Available	6,425.70
B	Less- Incentive towards Capex Loan	8.06
C	Less- Incentive towards Revenue Gap Loan	12.01
D	Revenue Surplus/(Gap)	6,405.63

COMMISSION ANALYSIS

3.310 The Commission has computed the Revenue available towards ARR as follows:

Table 3.111: Commission Approved: Revenue Available towards ARR for FY 2017-18 (Rs. Cr.)

S.No	Particulars	Petitioner submission	As approved	Ref.
A	Actual Revenue realised excluding Electricity duty, Regulatory Surcharge, Pension trust surcharge	6,446.04	6,446.04	Table 3.17
	Less:			
B	Waive off of penalty disallowed in view of non compliance of RPO Obligation		25.13	
C	Incentive /Penalty on account of distribution loss	6.98	3.15	Table 3.15
D	Incentive /Penalty on account of collection efficiency	13.36	13.36	Table 3.18
E	Incentive/(Dis-incentive) towards Sale of surplus power	28.75	(5.48)	Table 3.41
F	Incentive towards refinancing of loan	20.07	19.66	Table 3.94
G	Add: Penalty on account of Regulation 24(4)(a) of DERC BPR 2017		0.64	Table 3.70
H	Revenue available towards ARR	6,376.87	6,390.85	A-B-C-D-E-F+G

REVENUE SURPLUS / (GAP) FOR FY 2017-18

PETITIONER'S SUBMISSION

3.311 The Petitioner has computed actual Revenue Gap for FY 2017-18 as given in the table below:

Table 3.112: Petitioner Submission: Revenue surplus/ (Gap) for FY 17-18 (Rs. Cr.)

S.No	Particular	Actual as per Petitioner
A	Revenue Available towards ARR net of Incentives	6,405.63
B	Aggregate Revenue Requirement without carrying cost	6,602.07
C	Revenue Surplus/(Gap)	(196.44)

COMMISSION ANALYSIS

3.312 Revenue surplus/ (gap) after true up of ARR for FY 2017-18 as approved by the Commission is as follows:

Table 3.113: Commission Approved: Revenue surplus/ (Gap) for FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Petitioner submission	Approved	Ref.
A.	Aggregate Revenue Requirement	6,602.07	6,161.22	Table 3.108
B.	Revenue Available towards ARR net of incentives	6,405.63	6,390.85	Table 3.111
C.	Surplus or (Gap) for the year	-196.44	229.64	B-A

IMPACT OF REVIEW ORDER 32 OF 2018 DATED 24.09.2018

FINANCING COST AT THE APPROVED WORKING CAPITAL RATE OF 11.62% FOR FY 2012-13.

PETITIONER'S SUBMISSION

3.313 The Petitioner has submitted that the Commission in para 4.1.3 of the Order has stated that "The LPSC rate for the entire control period is at the same rate as the rate approved for working capital for the control period. Accordingly, the impact on account of LPSC Financing Cost for FY 2013-14 to FY 2015-16 has already been considered in Tariff Orders dated 31.08.2017 and 28.03.2018. As much as it is related to FY 2012-13, shall also be at 11.62%."

3.314 Thus the Petitioner has recomputed the LPSC financing cost considering the interest rate of 11.62% and sought differential amount of Rs 2.35 Cr towards LPSC financing cost to be retained by the Petitioner.

COMMISSION ANALYSIS

3.315 The Commission accordingly allows the differential amount of Rs. 2.35 Cr. towards financing cost of LPSC as approved in the Review Order 32/2018 dated 24.09.2018.

CARRYING COST AT THE RATE OF 11.98% INSTEAD OF 12.08% FOR FY 2016-17.

PETITIONER'S SUBMISSION

3.316 The Petitioner in its Petition has sought truing up of all the parameters of ARR along with impact of prior period issues on account of implementation of various judgments.

COMMISSION ANALYSIS

3.317 The Commission in its Tariff order dated 28.03.2018 has allowed the additional impact of past period true up based on the carrying cost rate at 11.98% instead of 12.08%. The Commission considers the revised Carrying cost and allows the additional impact as follows:

Table 3.114: Commission Approved: Additional carrying cost for FY 2016-17 on account of Review order 32/2018

S.No.	Particulars	Amount (Rs. Cr.)
A.	Opening Balance of Revenue Gap for FY 2016-17 as per table under Para 3.18 of TO dated 28.03.2018	249.02
B.	Additions during the year	0
C.	Carrying cost rate applied	11.98%
D.	Revised rate of carrying cost	12.08%
E.	Additional impact of Carrying Cost	0.25

3.318 The Commission accordingly allows the carrying cost of Rs. 0.25 Cr. at the towards as approved in the Review Order 32/2018 dated 24.09.2018.

POWER PURCHASE COST FOR RITHALA POWER PLANT WHILE TRUING UP OF POWER PURCHASE COST FOR FY 2016-17.

PETITIONER'S SUBMISSION

3.319 The Petitioner has stated that Commission in para 4.3.11 has stated that "In view of the above and considering the certification from the Auditor, the cost of Rs. 128.18 Cr. for Rithala Power Plant is allowed."

3.320 Thus the Petitioner has seeking an amount of Rs 128.18 Cr to be allowed as a Power Purchase cost of the Petitioner for FY 2016-17.

COMMISSION ANALYSIS

3.321 The Commission accordingly allows the Cost towards Rithala plant for an amount of Rs. 128.18 Cr as approved in the Review Order 32/2018 dated 24.09.2018.

NON ALLOWANCE OF INCOME TAX WHILE APPROVING THE INCOME FROM OTHER BUSINESS.

PETITIONER'S SUBMISSION

3.322 The Petitioner has submitted that the Commission in para no 4.5.6 stated that "Further, maximum tax which can be paid on account of Income Tax from other Business is the difference between actual tax paid & tax already allowed on Return on Equity (ROE). In the instant case the amount of actual tax paid is Rs. 57.48 and the tax allowed is Rs. 52.45 Cr, which includes 0.93 Cr. allowed under issue No.6 hereafter. Therefore, an amount of Rs. 5.03 Cr is allowed on account of Income Tax on Income from other Business."

3.323 Thus the Petitioner has seeking an amount of Rs 5.03 Cr to be allowed as Income Tax for FY 2016-17.

COMMISSION ANALYSIS

3.324 The Commission accordingly allows an amount of Rs. 5.03 Cr on account of Income Tax on Income from other Business as approved in the Review Order 32/2018 dated 24.09.2018.

ERROR IN SUBMITTING THE RATE OF INCOME TAX AS 33.99% IN TARIFF PETITION INSTEAD OF 34.61%.

PETITIONER'S SUBMISSION

3.325 The Petitioner has submitted that the Commission in para no 4.6.6 has stated that "TPDDL vide its reply received on 03.08.2018 has submitted the detailed computation of Income Tax Rate of 34.61% along-with relevant documents of Income Tax Department. Therefore, the impact on account of Income Tax Rate of 34.61% for FY 2016-17 may be allowed to TPDDL. Therefore, consequent upon revision of the rate of Income Tax from 33.99% to 34.61%, an amount of Rs. 0.93 Cr. is allowed to the petitioner."

3.326 Thus the Petitioner has seeking differential amount of Rs 0.93 Cr to be allowed as Income Tax on ROE for FY 2016-17.

COMMISSION ANALYSIS

3.327 The Commission, consequent upon revision of the rate of Income Tax from 33.99% to 34.61%, allows an amount of Rs. 0.93 Cr. to the petitioner on account of Income Tax on Income from other Business as approved in the Review Order 32/2018 dated 24.09.2018.

INADVERTENT CONSIDERATION OF AMOUNT OF REVENUE BILLED INSTEAD OF REVENUE REALIZED/COLLECTED WHILE COMPUTING THE REVENUE GAP/SURPLUS FOR FY 2016-17

PETITIONER'S SUBMISSION

3.328 The Petitioner has submitted that the Commission in para no 4.7.4 has stated that "It is observed that inadvertently the Revenue Billed has been considered instead of Revenue collected for computing of Revenue Gap for TPDDL. Therefore, the amount of Revenue collected is rectified to Rs. 6,118.98 Cr. against Rs. 6,129.82 Cr. as has been considered in the Tariff Order."

3.329 Thus the Petitioner is requesting the Hon'ble Commission to consider the differential amount of Rs. 10.84 Cr by increasing the Revenue Gap.

COMMISSION ANALYSIS

3.330 The Commission accordingly considers the revenue collected as Rs. 6,118.98 Cr. against Rs. 6,129.82 Cr. as has been erroneously considered in the Tariff Order dated 28.03.2018 for FY 2016-17 and allows Rs. 10.84 Cr. towards increase in Revenue Gap as approved in the Review Order 32/2018 dated 24.09.2018.

INADVERTENT CONSIDERATION OF COLLECTED AMOUNT OF 8% SURCHARGE FOR THE PURPOSE OF COMPUTATION OF REVENUE GAP/SURPLUS FOR THE FY 2016-17

PETITIONER'S SUBMISSION

3.331 The Petitioner has further mentioned that the Commission in para no 4.10.3 has stated that "As per Note 47.2 of the audited accounts for FY 2016-17, the amount collected through 8% surcharge is Rs.491.03 Cr. against Rs. 498.53 Cr. considered in the Tariff

Order dated 28.03.2018. In view of the above, the 8% surcharge amount of Rs. 491.03 Cr. shall be read in the relevant place against Rs. 498.53 Cr."

3.332 Thus the Petitioner is requesting the Hon'ble Commission to consider the differential amount of Rs. 7.50 Cr by increasing the Revenue Gap.

COMMISSION ANALYSIS

3.333 The Commission accordingly considers the amount collected through 8% surcharge is Rs.491.03 Cr. against Rs. 498.53 Cr. as considered in the Tariff Order dated 28.03.2018. In view of the above, the Commission allows Rs. 7.50 Cr. towards increase in Revenue Gap as approved in the Review Order 32/2018 dated 24.09.2018.

INADVERTENT CONSIDERATION OF GROSS ENERGY INPUT FOR THE PURPOSE OF TRUING UP OF ACTUAL AT&C LOSS FOR FY 2016-17

PETITIONER'S SUBMISSION

3.334 The Petitioner has submitted that the Commission in Para no 4.13.5 has stated that "TPDDL has also furnished a letter from SLDC dated 28.05.2018, wherein it is indicated that the energy input of 9,062.97 MU for TPDDL for FY 2016-17 includes energy consumption by open access consumers. Based on the clarification by SLDC the impact of open access consumption is allowed to the Petitioner."

3.335 Thus computation of additional return on account of overachievement in AT&C is given below:

Table 3.115: Petitioner Submission: Differential amount of overachievement AT&C Incentive sought for FY 2016-17 (Rs.Cr.)

S.No.	Particulars	Trued up in Tariff Order	Revised Submission based on review order
A.	Input	9,062.97	9,034.27^
B.	Unit Billed	8,253.72	8,253.72
C.	Amount billed	6,129.82	6,129.82
D.	Distribution loss	8.93%	8.64%
E.	Amount collected	6,118.98	6,118.98

S.No.	Particulars	Trued up in Tariff Order	Revised Submission based on review order
F.	Collection efficiency	99.82%	99.82%
G.	Units realized	8,239.12	8,239.12
H.	AT&C loss level	9.09%	8.80%
I.	Previous year Target	11.00%	11.00%
J.	Current year Target	11.50%	11.50%
K.	Additional return on Equity	3.82%	4.40%
L.	RRB	2,638.41	2,638.41
M.	Average Equity	625.28	625.28
N.	Average Debt	2,013.13	2,013.13
O.	ROE	16%	16%
P.	Effective ROE	19.82%	20.40%
Q.	Cost of Debt	10.40%	10.40%
R.	WACC	12.63%	12.77%
S.	ROCE	333.29	336.91
T.	Impact of ROE		3.61*

**figures may be changed based on final truing up of capitalization*
^ Input is net of open Access units as certified by SLDC

3.336 The Petitioner has requested the Commission to allow the differential amount of Rs. 3.61 Cr towards the overachievement incentive.

COMMISSION ANALYSIS

3.337 The Commission accordingly considers the impact of additional ROE at Rs. 3.61 Cr. subject to finalization of capitalisation for FY 2016-17 as approved in the Review Order 32/2018 dated 24.09.2018.

IMPACT OF REVIEW ORDER 32 OF 2018 DATED 24.09.2018

3.338 Considering the carrying cost rate for FY 2016-17 at 12.08%, the impact of review order 32/2018 is as follows:

Table 3.116: Commission Approved: Impact of Review Order 32 of 2018

S.No.	Particulars	Amount (Rs. Cr.)
A	Differential LPSC financing Cost FY 2012-13	2.35
B	Impact of Carrying Cost rate of 11.98% instead of 12.08% for FY 2016-17	0.25
C	Reversal of negative PPC for Rithala plant	128.18

S.No.	Particulars	Amount (Rs. Cr.)
D	Non-allowance of Income tax while income from other business	5.03
E	Differential Income tax due to Income tax rate of 33.99% instead of 34.61%	0.93
F	Difference of revenue billed instead of revenue realised/collected for revenue gap	10.84
G	Difference in collected amount of 8% surcharge for the purpose of computation of Revenue Gap/Surplus for FY 2016-17	7.50
H	Revising True Up of AT&C for FY 2016-17	3.61
I	Total	158.69
J	Carrying Cost rate	12.08%
K	Carrying Cost	9.58
L	Total impact of Review order	168.27

IMPACT OF APPEAL NO. 49/2013

PETITIONER'S SUBMISSION

3.339 The Petitioner has sought the incentives earned on account of efficient performance of the Petitioner in maintaining the street light works for the period 2007-12 in view of Order of the Commission in Petition no. 49/2013 dated 17.05.2018.

COMMISSION ANALYSIS

3.340 In view of the Commission Order dated 17.05.2018, the Commission considers the amount of Rs. 4.64 Cr. as the incentive towards street light maintenance.

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2019-20

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 Business Plan Regulations which contains the following parameter applicable for a Control Period (FY 2017-18 to FY 2019-20):

(1) Rate of Return on Equity
(2) Margin for rate of interest on Loan
(3) Operation and Maintenance Expenses
(4) Capital Investment Plan
(5) Mechanism for sharing of incentive-disincentive mechanism
(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset
(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) The ratio of various ARR components 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 2019-20. The Commission has analysed the Petition submitted by the Petitioner for ARR for FY 2019-20 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 2019-20.

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 2019-20.

ENERGY SALES

PETITONER'S SUBMISSION

4.5 The Petitioner has submitted that to estimate the energy sales for FY 2019-20, the Petitioner has considered previous year's available growth trends and further assumed that the underlying factors which drive the demand for electricity are expected to follow the same growth trend in future year also. Therefore, demand forecast is based on the assumption that the past consumption growth trend will continue in the future also.

4.6 The assumptions considered for forecasting category wise sales are discussed below:

1. The category wise and year wise Compounded Annual Growth Rate (CAGR) has been calculated for the past sales pattern.

2. For those categories where CAGR/ past growth trends are not showing any particular type of movement then the demand has been forecasted based on recent consumption pattern.

4.7 The Petitioner has submitted that in the last 5 years, there has been an annual growth of 4.39% in billed units (i.e. from the level of 6,968 MUs to 8,638 Mus.). The category wise previous year Sales and CAGR is as follows:

Table 4. 1: Petitioner Submission: Category wise summary of units sold from FY 13 to FY 18

S. No	Category	FY13 Sales (MU)	FY14 Sales (MU)	FY15 Sales (MU)	FY16 Sales (MU)	FY17 Sales (MU)	FY18 Sales (MU)
A.	Domestic	2,948.78	3,074.90	3,313.25	3,404.47	3,770.50	3,946.72
B.	Non Domestic	1,240.21	1,278.25	1,343.24	1,403.58	1,463.16	1,527.96
C.	Industrial	2,105.08	2,192.14	2,278.71	2,349.25	2,313.12	2,432.50
D.	Agriculture & Mushroom Cultivation	11.68	11.86	12.82	13.32	12.64	13.04
E.	Street Lighting	108.95	124.07	143.78	148.28	148.00	153.99
F.	Delhi Jal Board	203.48	204.15	218.82	228.83	238.74	242.83
G.	Railway	49.58	45.51	46.21	46.16	48.06	51.44
H.	DMRC	159.76	133.71	140.07	149.45	149.50	155.19
I.	Advertisement & Hoarding	0.60	0.62	1.54	0.97	1.18	0.91
J.	Others*	139.78	122.19	117.47	109.97	115.61	113.5
	Total	6,967.90	7,187.40	7,615.91	7,854.29	8,260.52	8,638.07

* *Others includes Staff, Temporary, Theft & Misuse and Own consumptions*

Table 4. 2: Petitioner Submission: CAGR of Units Billed based on Main Category wise consumption

S. No	Category	CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
A.	Domestic	6.00%	6.44%	6.01%	7.67%	4.67%
B.	Non Domestic	4.26%	4.56%	4.39%	4.34%	4.43%
C.	Industrial	2.93%	2.64%	2.20%	1.76%	5.18%
D.	Agriculture & Mushroom Cultivation	2.23%	2.40%	0.57%	-1.06%	3.16%
E.	Street Lighting	7.17%	5.55%	2.31%	1.91%	4.05%
F.	Delhi Jal Board	3.60%	4.43%	3.53%	3.01%	1.71%
G.	Railway	0.74%	3.11%	3.64%	5.56%	7.03%
H.	DMRC	-0.58%	3.79%	3.48%	1.90%	3.81%
I.	Advertisement & Hoarding	8.69%	10.07%	-16.08%	-3.14%	-22.88%
	Total	4.39%	4.70%	4.29%	4.87%	4.57%

DOMESTIC

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

4.9 Based on the actual sales of 3947 MU for FY 2017-18, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 year
6.00%	6.44%	6.01%	7.67%	4.67%

4.10 Considering the available trends of CAGR, the Petitioner has considered a growth rate of 6.00%, (i.e. 5 year CAGR) to estimate the energy sales for domestic consumers and projected consumption for domestic consumers is computed as below:

S. No	Category	FY 19 Sales (MU)	Growth	FY 20 Sales (MU)
A	Domestic	4,216	6.00%	4,469

NON-DOMESTIC

4.11 The consumption of energy by non-domestic consumers constitutes reasonable share of total sales of the Petitioner. Based on the actual sales of 1528 MU for FY 2017-18, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
4.26%	4.56%	4.39%	4.34%	4.43%

4.12 Considering the available trends of CAGR, the projections for next year is envisaged considering a growth rate of 4.26%, (i.e. 5 year CAGR) to estimate the energy sales for Non-domestic consumers. The Petitioner projected consumption for non-domestic consumers is computed as below:

Category	FY 19 Sales (MU)	Growth(%)	FY 20 Sales (MU)
Non-Domestic	1622	4.26%	1691

INDUSTRIAL

4.13 The consumption of energy by Industrial consumers constitutes approx. 1/3rd part of total sales of the Petitioner. Based on the actual sales of 2432 MU for FY 2017-18, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
2.93%	2.64%	2.20%	1.76%	5.18%

4.14 Considering the available trends of CAGR, the Petitioner has considered a growth rate of 2.93%, (i.e. 5 year CAGR) to estimate the energy sales for Industrial consumers and projected consumption for Industrial consumers is computed as below:

Category	FY 19 Sales (MU)	Growth	FY 20 Sales (MU)
Industrial	2633	2.93%	2710

AGRICULTURE AND MUSHROOM CULTIVATION

4.15 The consumption of energy by Agriculture & Mushroom cultivation consumers constitutes a very small portion of total sales of the Petitioner. The Petitioner based on the actual sales of 13 MU for FY 2017-18 has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
2.23%	2.40%	0.57%	-1.06%	3.16%

4.16 The Petitioner has considered the CAGR of 5 Year i.e. 2.23% growth for projecting the agriculture & mushroom cultivation consumption.

Category	FY 18 Sales (MU)	Growth	FY 19 Sales (MU)
Agriculture & Mushroom	18	2.23%	19

STREET/PUBLIC LIGHTING

4.17 The Petitioner has submitted that under the DSM initiative the civic agencies has already replaced its existing bulbs with LED bulbs ultimately showing reduction trend in FY 2018-19. Considering the same the Petitioner has projected street light consumption of 121 Mu as below:

S. No	Category	Sales (MU)
A.	Street Lighting	
B.	Estimated Consumption Metered	
C.	Less- Reduction due to LED Bulb(25% Approx.) under DSM initiatives	121
D.	Net Consumption	

DELHI JAL BOARD (DJB)

4.18 The consumption of energy by Delhi Jal Board constitutes 3% of total sales of the

Petitioner.

4.19 Based on the actual sales of 243 MU for FY 2017-18, the Petitioner has computed the given below CAGR over a period of one year to five years.

CAGR for 5 years	CAGR for 4 years	CAGR for 3 years	CAGR for 2 years	CAGR for 1 years
3.60%	4.43%	3.53%	3.01%	1.71%

4.20 Considering the available trends of CAGR, the Petitioner has considered a growth rate of 3.60%, (i.e. 5 year CAGR) to estimate the energy sales for Delhi Jal Board. Further it is assumed that approx. 3.49 MUs are reduced due to adoption of solar generation by DJB. Based on above projected consumption for Delhi Jal Board consumers is computed as below:

Category	FY 19	Growth	FY 20
	Sales (MU)		Sales (MU)
Delhi Jal Board	243	3.60%	248

DELHI METRO RAIL CORPORATION (DMRC)

4.21 The consumption of energy by Delhi Metro Rail Corporation as a key consumer constitutes 2% of total sales of the Petitioner.

4.22 DMRC has shown interest in buying power of 24 MW through open access from FY 2019-20 onwards. Hence, the Petitioner has considered load of 10 MW and assumed that the energy consumption for FY 2019-20 would be in range of 82 Mus.

Category	FY 19	Growth	FY 20
	Sales (MU)		Sales (MU)
DMRC	211		82

OWN CONSUMPTION

4.23 The Petitioner has submitted that Commission in its Business Plan Regulations, 2017 has stated that normative Own consumption of DISCOM's shall be considered @ 0.25% of billed sales of the respective year. Based on the same the Petitioner has seeking Own consumption as computed below:

Particulars	Sales (MU)
Billed sale other than own consumption	9444.91
Normative Consumption @ 0.25% of Billed Sale	23.61

ADVERTISING & HOARDINGS

4.24 The consumption of energy by Adv. & Hoardings consumers constitutes a very little portion of total sales of the Petitioner. The Petitioner has considered normal growth of 5% and estimated 0.94 MUs for FY 2019-20.

Category	FY 19	Growth	FY 20
	Sales (MU)		Sales (MU)
Adv. & Hoardings	0.74	5%	0.94

OTHERS CONSUMERS(STAFF, MISUSE AND THEFT ETC.) & E-RICKSHAW

4.25 Based on the below mentioned assumption, the Petitioner has projected following consumption towards consumer categories for Staff, Misuse and Theft etc.

a) The consumption growth of Staff category is considered similar to the growth considered for Domestic Consumers

b) Normal growth of 5% has been considered for E- Rickshaws

4.26 Based on the above assumptions and explanations, the category wise estimated summary of billed sale for next year is given below:

Table 4. 3: Projected Sales (MU) for FY 2019-20

S. No	Category	Sales MU
A	Domestic	
i	Domestic - Others than CGHS	4,442.91
ii	Single delivery point for CGHS	26.31
B	Non –Domestic	1690.65
C	Industrial	2709.87
D	Agriculture	18.56
E	Public Utilities	
i	Delhi Jal Board	247.79
ii	DMRC	82.00
iii	Public Lighting	120.93
F	Adv. & Hoardings	0.94
G	Temporary Supply	64.42
H	Own Consumption	23.61
I	E- Rickshaw	3.56
J	Others	36.96
	Total	9,468.52

ESTIMATED CONSUMERS FOR FY 2019-20

4.27 The Petitioner has projected approx. 16.71 lacs consumers for FY 2019-20. Category wise breakup of Consumers is given below:

Table 4. 4: Petitioner Submission: Projected number of consumers for Next year

S. No	Category	Numbers
A	Domestic	1,371,214
B	Non –Domestic	234,616
C	Industrial	33,937
D	Agriculture & Mushroom Cultivation	4,330
E	Public Lighting	4,565
F	Delhi Jal Board (DJB)	354
G	DMRC	4
H	Others	22268
	Total	1,671,288

ESTIMATED CONSUMER LOAD FOR FY 2019-20

4.28 The Petitioner has projected load of 6243 MW for FY 2019-20 for the purpose of computing fixed charges. Category wise break up of consumers load is given below:

Table 4. 5: Petitioner Submission: Projected number of consumer's load for Next year

S. No	Category	(MW)
A	Domestic	3,120
B	Non –Domestic	1,354
C	Industrial	1,494
D	Agriculture	28
E	Public Lighting	94
F	Delhi Jal Board (DJB)	68
G	DMRC	10
H	Others	74
	Total	6,243

COMMISSION ANALYSIS

4.29 The Petitioner has submitted audited Form 2.1a for FY 2017-18 and FY 2018-19.

4.30 The Commission has approved sales for FY 2019-20 considering trued up sales for the period FY 2010-11 to FY 2017-18 and actual Sales for FY 2018-19. The base year for projection of sales of FY 2019-20 has been considered as FY 2018-19. The category wise sales from FY 2010-11 to FY 2018-19 are indicated in the table as follows:

Table 4. 6: Commission Approved: Sales for FY 2011-12 to FY 2018-19 (MU)

S. No.	Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
A	Domestic including 11KV and staff	2,888	2,994	3,109	3,334	3,458	3,770	3,966	4,086
B	Non-Domestic	1,229	1,270	1,329	1,343	1,404	1,463	1,528	1,541
C	Industrial	2,012	2,105	2,193	2,279	2,349	2,313	2,433	2,539
D	Agriculture & Mushroom	15	13	13	13	13	13	13	14
E	Public Utilities	489	522	507	549	573	584	603	615
F	Adv. & Hoardings	-	1	1	2	1	1	1	-
G	Temporary Supply	-	-	-	62	58	60	61	59
H	E-Richshaw/ E-Vehicle on SPD	-	-	-	-	-	-	-	7
I	Others*	38	40	35	20	20	36	26	8
J	Total	6,671	6,944	7,187	7,600	7,877	8,241	8,631	8,867

**Others include Enforcement, Own Consumption and Net Metering*

4.31 The category-wise CAGR of sales of 1 year to 7 years (FY 2011-12 to FY 2018-19) is shown in the table as follows:

Table 4. 7: Various year CAGR (FY 2011-12 to FY 2018-19) (%)

S. No.	Category	7 year CAGR	6 year CAGR	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
A.	Domestic including 11KV and staff	5.08%	5.32%	5.62%	5.22%	5.72%	4.10%	3.02%
B.	Non-Domestic	3.28%	3.27%	3.00%	3.49%	3.16%	2.62%	0.84%
C.	Industrial	3.38%	3.17%	2.97%	2.74%	2.62%	4.77%	4.36%
D.	Agriculture & Mushroom	-1.61%	1.41%	0.61%	1.77%	1.07%	4.32%	5.48%
E.	Public Utilities	3.32%	2.77%	3.91%	2.87%	2.39%	2.57%	1.87%
F.	Adv. & Hoardings		-5.90%	-7.34%	-27.55%	-24.20%	-40.17%	-53.45%
G.	Temporary Supply				-1.08%	0.45%	-1.20%	-3.96%
H.	E-Richshaw/ E-Vehicle on SPD							3849.63%
I.	Others	-20.54%	-24.18%	-26.32%	-21.27%	-28.03%	-54.05%	-70.81%

ESTIMATED SALES FOR FY 2019-20

4.32 The Commission has adopted an Adjusted Trend Analysis method of demand forecasting for FY 2019-20 which assumes that the underlying factors driving the demand for electricity to follow the same trend as in the past. Hence, the forecast is also based on the assumption that the past consumption trend will continue in the future.

4.33 The trend based approach has to be adjusted based on judgment of the characteristics of the specific consumer groups/categories.

4.34 The strength of the method, when used with balanced judgment, lies in its ability to reflect recent changes and therefore probably best suited as a basis for a short term projections as used for the revenue projection in the context of ARR determination. The category-wise sales forecast for FY 2019-20 is discussed as follows:

DOMESTIC CONSUMERS

4.35 The consumption of energy by Domestic category constitutes about 46% of total sales in FY 2018-19. The Petitioner has projected sale of 4492 MU for FY 2019-20 at a growth rate of 6.00%. The growth rate for this category ranges from 5.08% to 5.72% from FY 2011-12 to 2018-19. Thus, the Commission considers growth rate of 5.22% (4 years CAGR) over the sales of FY 2018-19 for projecting the sales of 4299 MU for FY 2019-20 as it is considered to be realistic for Domestic consumer category.

NON-DOMESTIC CONSUMERS

4.36 The consumption of energy by Non-Domestic category constitutes about 17% of total sales in FY 2018-19. The Petitioner has projected sales of 1691 MU for FY 2019-20 at a growth rate of 4.26%. The growth rate for this category ranges from 0.84% to 3.49% from FY 2011-12 to 2018-19. The Commission based on the submission of the Petitioner and the CAGR observed, considered the growth rate of 3.49% based on 4 year CAGR. Therefore, the Commission approves the sales of 1595 MU for FY 2019-20 in Non-Domestic consumers category based on actual sales of FY 2018-19.

INDUSTRIAL CONSUMERS

4.37 The sales of industrial category constitutes to about 29% of total sales in FY 2018-19. The Petitioner has projected sale of 2710 MU for FY 2019-20. The growth rate for this category ranges from 2.62% to 4.77% from FY 2011-12 to 2018-19. The Commission considers the growth rate of 4.77% based on 2 year CAGR and Petitioner's submission. Thus, the Commission approves the sales of 2660 MU for FY 2019-20 for Industrial consumers.

AGRICULTURE & MUSHROOM CULTIVATION

4.38 The power consumption of this category has been almost constant during last 5 years. The Petitioner has projected 18.56 MU for FY 2019-20. The Commission considers the submission of the Petitioner and approves the sales for FY 2019-20 as 18.56 MU in the in FY 2018-19 at 12.49 MU for this category.

PUBLIC UTILITIES

4.39 The consumption in Public Utilities category (Public Lighting, DJB, Railways and DMRC) constitutes about 7% of the total sales during FY 2018-19. The Petitioner has projected the sales of 451 MU for FY 2019-20. The Commission had sought information from the said Public Utilities about their projected quantum of purchase of power in the Petitioner's area of supply. The Commission based on the submissions regarding the energy requirement of the said Public Utilities has approved sales of 815 MU for FY 2019-20.

OTHER CATEGORIES

4.40 Other categories consist of places of Advertisement & Hoardings, Temporary Connections, Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point Enforcement, Own Consumption and Net Metering. The Petitioner has projected 107 MU for FY 2019-20. The nature of sales in other categories may not follow the past CAGR trends in the future. Therefore, the Commission has considered the quantum of sales to such other categories at 109 MU considering the Petitioner's submission and actual sales in category of E-Richshaw/ E-Vehicle on SPD.

4.41 On the basis of above analysis, the Commission approves the following energy sales for the Petitioner for FY 2019-20:

Table 4. 8: Commission Approved: Sales for FY 2019-20 by the Commission (MU)

S. No.	Category	Petitioner's Submission	As Approved
A.	Domestic including 11KV and staff	4492	4299
B.	Non-Domestic	1691	1595
C.	Industrial	2710	2660
D.	Agriculture & Mushroom	19	19
E.	Public Utilities	451	815
F.	Advertisement & Hoardings	1	1
G.	Temporary Supply	64	64
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	4	7
I.	Others*	38	37
	TOTAL	9469	9495

** Advertisement & Hoardings, Temporary Connections, Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point Enforcement, Own Consumption and Net Metering.*

REVENUE PROJECTION FOR FY 2019-20 AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.42 The Petitioner has submitted that the Commission has followed two-part tariff principle for each consumer category (except for E-Rickshaw) consisting of fixed/ demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per month or as a fixed amount per kW of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.43 The Petitioner has further clarified that the Commission vide its Tariff Order dated July, 2012 has introduced 8% Deficit recovery surcharge which is directly linked with the aforesaid two part tariff. The aforesaid surcharge has been imposed for recovery of previous years accumulated Revenue Gap and carrying cost which otherwise has to be met through increase in two- part tariff. The Commission has instead of increase in basic two part tariff introduced additional surcharge directly linked to the fixed charges/ demand charges and energy charges.

4.44 The Petitioner has stated that the revenue from fixed charges is calculated by multiplying the existing applicable fixed charge with the load (in kWh/kVAh) of the respective category.

4.45 The Petitioner has submitted that the actual usage is multiplied by the applicable tariff slab of the respective category for calculation of revenue from energy charges.

4.46 It is further clarified that wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

4.47 The Petitioner has submitted the actual Power Factor for different categories is as below:

Table 4. 9: Petitioner Submission: Summary of Power factor

Consumer slab	Power Factor
Non-Domestic	0.94
Industrial	
Small Industrial Power (SIP)	0.97
Large Industrial Power	0.98
Delhi Jal Board	0.97
DMRC	1.00

4.48 Based on the above factors i.e. energy billed, no. of consumers, consumer load, power factor, the Petitioner has estimated revenue at existing retail supply Tariff for FY 2019-20.

4.49 The Petitioner has submitted category wise estimated Revenue Billed for respective year of control period as given below:

Table 4. 10: Petitioner Submission: Estimated Billed Revenue for FY 2019-20 (Rs Cr.)

Categories	FY 2019-20			
	Billed Units(MU)	Fixed Charges	Energy Charges	Total Revenue
Domestic	4,469	549	1,905	2,453.45
Non Domestic	1,691	406	1,404	1,810.08
Industrial	2,710	448	2,057	2,505.48

Categories	FY 2019-20			
	Billed Units(MU)	Fixed Charges	Energy Charges	Total Revenue
Irrigation & Agriculture	19	4	3	7.02
Street Lighting	121	28	70	97.73
Delhi Jal Board	248	20	144	164.52
DMRC	82	3	47	49.72
Railway	0	0	0	0.00
Own Consumption	24	0	0	0.00
Advertisement	1	0	1	0.84
E- Rickshaw	4	0	2	2.04
Others	101	15	56	70.80
Total	9,468.52	1,474.14	5,687.54	7,161.68
8% Deficit Revenue Surcharge				572.93

COMMISSION ANALYSIS

4.50 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 of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.51 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.

4.52 For Non-Domestic, Industrial and Public Utilities, 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.

4.53 Based on the Petitioner's data of Sanctioned Load, Number of Consumers, Sales provided in Form 2.1 (a) for FY 2018-19 and the existing Tariff Schedule, the Commission has estimated the total revenue of Rs. 6,962 Crore to be billed in FY 2019-20. The category-wise break up of revenue estimated by the Commission on sales of 9,495 MU

& sanctioned load of 6,006 MW for FY 2019-20 is indicated in the table as follows:

Table 4. 11: Commission Approved: Revenue estimated at Existing Tariff for FY 2019-20 (Rs. Cr.)

Category	Fixed Charges	Energy Charges	Total Revenue
Domestic	524	1,785	2,309
Non-Domestic	387	1,276	1,663
Industrial	429	1,928	2,357
Agriculture & Mushroom	4	3	7
Public Utilities	54	468	522
Others	12	91	103
Total Revenue	1,411	5,551	6,962
Revenue at 99.5% Collection Efficiency			6,927

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

4.54 The Petitioner has submitted that the Commission in DERC (Business Plan) Regulations, 2017 has approved distribution loss reduction targets as mentioned in table below in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017:

Table 4. 12: Petitioner Submission: Distribution loss level for 3rd MYT Control Period

Category	FY 2017-18	FY 2018-19	FY 2019-20
Approved Distribution Target Loss level	8.38%	8.19%	8.00%
Year on Year reduction in distribution loss level		0.19%	0.19%

4.55 The Petitioner has stated that the Commission has approved collection target of 99.50% for 3rd MYT Control period vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2017. Relevant extract of the same is given below:

> ***"26. TARGET FOR COLLECTION EFFICIENCY***
>
> *(1) The targets for Collection Efficiency for FY 2017-18 to FY2019-20 of the Distribution Licensees shall be 99.50%. "*

COMMISSION ANALYSIS

4.56 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2017 as 8.00% and 99.50% respectively for FY 2019-20, which has been considered for computation of Energy Requirement & Revenue projected for FY 2019-20 of the Petitioner.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.57 The Petitioner has considered the collection efficiency at 99.50% level for FY 2019-20 as per DERC (Business Plan) Regulations, 2017.

Table 4. 13: Petitioner Submission: Estimated Energy Collection (Rs. Cr.)

S. No	Particulars	Amount
A	Estimated Billing at Current Tariffs –without DRS	7,161.68
B	Collection Efficiency	99.50%
C	Estimated Collection	7,125.88

4.58 The Petitioner has estimated energy requirement at Petitioner's periphery for FY 2019-20 as below:

Table 4. 14: Petitioner Submission: Estimated Energy Requirements for FY 2019-20

S. No	Particulars	UoM	Amount
A	Expected Sales	MU	9,468.52
B	Distribution Loss	%	8.00%
C	Energy Input (at TPDDL periphery)	MU	10,291.87
D	Distribution Loss	MU	823.35

COMMISSION ANALYSIS

4.59 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2019-20, considering the sales approved for FY 2019-20 and Distribution Loss of 8.00%. The approved energy requirement for FY 2019-20 is summarized in the table as follows:

Table 4. 15: Commission Approved: Energy requirement for FY 2019-20

<table>
<tr><th>S. No.</th><th>Particulars</th><th>MoU</th><th>Amount</th><th>Ref.</th></tr>
<tr><td>A</td><td>Energy Sales</td><td>MU</td><td>9495</td><td>Table 4.8</td></tr>
<tr><td rowspan="2">B</td><td rowspan="2">Distribution Loss</td><td>MU</td><td>826</td><td>C-A</td></tr>
<tr><td>%</td><td>8.00%</td><td></td></tr>
<tr><td>C</td><td>Energy Requirement</td><td>MU</td><td>10321</td><td>((A/(1-B))*100)</td></tr>
</table>

POWER PURCHASE COST

PETITIONER'S SUBMISSION

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

ENERGY AVAILABILITY (CENTRAL SECTOR, STATE SECTOR & OTHER GENERATING STATIONS) ALLOCATION OF POWER FROM CENTRAL AND STATE GENERATING STATIONS

4.61 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the Latest allocation order for the allocations has been considered along with the revised allocation made by the Commission order dated 27th March 2018.

4.62 Further, allocation from BTPS has been considered as 'NIL' with no fixed cost and no Energy Charges. The Petitioner has further clarified that no power from unallocated quotas has been considered for projection purposes.

4.63 The Petitioner has submitted projected power purchase from Generating Stations for FY 2019-20 as given below:

Table 4. 16: Petitioner Submission: Projected Power Purchase from State Generating Stations

S. No	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	State Generating Stations					
I	BTPS	0.00	0.00	0.00	0.00	0.00
II	Pragati	414.36	36.17	168.00	204.17	4.93
III	GT	81.91	40.09	29.34	69.43	8.48
IV	Pragati III	731.69	235.58	234.87	470.45	6.43
	Total SGS	1,227.95	311.84	432.21	744.05	6.06

Table 4. 17: Petitioner Submission: Projected Power Purchase from Central Generating Stations

S. No	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
	NTPC					
I	Anta Gas Power Station	32.10	7.03	11.54	18.58	5.79
II	Auraiya Gas Power Station	21.74	10.30	7.14	17.44	8.02
III	Dadri Gas Power Station	49.34	11.80	15.82	27.62	5.60
IV	FARAKKA	47.52	4.05	12.11	16.16	3.40
V	KAHALGAON - I	106.00	11.29	26.43	37.73	3.56
VI	NCPP - DADRI	45.66	6.96	14.97	21.93	4.80
VII	RIHAND – I	210.74	18.01	28.57	46.58	2.21
VIII	RIHAND – II	271.29	19.24	36.69	55.93	2.06
IX	RIHAND – III	-	-	-	-	-
X	SINGRAULI	319.09	20.90	45.56	66.47	2.08
XI	UNCHAHAR - I	49.85	5.47	14.12	19.59	3.93
XII	UNCHAHAR - II	97.70	9.90	27.70	37.60	3.85
XIII	UNCHAHAR - III	60.29	8.22	17.06	25.29	4.19
XIV	KAHALGAON - II	338.79	39.69	82.57	122.26	3.61
XV	DADRI EXTENSION	74.15	10.75	22.80	33.55	4.52
XVI	ARAVALI	2,801.99	705.16	929.85	1,635.01	5.84
	Sub-Total NTPC	**4526**	**889**	**1293**	**2182**	**4.67**
	NHPC					
I	BAIRA SIUL	26.30	2.50	2.61	5.11	1.94
II	CHAMERA – I	40.34	4.59	4.62	9.21	2.28
III	CHAMERA – II	61.34	6.00	6.08	12.09	1.97
IV	CHAMERA – III	42.44	8.60	9.09	17.68	4.17
V	DHAULIGANGA	45.99	3.98	7.01	10.99	2.39
VI	DULHASTI	75.06	19.56	20.91	40.48	5.39
VII	SALAL	-	-	-	-	-
VIII	TANAKPUR	17.77	1.82	2.94	4.76	2.68
IX	URI	87.64	5.53	7.02	12.55	1.43
X	SEWA –II	21.82	5.55	5.89	11.44	5.24
XI	Uri – II	46.38	9.23	11.24	20.47	4.41
XII	Parbati – III	36.52	3.79	7.40	11.19	3.06
	Sub-Total NHPC	501.60	71.16	84.80	155.96	3.11

S. No	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
	NCPP					
I	RAPS – 5 & 6	115.44	-	48.14	48.14	4.17
II	NPCIL – NAPS	97.15	-	31.34	31.34	3.23
	Sub-Total Nuclear	212.59	-	79.48	79.48	3.74
	Other Stations					
I	TEHRI HEP	51.20	12.56	14.60	27.15	5.30
II	SJVNL	174.91	24.81	23.05	47.86	2.74
III	KOTESHWAR	34.93	6.82	9.39	16.20	4.64
IV	Mejia unit - 6	207.88	27.06	52.23	79.29	3.81
	Meja Urja	228.44	46.40	68.53	114.93	5.03
V	DVC Chandrapur (Ext. 7 & 8)	623.65	95.36	121.06	216.42	3.47
VI	Haryana CLP Jhajjar (LT-5)	597.43	93.25	195.97	289.22	4.84
VII	MPL	2,088.60	331.02	344.05	675.07	3.23
VIII	Tala HEP	30.13		6.83	6.83	2.27
IX	Sasan UMPP	129.81	16.26	15.67	31.93	2.46
	Others Total	**4,167.00**	**653.54**	**851.38**	**1,504.92**	3.61
	Grand Total	**9,407.42**	**1,613.48**	**2,308.60**	**3,922.08**	4.17

COMMISSION ANALYSIS

4.64 Power purchase cost is the single largest component of ARR of a Distribution Company. The estimate of power purchase cost has been carried out with utmost care based on the optimum method of procuring power from the generating stations.

4.65 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 as per the input from Delhi SLDC vide its email dated 16/07/2019.

4.66 The Commission conducted meeting regarding Summer Preparedness for FY 2019-20 on 15/05/2019 with SLDC, GENCOs, DTL, BRPL, BYPL, TPDDL & NDMC, wherein it was observed that as per the power supply position presented by SLDC, the power available seems to be sufficient. Minor deficits were observed in few time durations and the DISCOMs agreed to cater that through IDT, reserve module of PPS-3 Bawana, short term procurement of Hydro Power from Himachal, power exchange etc. and assured that there would not be shortage of power during summers of FY 2019-20. Further, GENCOs of Delhi informed that they are sufficiently equipped to run on full load during summer months of FY 2019-20. DTL was directed to keep their system ready to transmit uninterrupted power during summer months of FY 2019-20.

4.67 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 2019-20.

4.68 The Commission has examined the quantum of power purchase proposed by the Petitioner from various generating stations. The Commission also sought power projection details from SLDC for FY 2019-20 and the Petitioner has agreed to power projection by SLDC for FY 2019-20. Accordingly, the Commission has considered the power projection details of SLDC for FY 2019-20.

4.69 The Commission vide its Order dated 27.03.2018 has re-allocated the power from various stations among DISCOMs for FY 2018-19 and based on the above discussions, the availability of power to the Petitioner from Central, State and Other Generating Stations as approved by the Commission is given in the Table as follows:

Table 4. 18: Commission Approved: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations approved for FY 2019-20

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Petitioner's Share	Petitioner's Share
	(MW)	(%)	(MW)	(%)	(MW)	(MU)
NTPC						
Singrauli STPS	2000	7.50%	150	30.68%	46	337
Rihand STPS-I	1000	10.00%	100	30.68%	31	215
Rihand STPS-II	1000	12.60%	126	30.68%	39	296
Rihand STPS-III	1000	13.19%	132	0.00%	0	
ANTA GPS	419	10.50%	44	30.68%	13	4
Auriya GPS	663	10.86%	72	30.68%	22	3
Dadri GPS	830	10.96%	91	30.68%	28	18
Unchahaar-I TPS	420	5.71%	24	30.68%	7	42
Unchahaar-II TPS	420	11.19%	47	30.68%	14	80
Unchahaar-III TPS	210	13.81%	29	30.68%	9	55
Dadri NCTPS(Th) I	840	90.00%	756	1.32%	10	37
Kahalgaon I	840	6.07%	51	30.68%	16	92

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Petitioner's Share	Petitioner's Share
Kahalgaon II	1500	10.49%	157	30.68%	48	300
Farakka	1600	1.39%	22	30.68%	7	41
Aravali - Jhajjar	1500	46.20%	693	88.57%	614	2598
Dadri NCTPS(Th) II	980	74.52%	730	1.37%	10	35
NTPC Total	**15222**		**3225**		**914**	**4155**
						NHPC
Bairasul	180	11.00%	20	30.68%	6	4
Salal- I	690	11.62%	80	0.00%	0	0
Tanakpur	94	12.81%	12	30.68%	4	14
Chamera -I	540	7.90%	43	30.68%	13	60
Chamera-II	300	13.33%	40	30.68%	12	61
Chamera-III	231	12.73%	29	30.68%	9	41
URI	480	11.04%	53	30.68%	16	85
Dhauliganga	280	13.21%	37	30.68%	11	47
Sewa II	120	13.33%	16	30.68%	5	21
Dulhasti	390	12.83%	50	30.68%	15	83
URI 2	240	13.45%	32	30.68%	10	55
Parbati 3	520	12.73%	66	30.68%	20	26
NHPC Total	**4065**		**479**		**122**	**496**
OTHERS CSGS						
Tala HEP	1020	2.94%	30	30.68%	9	32
MPL	1050		281	100.00%	281	1948
CLP Jhajjhar	1320		124	100.00%	124	592
Nathpa Jhakri HPS	1500	9.47%	142	30.68%	44	200
Tehri HPP	1000	6.30%	63	30.68%	19	63
Koteshwar	400	9.86%	39	30.68%	12	38
DVC CTPS 7 & 8			269	34.14%	92	658
Mejia 6	750		131	23.47%	31	179
Mejia 7	500		119	0.00%		
Sasan	3960	11.25%	446	12.79%	57	407
SECI Solar Rajasthan			60	33.29%	20	38
Himachal LT-59			14	100.00%	14	48
Singrauli Hydro	8	19.13%	2	100.00%	2	6
Tuticurin LT -61						
INOX Wind						
Other CSGS Total	**11508**		**1719**		**704**	**4210**
NUCLEAR						
RAPS	440	12.69%	56	30.68%	17	118
NAPS	440	10.68%	47	30.68%	14	109
Nuclear Total	**880**		**103**		**32**	**227**
POWER STATIONS IN DELHI (SGS)						
PPS-I	330	100.00%	330	19.28%	64	323
GTPS	270	100.00%	270	30.25%	82	171
PPS-III, Bawana	1371	80.00%	1097	27.19%	298	761
TOWMCL (Ex Bus)	13	97.15%	13	48.54%	6	54

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Petitioner's Share	Petitioner's Share
MSW Bawana	24	100.00%	24	29.20%	7	29
East Delhi MCW	12		6	0.00%		
TPDDL Solar			2	100.00%	2	2
Thyagraj			1			
SGS Total	**2020**		**1742**		**459**	**1341**
TOTAL PURCHASE FROM LONG TERM	**33695**		**7268**		**2231**	**10430**

4.70 During the prudence check, the Petitioner has submitted the revised power purchase cost. The Commission has considered the revised power purchase cost appropriately. However, in order to maintain the uniformity in the Petitioner's submission in the Tariff Order, the Commission has indicated the power purchase cost as submitted in the petition.

4.71 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2019-20:

a) The Commission has considered Fixed Charges for generating stations as approved by Central Electricity Regulatory Commission (CERC) for various generating stations of NTPC, NHPC, THDC, SJVNL, NPCIL and DVC for FY 2018-19

b) The Energy Charge Rate (ECR) of most of the Generating Stations has been considered as the simple average of the actual ECRs for April 2019 to June 2019.

c) CERC in its Order dtd. 03/06/2016 has approved the Renovation and Modernization (R&M) proposal of Bairasiul Power Station. Accordingly, Bairasiul is under R&M for the period from FY 2017-18 to FY 2020-21. Accordingly, the Commission has allowed only O&M expenses and interest on loan as a part of AFC for FY 2019-20.

d) The cost of power purchase from Solar Plants has been considered at Rs. 5.50 per unit based on the allocation letter of SECI.

e) The Energy Charge Rate and Fixed Charges of State Generating Stations including East Delhi MSW has been considered as approved by the Commission in the respective Tariff Orders for applicable period.

4.72 Based on the above, the Total Power Purchase Cost for FY 2019-20, approved by the

Commission is summarised as follows:

Table 4. 19: Commission Approved: Power Purchase Cost for FY 2019-20

Station	Energy (MU)	Fixed Cost (Rs Cr)	VC/ unit (Rs/ kWh)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
Singrauli STPS	337	21	1.42	48	69	2.04
Rihand STPS-I	215	18	1.35	29	47	2.19
Rihand STPS-II	296	19	1.35	40	59	2.00
ANTA GPS	4	7	3.92	2	9	19.49
Auriya GPS	3	10	4.92	2	12	36.28
Dadri GPS	18	12	3.77	7	18	10.07
Unchahaar-I TPS	42	4	3.24	14	18	4.32
Unchahaar-II TPS	80	9	3.27	26	35	4.37
Unchahaar-III TPS	55	8	3.24	18	25	4.61
Dadri NCTPS(Th) I	37	6	3.50	13	19	5.10
Kahalgaon I	92	11	2.27	21	32	3.50
Kahalgaon II	300	37	2.15	65	102	3.38
Farakka	41	4	2.39	10	14	3.36
Aravali - Jhajjar	2,598	699	3.25	845	1,544	5.94
Dadri NCTPS(Th) II	35	9	3.25	12	21	5.91
NTPC TOTAL	**4,155**	**874**		**1,149**	**2,023**	4.87
Bairasul	4	2	-	-	2	5.35
Tanakpur	14	2	1.65	2	4	3.05
Chamera -I	60	4	1.14	7	11	1.81
Chamera-II	61	5	1.01	6	11	1.88
Chamera-III	41	7	2.12	9	16	3.85
URI	85	6	0.82	7	13	1.55
Dhauliganga	47	5	1.21	6	10	2.24
Sewa II	21	5	2.17	4	9	4.38
Dulhasti	83	18	2.75	23	41	4.88
URI 2	55	9	2.37	13	22	4.06
Parbati 3	26	9	1.54	4	13	5.11
NHPC Total	**496**	**72**		**81**	**153**	3.09
Tala HEP	32	-	2.16	7	7	2.16
Nathpa Jhakri HPS	200	20	1.21	24	45	2.22
Tehri HPP	63	12	1.95	12	25	3.91
Koteshwar	38	7	2.31	9	16	4.14
DVC CTPS 7 & 8	658	97	2.00	132	229	3.48
Mejia 6	179	29	3.09	55	84	4.72
Sasan	407	7	1.15	47	54	1.33
SECI Solar Rajasthan	38		5.50	21	21	5.50
Himachal LT-59	48		3.80	18	18	3.80
Singrauli Hydro	6		5.04	3	3	5.04

Station	Energy (MU)	Fixed Cost (Rs Cr)	VC/ unit (Rs/ kWh)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
MPL	1,948	291	2.73	532	822	4.22
CLP Jhajjhar	592	87	3.57	211	299	5.04
Other CSGS Total	**4210**	**551**		**1071**	**1623**	3.85
RAPS	118	-	3.93	46	46	3.93
NAPS	109	-	2.97	32	32	2.97
Nuclear Total	**227**	**-**		**79**	**79**	3.47
PPS-I	323	30	4.43	143	173	5.34
GTPS	171	45	5.12	74	119	6.93
PPS-III, Bawana	761	265	3.68	280	545	7.16
TOWMCL (Ex Bus)	54		6.40	35	35	6.40
MSW Bawana	29		7.03	20	20	7.03
TPDDL Solar	2		12.45	3	3	12.45
SGS Total	1,341	339		555	894	6.67
TOTAL PURCHASE FROM LONG TERM	10,430	1,837		2,935	4,772	4.58

COST OF POWER FROM OTHER SOURCES (SHORT TERM POWER PURCHASE)

PETITIONER'S SUBMISSION

4.73 The Petitioner has submitted that 262 MU shall be purchased from Hydro Power from Himachal Pradesh. The same shall fulfil the RPO obligation of the Petitioner.

4.74 The Petitioner has projected the short term purchase for FY 2019-20 as follows:

Table 4. 20: Petitioner Submission: Projected Short term Purchase

Particulars	Projection FY 19-20		
	MUs	(Rs. Cr.)	Avg. Rate
Power Purchase from Other Sources			
Total	262	115	4.40

COMMISSION ANALYSIS

4.75 The Commission approves the short term purchase of power for meeting RPO obligation as submitted by the Petitioner as follows:

Table 4. 21: Commission Approved: Short Term Purchase for FY 2019-20

Particulars	Projection FY 19-20		
	MUs	(Rs. Cr.)	Avg. Rate
Power Purchase from Other Sources			
Total	262	115	4.40

SHORT TERM SALE

PETITIONER'S SUBMISSION

4.76 Based on the energy requirement and energy availability, the Petitioner has projected 1,253.45 MU of surplus power @ rate of 3.75 per unit which is approximately 5% lower than the previous year rate. The short term surplus power was sold through available mechanisms i.e. banking, bilateral sale, exchange and UI.

4.77 The Petitioner has projected Short Term Power Sale as follows:

Table 4. 22: Petitioner Submission: Short Term Power Sale

S.No.	Source	Amount
A.	Sale of Surplus Power – MU	1,253.45
B.	Revenue from Sale of Surplus Power	470.04
C.	Per unit Rate- Rs/kWh	3.75

COMMISSION ANALYSIS

4.78 It is observed that the Petitioner is in surplus of 119 MU for FY 2019-20 as indicated in Energy Balance table approved by the Commission.

4.79 The Petitioner has submitted the average sale rate for short term power as Rs 3.75/ kWh. The same has been considered by the Commission as follows:

Table 4. 23: **Commission** Approved: Sale of Surplus Power for FY 2019-20

S. No.	Source	Energy Sold (MU)	Cost per Unit (Rs./unit)	Total Revenue (Rs. Cr.)
A	Sale of Surplus Power	119	3.75	45

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.80 The Petitioner has submitted that the Commission has notified year wise solar and non-solar renewable obligations for next control period. Therefore, in order to comply with said regulations, the Petitioner while projecting RPO compliance for next year has considered the same ratio i.e. for Solar RPO – 6.75% and Non Solar RPO – 10.25%, a total of 17.00%.

Table 4. 24: Petitioner Submission: Targets for Renewable Power Purchase Obligation

S. No	Distribution Licensees	FY 2017-18	FY 2018-19	FY 2019-20
A.	Solar Target	2.75%	4.75%	6.75%
B.	Non Solar Target	8.75%	9.50%	10.25%
C.	Total	11.50%	14.25%	17.00%

4.81 In order to comply with RPO obligation the Petitioner has contracted with the following additional renewable power generating stations.

- 180 MW of Sun Edison has been considered from October 2019 at Rs. 3.96 per unit at 20% Cuf.
- 50 MW of SECI wind has been considered from January 2020 at Rs. 2.59 per unit at 20% Cuf.
- 13 MW of Taranda Small Hydro has been considered from February 2020 at Rs. 4.29 per unit at 45% Cuf.

4.82 Considering all the available source RPO obligation for FY 2019-20 are going to meet as follows:

Table 4. 25: Petitioner Submission: Cost of REC to be purchase for FY 19-20

S. No	Particulars	UoM	FY 19-20	
			Solar	Non Solar
A	Projected Energy sale for FY 2018-19 (net of Hydro)	MU	8,675.75	
B	RPO target–Solar	%	6.75%	10.25%
C	RPO target –Solar	MU	585.61	889.26
D	RPO Compliance through	MU		
i	Purchase from TPDDL Solar	MU	2	
ii	Purchase from SECI Solar	MU	35	
iii	Sun Edison		157	
iv	Purchase form Bawana W2E	MU		37
v	Purchase from Small Hydro	MU		144
vi	Purchase from TOWMCL	MU		43
E	Excess/ (Shortfall)= (C-D)	MU	391.16	665.17
F	Inter head adjustment	MU		

S. No	Particulars	UoM	FY 19-20	
			Solar	Non Solar
G	Requirement to be met through purchase of REC	MU	391.16	665.17
H	REC rate	Rs/kWh	1.12	1.12
I	Cost for REC purchase	Rs Cr	43.81	74.50
	Total REC			118.31

Table 4. 26: Petitioner Submission: RPO Compliance for FY 19-20 (Rs. Cr.)

S. No	Stations	Petitioner Share	Fixed Charge	Variable Charge	Total Charge	Average Rate
		(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	Solar					
i	TPDDL Solar	2		3.20	3.20	14.74
ii	SECI Solar	35		20.24	20.24	5.78
iii	Sun Edison	157		62.27	62.27	3.96
	Sub-Total	194	0	85.70	85.70	4.41
B	Non-Solar					
i	Bawana W2E	43		31.73	31.73	7.38
ii	TOWMCL	37		24.86	24.86	6.76
iii	Suryakanta Hydro	55		22.02	22.02	3.99
iv	Nanati Hydro	53		23.97	23.97	4.50
v	Singrauli SHP (NTPC)	6		3.19	3.19	5.29
vi	SECI Wind	22		5.59	5.59	2.59
vii	Taranda Hydro	8		3.55	3.55	4.29
	Sub-Total	224	0	115	115	5.13
	Total	419	0	201	201	4.79

COMMISSION ANALYSIS

4.83 The Commission has notified the DERC (Business Plan) Regulations, 2017 for three years i.e., FY 2017-18, FY 2018-19 and FY 2019-20. In the said regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 4. 27: Commission Approved: Targets for Renewable Purchase Obligation

S. No.	Particulars	FY 2019-20
A.	Solar Target (Minimum)	6.75%
B.	Total	17.00%

4.84 As per the above said DERC (Business Plan) Regulations, 2017, the Distribution companies have to purchase 17.00% of total Energy Sales approved by the Commission during FY 2019-20 from renewable energy sources including minimum 6.75% from the solar sources

4.85 The Commission has approved the total energy sales of 8,665 MU net of the Hydro Power purchase for FY 2019-20 for the Petitioner. Based on the sales approved, the Petitioner has to purchase a minimum of 1,473 MU from renewable energy sources for FY 2019-20 indicated in the table as follows:

Table 4. 28: 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	8665	6.75%	585
Non-solar		10.25%	888
Total		17.00%	1473

4.86 The Commission has noted that the Petitioner has reconciled its purchase from various renewable energy sources with SLDC which has been submitted by SLDC to the Commission. During the prudence check it was observed that the entire energy projected by the Petitioner to meet its RPO obligations may not be available during FY 2019-20. The total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.87 Regulation 27 (2) of DERC (Business Plan) Regulations, 2017 stipulates as under:

"(2) The Distribution Licensee shall comply with its RPO through procurement of either Solar energy or combination of Solar energy and Non-Solar energy with minimum purchase of Solar energy as specified in the table above:

Provided that the Distribution Licensee may purchase solar energy in excess of the minimum solar Target as specified in aforesaid sub-Regulation (1),

*Provided further that the Distribution Licensee may purchase Renewable Energy Certificate ('**REC**') 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."*

4.88 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2019-20.

4.89 CERC has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs vide its Order dated 30.03.2017 indicated in the Table as follows:

Table 4. 29: Fixed Floor Price and Forbearance Price for Solar and Non-solar

S. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	Rs. 1000/MWh	Rs. 3000/MWh
2	Solar	Rs. 1000/MWh	Rs. 2400/MWh

4.90 In view of above, the Commission has considered the Floor Price of Non-Solar and Solar RECs as approved by CERC i.e., Rs. 1000/MWh. Further, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance based on the rate of SECI (Rs. 5.50/kWh). The Commission has also considered GST of 12% on the floor price of solar and non-solar RECs.

4.91 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 30: Commission Approved: Power Purchase Cost towards RPO compliance

S.No	Sources of Renewable Energy	Quantity to be Purchased (MU)	Rate (Rs/kWh)	Total Cost (Rs. Cr.)
SOLAR				
A.	Solar (SECI)	38	5.50	21
B.	TPDDL Solar	2	12.45	3
C.	Balance Solar RPO through RECs	544	1.12	61
D.	Sub Total	585		85
NON SOLAR				
E.	TOWMCL	54	6.40	35
F.	MSW Bawana	29	7.03	20
G.	Small Hydro	262	4.40	115
H.	Balance Non-Solar RPO through RECs	543	1.12	61
I.	Sub Total	888		231
J.	TOTAL RPO	1473		316

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

4.92 The Petitioner has submitted that 0.84% losses have been considered for Intrastate Transmission i.e. for DTL network for FY 2019-20. The Transmission Losses for FY 2019-20 as projected by the Petitioner is as follows:

Table 4. 31: Petitioner Submission: Transmission Losses for FY 2019-20 (Rs. Cr.)

Particulars	Amount
Inter-State Transmission	396.60
Intra-State Transmission (DTL)	
Total Transmission Losses (MU)	396.60

4.93 The Petitioner has submitted that the Transmission charges for DTL and PGCIL kept equal to the charges approved by the Commission for FY 2018-19. STOA charges of Rs 0.50/unit has been factored as a part of transmission cost. Accordingly, the Petitioner has submitted transmission charges (in Rs Cr.) in tabulated form as given below

Table 4. 32: Petitioner Submission: Transmission Charges for FY 19-20 (Rs. Cr.)

Particulars	Amount
PGCIL Charges	467.00
DTL & SLDC Charges	329.59
Other Transmission charges, LDC charges	13.71
STOA Charges	70.87
Total (excluding Pension Trust)	881.17

COMMISSION ANALYSIS

4.94 The Petitioner has submitted actual Transmission Charges for availing Transmission Services for FY 2018-19. The Commission has considered the actual Inter-State Transmission Charges paid during FY 2018-19. The Intra-State Transmission Charges has been considered based on DTL Order for FY 2019-20.

4.95 The Commission has considered Inter-State transmission losses @ 1.65% and Intra-state transmission losses @ 0.92% for computation of transmission losses for FY 2019-20.

4.96 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2019-20 are indicated in the table as follows:

Table 4. 33: Commission Approved:Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2019-20

S. No.	Particulars	Approved
A	Transmission losses (MU)	MU
i	Inter-State Transmission (PGCIL)	154
ii	Intra-State Transmission (DTL)	97
	Total Transmission Losses (MU)	251
B	Transmission Charges (Rs. Crore)	
i	Inter-State Transmission (PGCIL)	467
ii	Intra-State Transmission (DTL)	260
iii	Other Transmission Charges	14
iv	SLDC Charges	4
C	Total Transmission Charges (Rs. Crore)	745

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.97 The energy balance submitted by the Petitioner is summarised in the table as follows:

Table 4. 34: Petitioner Submission: Energy Balance projected for FY 2019-20

S.No.	Particulars	Quantity (MU)
A.	Power Purchase from CSGS	9,407.42
B.	Short Term Power Purchase	888.00
C.	Power Purchase from SGS	1,227.95
D.	Renewable Energy Plants and small Hydro	418.55
E.	Power Available at Delhi Periphery	11,941.92
F.	PGCIL & DTL Losses	(396.60)
G.	Power Available to DISCOM	11,545.32
H.	Sales	9,468.52
I.	Distribution Loss	823.35
J.	Net Surplus Power	1,253.45

COMMISSION ANALYSIS

4.98 Based on the energy sales, distribution loss, Intra-state and Inter-state transmission losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized in the table as follows:

Table 4. 35: Commission Approved: Energy Balance for FY 2019-20

S. No.	Particulars	Unit	Approved
Energy Availability			
A.	Total energy available (Excluding SGS Plants)	MU	9,350
B.	Inter-State Transmission Losses	%	1.65
		MU	154
C.	Energy available from SGS Plants	MU	1,339
D.	Energy available at State Transmission Periphery	MU	10,535
E.	Intra-State Transmission Loss	%	0.92
F.	Intra-State Transmission Loss	MU	97
G.	TPDDL Solar	MU	2
H.	Net Energy available at Distribution Periphery	MU	10,440
Energy Requirement			
I.	Energy Sales	MU	9,495
J.	Distribution Loss	%	8.00
		MU	826
K.	Energy requirement at distribution periphery	MU	10,321
L.	Surplus Energy	MU	119

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

4.99 The Petitioner has submitted MYT Regulations, 2017 provided that normative rebate has to be considered on the net power purchase cost. Based on the same the Petitioner has projected maximum normative rebate of Rs 109.25 Cr has been projected.

Table 4. 36: Petitioner Submission: Computation of Normative Rebate (Rs. Cr.)

Particulars	Maximum rebate %	Amount
State Generating Stations		
Delhi State Gencos	2%	14.88
Central Generating Stations		
NTPC	2%	43.63
NHPC	2%	3.12
NPCIL	2.00%	1.59
Others	2%	30.10
Transmission		
Transmission	2%	15.93
Total		109.25

COMMISSION ANALYSIS

4.100 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."

4.101 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."

4.102 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." ………

4.103 The Commission observed from the PPA signed by the Petitioner with NPCIL that a rebate of 2.5% has been allowed.

4.104 Accordingly, the Commission has considered rebate for FY 2019-20 in the following manner:

Table 4. 37: Commission Approved – Rebate for FY 2019-20

S. No.	Particulars	Billed Amount (Rs Cr.)	Rebate (%)	Rebate Amount (Rs Cr.)
A.	Central Sector Utilities	4,374	1.5%	66
B.	State Sector Utilities	1,158	2.0%	23
C.	NPCIL	79	2.5%	2
D.	Total			91

ESTIMATED POWER PURCHASE COST FOR FY 2019-20

PETITIONER'S SUBMISSION

4.105 The Petitioner has worked out Power Purchase cost of Rs. 5.49/unit for FY 2019-20 and tabulated as table below:

Table 4. 38: Petitioner Submission: Energy Balance Summary and Power Purchase Cost for FY 2019-20

S. No	Particulars	FY 2019-20		
		Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./kWh)
A.	Power Purchase from CSGS	9,407.42	3,922.08	4.17
B.	Short Term Power Purchase	888.00	364.97	4.11
C.	Power Purchase from SGS	1,227.95	744.05	6.06
D.	Renewable Energy Plants and small Hydro	418.55	200.62	4.79
E.	Cost towards Renewable Energy Certificates		118.31	
F.	Power Available at Delhi Periphery (cost excluding RECs)	11,941.92	5,350.03	4.48
G.	PGCIL Losses & Charges	(396.60)	467.00	
H.	DTL Loss & Transmission Charges		414.17	
I.	Power Purchase Rebate @ 2%		93.52	
J.	Rebate on Transmission Charges @ 2%		15.93	
K.	Power Available to DISCOM	11,545.32	6,121.94	5.30
L.	Sales	9,468.52		
M.	Distribution Loss	823.35		
N.	Net Power Purchase cost including Transmission charges and REC	10,291.87	5,651.90	5.49
O.	Net Surplus Power	1,253.45	470.04	3.75

COMMISSION ANALYSIS

4.106 Based on the analysis above, the total power purchase cost approved for FY 2019-20 is as follows:

Table 4. 39: Commission Approved: Total Power Purchase Cost during FY 2019-20

S. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
A	Total Energy available from CSG Stations	9,350	3,993	4.27
B	Inter-State Transmission Losses	154	481	
C	Energy available from SGS Stations	1,339	891	6.66
D	Energy available at State Transmission Periphery	10,535	5,366	5.09
E	Intra-State Transmission Loss	97	264	

S. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
F	TPDDL Solar	2	3	12.45
G	REC Purchase		122	
H	Power Purchase Rebate		91	
I	Power Available to DISCOM	10,440	5,664	5.42
J	Energy Sales	9,495		
K	Distribution Loss	826		
L	Net Energy Requirement	10,321		
M	Surplus Energy	119	45	3.75
N	Total Power Purchase Cost	10,321	5,619	5.44

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.107 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.

4.108 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. "*

4.109 Accordingly, the Commission has specified the PPAC formula for FY 2019-20 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 2019-20 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in (n-1)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)

$$= \frac{\text{Total bulk sale in (n-1)th Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in (n-1)th Qtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)th Qtr to be taken from provisional accounts to be issued by SLDC by the 10th of each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (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)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)*$(1 – \frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{100})$ + Power from Delhi GENCOs (in kWh)}*$(1 – \frac{\text{Intra state losses in \%}}{100})$ – 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)

4.110 The Commission has specified the methodology for recovery of PPAC in DERC (Business Plan) Regulations, 2017 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 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (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% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(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."

4.111 PPAC on quarterly basis shall be charged as per the following:

(a) The PPAC will be charged to all categories of consumers.

(b) The weighted average base cost as approved in this Tariff shall be Rs. 4.58/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.

(f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

(g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION & MAINTENANCE EXPENSES FOR FY 2019-20

PETITIONER'S SUBMISSION

4.112 The Petitioner has submitted that the Commission in its Business Plan Regulation, 2017 had notified norms for Operation and Maintenance Expenses in terms of Regulation 4(3) and based on network the Petitioner is seeking O&M Expenses for FY 2019-20 as given in table below. Further the Petitioner has computed additional expenses based on additional esp. sought for FY 2018-19 grossed up with inflation:

Table 4. 40: Petitioner Submission: Approved O&M Expenses for FY 2019-20 (Rs. Cr.)

Particulars	Capacity as on 31.03.2020 (as submitted in Business Plan)	O&M Expenses Per Unit		O&M Expenses
66 kV Line (kms)	1064	Rs. Lakh/Ckt. Km	3.678	39.13
33 kV Line (kms)		Rs. Lakh/Ckt. Km	3.678	
11 kV Line (kms)	6244.41	Rs. Lakh/Ckt. Km	0.961	60.01
LT Lines system (kms.)	7099.86	Rs. Lakh/Ckt. Km	7.107	504.59
66/11 kV Grid sub-station (MVA)	5283.50	Rs. Lakh/MVA	1.034	54.63
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA	1.034	
11/0.4 kV DT (MVA)	6007.79	Rs. Lakh/MVA	1.479	88.86
Total				747.22
Add- Statutory levies / Taxes Based on Additional Expense sought in FY 2018-19 grossed up with inflation	To be trued up on actual basis (computed based on estimated expenses for FY 2018-19)			134.60
Total O&M Expenses				881.82

4.113 Further the petitioner has submitted that the capacity considered for computation of O&M expenses are subject to change based on actual capitalization.

COMMISSION ANALYSIS

4.114 The Commission at Regulation 23 of DERC (Business Plan) Regulations, 2017 has notified norms for Operation and Maintenance Expenses for FY 2019-20 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 10: O&M Expenses for TPDDL for the Control Period

Particulars	***Unit***	***2017-18***	***2018-19***	***2019-20***
66 kV Line	*Rs. Lakh/ Ckt. Km*	*3.297*	*3.482*	*3.678*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*3.297*	*3.482*	*3.678*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*0.862*	*0.910*	*0.961*
LT lines system	*Rs. Lakh/ Ckt. Km*	*6.372*	*6.730*	*7.107*
66/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*0.927*	*0.979*	*1.034*
33/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*0.927*	*0.979*	*1.034*
11/0.415 kV DT	*Rs. Lakh/ Ckt. Km*	*1.326*	*1.400*	*1.479*

...

(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."

4.115 The Commission observed that the Petitioner has projected the network capacity on higher side. The Commission has provisionally allowed 90% of O&M expenses determined based on the network capacity projected by the Petitioner. The true-up of O& M expenses shall be as per actual network capacity.

4.116 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2019-20 as follows:

Table 4. 41: Commission Approved: O&M Expenses for FY 2019-20 (Rs. Cr.)

NETWORK	Network Capacity	Norms as per DERC (Business Plan) Regulations, 2017		Amount of O&M Expenses
		Units	Rate/Unit	
66 kV Line (kms)	1064	Rs. Lakh/Ckt. Km	3.678	39
33 kV Line (kms)		Rs. Lakh/Ckt. Km		
11 kV Line (kms)	6244	Rs. Lakh/Ckt. Km	0.961	60
LT Lines system (kms.)	7100	Rs. Lakh/Ckt. Km	7.107	505
66/11 kV Grid sub-station (MVA)	5284	Rs. Lakh/MVA	1.034	55
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA		
11/0.4 kV DT (MVA)	6008	Rs. Lakh/MVA	1.479	89
Sub-Total				747
90% of Sub-Total				672

4.117 The Commission has already dealt with the claims under the additional O&M Expenses in the true up chapter for FY 2017-18 based on the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017.

4.118 Accordingly, the Commission considers the additional O&M Expenses for FY 2019-20 on account of Impact of 7th pay revision and Property Tax as follows:

IMPACT ON ACCOUNT OF 7TH PAY COMMISSION

4.119 The Commission has allowed Rs. 40.72 Cr. towards actual 7th Pay Revision for the period from 01.01.2016 to 31.03.2018 in true up for FY 2017-18. The Commission has computed the 7th pay Revision impact for FY 2019-20 on a prorated basis for 12 months based on allowed cost during FY 2017-18 for 27 months and has applied the escalation of 5.61% on an annual basis for FY 2018-19 and FY 2019-20. Accordingly, the Commission has provisionally considered Rs.20.19 Cr. towards statutory pay revision under additional O&M expenses projected for FY 2019-20 subject to actual payment.

PROPERTY TAX

4.120 The Petitioner has not projected the Property tax separately for FY 2019-20. Therefore, the Commission has not considered the property tax in projection for FY 2019-20.

However, the same shall be considered at the time of true- up subject to actual payment by the Petitioner.

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

4.121 The Petitioner has stated that to achieve the anticipated load growth and targeted Distribution loss reduction, the Petitioner has carried out a detailed analysis of CAPEX required for FY 2019-20.

4.122 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2017 has approved tentative capitalization of Rs 430 Cr. for FY 2019-20 (excluding Rs. 50 Cr towards Capital Deposit).

Table 4. 42: Approved Capitalization for FY 2019-20 (Rs. Cr.)

Particulars	Amount
Capitalization including deposit work	414
Smart Meter	66
Total Capitalization without deposit work	430
Add: Deposit Work	50
Total	480

4.123 The Petitioner has submitted that deposit work is also treated as a part of capitalization, hence the capitalization for FY 2019-20 is considered as given below:

Table 4. 43: Capitalization considering Deposit work for FY 2019-20

Particulars	Amount
Capitalization without deposit work	364
Smart Meter	66
Deposit Work	50
Total	480

4.124 Considering the capitalization of Rs. 480 Cr, gross block of fixed assets works out as follows:

Table 4. 44: Capitalization of Fixed Assets (Rs. Cr.)

S. No	Particulars	Amount
A	Opening Balance	5,554.49
B	Addition during the year	480.00
C	Deletion during the year*	
D	Closing Balance	6,034.49
E	Average Balance of Fixed Assets	5,794.49

**No deletion has been considered*

COMMISSION ANALYSIS

4.125 The Commission has considered the gross capitalisation of Rs. 480 Cr. including consumer contribution (Deposit work) for Rs.50 Cr. during FY 2019-20 as approved in DERC (Business Plan) Regulations, 2017

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

4.126 The Petitioner has stated that the contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized.

4.127 The Petitioner has estimated that Rs. 50 Cr will be capitalized towards consumer contribution for FY 19-20 as follows:

Table 4. 45: Estimated Consumer Contribution capitalized (Rs.Cr.)

S. No	Consumer Contribution/Grant	Amount
A	Opening Balance	868.26
B	Capitalized during the year	50.00
C	Closing Balance	918.26
D	Average Cumulative Capitalized Consumer Cont.	893.26

COMMISSION ANALYSIS

4.128 The Commission has projected the capitalization of consumer contribution during FY 2019-20 as per the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance for FY 2019-20 based on true up of ARR upto FY 2017-18 is as follows:

Table 4. 46: Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)

S.No	Particulars	FY 2019-20	Ref.
A.	Closing Balance of Consumer contribution capitalized upto true up for FY 2017-18	818	Table 3.74
B.	Consumer Contribution projected during FY 2018-19	50	
C.	Opening balance of Consumer Contribution already capitalized upto FY 2018-19	868	A+B
D.	Consumer Contribution Capitalized during the Year	50	
E.	Closing Consumer Contribution and Grants	918	C+D
F.	Average Consumer Contribution and Grants	893	(C+E)/2

DEPRECIATION

PETITIONER'S SUBMISSION

4.129 The Petitioner has submitted that the Commission in its 3rd MYT Regulation's has changed its methodology for allowance of Depreciation. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Thus, for the purpose of computation of Deprecation for FY 2019-20, the Petitioner has considered Deprecation rate of 4.98% equivalent to the rate considered for FY 2018-19.

Table 4. 47: Petitioner Submission: Revised Depreciation for FY 2019-20 (Rs. Cr.)

S.No.	Particulars	Amount
A	Opening GFA	5,554.49
B	Net Additions to Asset during the year	480
C	Closing GFA	6,034.49
D	Average GFA	5,794.49
E	Less: Average Consumer Contribution	893.26
F	Average GFA net of CC	4,901.22
G	Average rate of depreciation	4.98%
H	Depreciation for the year	244.08
I	Opening Depreciation	2,161.31
J	Closing Depreciation	2,405.39
K	Average Depreciation	2,283.35

COMMISSION ANALYSIS

4.130 The Commission has provisionally considered the rate of depreciation for FY 2019-20 as approved for FY 2017-18 and approved depreciation as follows:

Table 4. 48: Commission Approved: Depreciation for FY 2019-20 (Rs. Cr.)

S.No	Particulars	Amount	Ref.
A.	Closing GFA for FY 2017-18	4954	Table 3.76
B.	Additions projected during FY 2018-19	480	
C.	Opening GFA	5434	A+B
D.	Net Additions to Asset during the year	480	
E.	Closing GFA	5914	C+D
F.	Average GFA	5674	(C+E)/2
G.	Less: Average Consumer Contribution	893	Table 4.46
H.	Average GFA net of CC	4781	F-G
I.	Average rate of depreciation	4.98%	
J.	Depreciation	238	H*I

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.131 The Petitioner has computed working capital requirement as per Regulation 84 (4) Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 as below:

Table 4. 49: Petitioner Submission: Computation of Change in Working Capital (Rs.Cr.)

S. No	Particulars	Amount	
		FY 19-20	
A	Annual revenues requirement	7,648.66	
B	Receivables equivalent to 2 months ARR		1,274.78
C	Power Purchase expenses	5,651.90	
D	Add: 1/12th of power purchase expenses		470.99
E	Total working capital		803.79
F	Opening working capital		766.91
G	Change in working capital		36.88

COMMISSION ANALYSIS

4.132 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: "

4.133 Accordingly working capital requirement has been computed for FY 2019-20. The change in working capital has been considered from the working capital for FY 2018-19 as determined in Tariff Order dated 28/03/2018 as follows:

Table 4. 50: Commission Approved: Working Capital for FY 2019-20 (Rs. Cr.)

S.No	Particulars	Approved	Ref.
A.	Annual Revenue Requirement	6847	Table 4.63
B.	Receivables equivalent to 2 months average billing	1141	A/6
C.	Power Purchase expenses including transmission charges	5619	Table 4.39
D.	Less: 1/12th of power purchase expenses	468	C/12
E.	Total working capital	673	B-D
F.	Opening working capital	621	
G.	Change in working capital	52	E-F

MEANS OF FINANCE

PETITIONER'S SUBMISSION

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

Table 4. 51: Petitioner Submission: Computation of Change in Working Capital

S. No	Particulars	Amount
A	Capitalization	480.00
B	Less- Consumer Contribution Capitalized during the year	50.00
C	Funding Requirement	430.00
D	Through- Debt @ 70%	301.00
	Through Equity @ 30%	129.00

COMMISSION ANALYSIS

MEANS OF FINANCE FOR REGULATED RATE BASE, ROCE, WACC

PETITIONER'S SUBMISSION

4.135 The Petitioner has computed the RRB as per formula specified in MYT Tariff Regulations, 2017.

Table 4. 52: Petitioner Submission: Computation of Regulated Rate Base (Rs.Cr.)

S. No	Particulars	Amount
A	Opening Balance of OCFA	5,554.49
B	Opening Balance of Accumulated Depreciation	2,161.31
C	Opening Balance of Accumulated Consumer Contribution	868.26
D	Opening balance of working capital	766.91
E	RRB – Opening	3,291.82

S. No	Particulars	Amount
F	Capitalization during the year	480.00
G	Depreciation for the year (Including AAD)	244.08
H	Consumer Contribution, Grants,	50.00
I	Change in Working Capital	36.88
J	ΔAB (Change in Regulated Base)	129.84
K	RRB – Closing	3,440.86
L	RRB(i)	3,421.66

COMPUTATION OF WACC

4.136 The Petitioner has stated that the Commission in its Business Plan Regulations, 2017 has approved Rate of Return on Equity computed at base rate of 14% on post-tax basis for wheeling business and base rate of 2% on post-tax basis for retail business.

4.137 Further in the Tariff Order Mar, 2018 the Commission has approved rate of weighted average interest on loans @ 9.73% for FY 2018-19. The same rate has been considered for FY 2019-20 also.

4.138 Considering the above cost of debt and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2019-20 as below:

Table 4. 53: Petitioner Submission: Weighted Average Cost of Capital (WACC) sought for FY 2019-20

S. No	Particulars	Amount
I	Opening Equity	1,329.34
II	Addition	129.00
III	Closing Equity	1,458.34
A	Average Equity	1,393.84
B	Average Debt	2,027.82
C	Return on Equity	16%
D	Income Tax Rate	34.94%
E	Grossed up Return on Equity	24.59%
F	Rate of Interest	9.73%
G	Weighted Average Cost of Capital	15.79%

4.139 Considering the above computed WACC of 15.79% the Petitioner has sought revised ROCE for FY 19-20 as follows:

Table 4. 54: Petitioner Submission: Computation of Return on Capital Employed (Rs. Cr.)

S. No	Particulars	Amount
A	RRB (i)	3,421.66
B	WACC	15.79%
C	Return on Capital Employed	540.11

COMMISSION ANALYSIS

4.140 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."

4.141 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.142 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. 55: Commission Approved: RRB (Rs. Cr.)

S. No.	Particulars	Amount	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	5434	Table 4.48
B	Opening Accumulated depreciation (ADo)*	1828	
C	Opening consumer contributions received (CCo)	868	Table 4.46
D	Opening Working capital (WCo)	621	Table 4.50
E	Opening RRB (RRBo)	3360	A-B-C+D
F	Investment capitalised during the year (INVi)	480	Table 4.48
G	Depreciation during the year (Di)	238	Table 4.48
H	Depreciation on decapitalised assets during the year	-	

S. No.	Particulars	Amount	Ref.
I	Consumer contribution during the year (CCi)	50	Table 4.46
J	Fixed assets retired/decapitalised during the year (Reti)	-	
K	Change in capital investment (ΔABi)	192	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	52	Table 4.50
M	RRB Closing	3603	E+K+L
N	RRBi	3507	E+K/2+L

*Closing accumulated depreciation at the end of FY 2017-18 Rs.1652 Cr.+ projected depreciation of Rs.176 Cr. during FY 2018-19

4.143 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."

4.144 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.

4.145 The Commission has trued up the rate of interest on loan for FY 2017-18 in accordance with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017. Accordingly, the Commission considers the rate of interest on loan as follows:

Table 4. 56: Commission Approved: Rate of interest on loan

Expense head	Rate of Interest
Capitalisation	8.84%
Working Capital	8.14%
Regulatory Asset	8.76%

4.146 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 8.66%. The Commission has considered effective income tax rate as approved in true up for FY 2017-18. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2019-20 by the Commission as follows:

Table 4. 57: Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2019-20 (Rs. Cr.)

S.No.	Particulars	As Approved
A	Average Equity	850
B	Average Debt – Capitalisation	1984
C	Average Debt – Working Capital	673
D	Return on equity	16%
E	Income Tax Rate (Effective rate as considered for FY 2017-18)	23.60%
F	Grossed up Return on Equity	20.94%
G	Rate of Interest on Debt	8.66%
H	Weighted average cost of Capital	11.64%

4.147 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 58: Commission Approved: Return on Capital Employed (Rs. Cr.)

S. No.	Particulars	Now Approved
A	RRB (i)	3507
B	WACC	11.64%
C	RoCE	408

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.148 The Petitioner has kept the same Non-tariff income of Rs. 91.78 Cr. for FY 2019-20 as considered for truing up of FY 2017-18.

Table 4. 59: Petitioner Submission: Non-Tariff Income (Rs. Cr.)

S. No	Particulars	FY 2019-20
A	Non-Tariff Income	91.78

COMMISSION ANALYSIS

4.149 The Commission has considered the Non-Tariff Income approved for FY 2017-18 for projecting Non Tariff Income of the Petitioner for FY 2019-20 of Rs. 110.50 Cr.

CARRYING COST ON REVENUE GAP

PETITIONER'S SUBMISSION

4.150 The Petitioner has submitted that the Commission has approved Return on Equity in terms of Regulations 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 Assets/ accumulated Revenue Gap through Debt and Equity shall be considered at 14% on pre-tax basis in its Business Plan Regulations, 2017.

4.151 The Petitioner has calculated the carrying cost during FY 2019-20 by applying rate of interest at 9.68% as tabulated below:

Table 4. 60: Computations of carrying cost (Rs.Cr.)

S. No	Particulars	Amount
A	Rate of Return on Equity	14.00%
B	Rate of Interest on Loan	9.68%
C	Rate of Carrying Cost	10.98%

COMMISSION ANALYSIS

4.152 Regulation 2(16) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states, *"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"*

4.153 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2017.

4.154 The Commission has approved the rate on interest on loan based on weighted average rate of interest (8.76%) of total loan portfolio of the Petitioner as on 1st April, 2018 subject to maximum of 14% as specified in Regulation 21 of DERC (Business Plan) Regulations, 2017. Accordingly, Weighted Average Cost of Capital (WACC) has been computed by considering the equity and debt requirement for FY 2019-20.

4.155 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 61: Commission Approved: Carrying Cost for FY 2019-20 (Rs. Cr.)

S.No.	Particulars	FY 2019-20
A.	Opening Revenue Gap	(1,296)
B.	Revenue Surplus/(Gap) at revised tariff	38
C.	Recovery of Revenue Gap via 8% Surcharge	559
D.	Closing Revenue Gap	(698)
E.	Average Revenue Gap	(997)
F.	Rate of Carrying Cost	10.33%
G.	Carrying Cost Amount	(103)
H.	Closing Revenue Gap	(802)

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.156 The Petitioner has sought ARR for FY 2019-20 based on various components as below:

Table 4. 62: Petitioner Submission: Summary of Aggregate Revenue Requirement (Rs. Cr.)

S. No	Particular	Amount
A	Cost of Power Purchase	5,651.90
B	O&M Expenses	881.82
C	Depreciation	244.08
D	Return on Capital Employed	540.11
E	Carrying Cost	422.54
F	Less: Non-Tariff Income/ Interest on consumer security deposit	91.78
H	Annual Revenue Requirement	7,648.66

COMMISSION ANALYSIS

4.157 The ARR based on various component as approved by the Commission for FY 2019-20 is summarised as follows:

Table 4. 63: Commission Approved: ARR for Wheeling and Retail Business for FY 2019-20 (Rs. Cr.)

S.No.	Particulars	As approved	Ref.
A.	Power Purchase Cost including Transmission Charges	5,619	Table 4.39
B.	O&M Expenses	672	Table 4.41
C.	Additional Other expenses/ statutory levies	20	
D.	Depreciation	238	Table 4.48
E.	Return on Capital Employed (RoCE)	408	Table 4.58
F.	Less: Non-Tariff income	110	
G.	Aggregate Revenue Requirement	6,847	A+B+C+D+E-F
H.	Carrying cost for FY 2019-20	103	Table 4.61
I.	Gross ARR	6,950	G+H

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

PETITIONER'S SUBMISSION

4.158 The Petitioner has submitted that the ARR estimated during FY 2019-20 has been allocated into wheeling and retail business in the ratios approved by the Commission in Business Plan Regulations, 2017 is as under:

Table 4. 64: Petitioner Submission: Allocation for wheeling and retail business- FY 2019-20 (Rs. Cr.)

S.No	Particulars	Wheeling	Retail
A.	Cost of Power Procurement	-	5652
B.	Operation and Maintenance expenses	547	335
C.	Depreciation	188	56
D.	Return on Capital Employed	389	151
E.	Carrying Cost	76	346
F.	Less: Non-Tariff Income	37	55
G.	Aggregate Revenue Requirement	1163	6486

COMMISSON'S ANALYSIS

4.159 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, 2017, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 4. 65: Commission Approved: ARR for Wheeling Business for FY 2019-20 (Rs. Cr.)

S.No	Particulars	Amount
A.	O&M Expenses	429
B.	Depreciation	183
C.	Return on Capital Employed (RoCE)	294
D.	Carrying Cost on Revenue Gap/Regulatory asset	13
E.	Less: Non-tariff income	44
F.	Aggregate Revenue Requirement	876

Table 4. 66: Commission Approved: ARR for Retail Business for FY 2019-20 (Rs. Cr.)

S.No.	Particulars	Amount
A	Cost of Power Procurement	5619
B	O&M Expenses	263
C	Depreciation	55
D	Return on Capital Employed (RoCE)	114
E	Carrying Cost on Revenue Gap/Regulatory asset	90
F	Less: Non-Tariff Income	66
G	Aggregate Revenue Requirement	6075

REVENUE (GAP)/ SURPLUS

PETITIONER'S SUBMISSION

4.160 Based on the above submission, the Petitioner has computed Revenue Gap of Rs. 100.25 Cr for FY 2019-20.

Table 4. 67: Petitioner Submission: Computations of Revenue (Gap) for the year without carrying Cost (Rs. Cr.)

S. No	Particular	Amount
A	Aggregate Revenue Requirement for the year without carrying cost	7,226.12
B	Revenue available for the year without DRS	7,125.88
C	Revenue (Gap)/surplus for the year	(100.25)

COMMISSION ANALYSIS

4.161 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2019-20 as follows:

Table 4. 68: Commission Approved: Revenue (Gap) for FY 2019-20 (Rs. Cr.)

S. No.	Particulars	Petitioner's Submission	As approved
A	Aggregate Revenue requirement for the year	7,226.12	6,950
B	Revenue available for the year at Existing Tariff	7,125.88	6,927
C	Revenue (Gap)/surplus for the year	(100.25)	(24)

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Revenue (Gap)/Surplus.

b. Cost of service

c. Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS

REVENUE (GAP)/SURPLUS TILL FY 2017-18

5.2 The Revenue (Gap)/Surplus upto FY 2017-18 is summarised in the table as follows:

Table 5. 1: Revenue (Gap)/Surplus of BYPL till FY 2017-18 (Rs. Cr.)

S. No.	Particulars	Approved in TO dated Mar 31, 2018 upto FY 2016-17	FY 2017-18	Remarks
A	Opening revenue (Gap) / Surplus	(2,661.95)	(2,906.18)	
B	Revenue Requirement for the year	3,924.26	4,328.85	
C	Revenue realized	4,435.69	4,664.47	
D	(Gap) / Surplus for the year	511.43	335.62	C-B
E	8% Surcharge for the year	352.94	377.13	
F	Net (Gap)/Surplus	864.37	712.75	D+E
G	Rate of Carrying Cost	11.17%	13.76%	
H	Amount of carrying cost	(249.06)	(350.90)	
I	Additional Impact of past period True up	(859.54)	(132.87)	
J	Closing Balance of (Gap)/Surplus	(2,906.18)	(2,677.20)	A+F+H+I

Table 5. 2: Revenue (Gap)/Surplus of BRPL till FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Approved in TO dated Mar 31, 2018 upto FY 2016-17	FY 2017-18	Remarks
A	Opening revenue (Gap) / Surplus	(4,232.68)	(4,258.08)	
B	Revenue Requirement for the year	7,743.33	8,121.70	
C	Revenue realized	8,130.09	8,498.66	
D	(Gap) / Surplus for the year	386.76	376.96	C-B
E	8% Surcharge for the year	649.19	686.97	
F	Net (Gap)/Surplus	1,035.95	1,063.93	D+E

S.No.	Particulars	Approved in TO dated Mar 31, 2018 upto FY 2016-17	FY 2017-18	Remarks
G	Rate of Carrying Cost	11.18%	13.62%	
H	Amount of carrying cost	(415.32)	(507.47)	
I	Additional Impact of past period True up	(646.03)	(223.96)	
J	Pension Trust Deficit	-	(53.49)	
k	Closing Balance of (Gap)/Surplus	(4258.08)	(3,979.07)	A+F+H+I+J

Table 5. 3: Revenue (Gap)/Surplus of TPDDL till FY 2017-18 (Rs. Cr.)

S.No.	Particulars	Approved in TO dated Mar 31, 2018 upto FY 2016-17	FY 2017-18	Remarks
A	Opening revenue (Gap) / Surplus	(2,454.10)	(2,394.61)	
B	Impact of Review Order 32/2018	-	(168.27)	Table 3.116
C	Revenue Requirement for the year	6,029.72	6161.22	Table 3.108
D	Revenue realized	6,129.82	6390.85	Table 3.111
E	(Gap) / Surplus for the year	100.10	229.64	D-C
F	8% Surcharge for the year	498.53	515.52	Table 3.17
G	Net (Gap)/Surplus	598.63	745.16	F+E
H	Rate of Carrying Cost	12.08%	10.33%	
I	Amount of carrying cost	(260.30)	(226.29)	
J	Additional Impact of past period True up	(278.84)	(162.48)	Table 3.32, Para 3.340
K	Pension Trust Deficit	-	(48.00)	Table 3.21
L	Closing Balance of (Gap)/Surplus	(2,394.61)	(2,254.50)	A+B+G+I+J+K

5.3 The Revenue Gap upto FY 2017-18 as determined by the Commission is indicated as follows:

Table 5. 4: Revenue (Gap)/Surplus of three DISCOMS till FY 2017-18 (Rs. Cr.)

Particulars	Up to FY 2017-18
BYPL	(2,677.20)
BRPL	(3,979.07)
TPDDL	(2,254.50)
Total	(8,910.77)

REVENUE (GAP)/SURPLUS FOR FY 2019-20 AT REVISED TARIFF

5.4 The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule.

5.5 The summary of revenue billed at revised tariffs excluding 8% surcharge, for FY 2019-20 is shown as follows:

Table 5. 5: Revenue at Revised Tariffs of BYPL for FY 2019-20 (Rs. Cr.)

S.No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	276	1,702	1,978
B.	Non-Domestic	501	1,548	2,050
C.	Industrial	66	309	375
D.	Agriculture & Mushroom	0	0	0
E.	Public Utilities	50	215	265
F.	DIAL	-	-	-
G.	Advertisement and hoarding	0	0	1
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	4	4
I.	Others*	9	70	79
J.	Total	902	3,849	4,751
K.	Revenue @ 99.50% Collection Efficiency			4,727

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 6: Revenue at Revised Tariffs of BRPL for FY 2019-20 (Rs. Cr.)

S.No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	675	3,342	4,017
B.	Non-Domestic	796	2,748	3,544
C.	Industrial	98	412	510
D.	Agriculture & Mushroom	4	4	8
E.	Public Utilities	75	482	557
F.	DIAL	16	271	287
G.	Advertisement and hoarding	1	2	2
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	8	8
I.	Others*	22	156	178
J.	Total	1,687	7,425	9,111
K.	**Revenue @ 99.50% Collection Efficiency**			9,066

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 7: Revenue at Revised Tariffs of TPDDL for FY 2019-20 (Rs. Cr.)

S.No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	316	1,815	2,131
B.	Non-Domestic	393	1,348	1,741
C.	Industrial	435	2,046	2,481
D.	Agriculture & Mushroom	4	3	7
E.	Public Utilities	55	503	557
F.	DIAL	-	-	-
G.	Advertisement and hoarding	0	1	1
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	3	3
I.	Others*	12	90	102
J.	Total	1,215	5,809	7,024
K.	Revenue @ 99.50% Collection Efficiency			6,989

** includes Temporary Supply, Misuse/Theft, Own Consumption*

5.6 The Commission has decided to continue with the existing surcharge at 8% on the revised tariff for liquidating the regulatory assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional revenue as follows:

Table 5. 8: Revenue from 8% Surcharge for FY 2019-20 (Rs. Cr.)

Particulars	Amount
BYPL	378
BRPL	725
TPDDL	559
Total	1,662

5.7 Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2019-20 is as follows:

Table 5. 9: ARR, Revenue at revised tariff, net Revenue (Gap)/Surplus for FY 2019-20 (Rs. Cr.)

Particulars	BYPL	BRPL	TPDDL
ARR	4,412	8,715	6,847
Carrying Cost for FY 2019-20	228	346	103
Revised ARR	4,640	9,060	6,950
Revenue at revised tariff	4,727	9,066	6,989
Revenue (Gap) / Surplus	86	6	38

COST OF SERVICE MODEL

5.8 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;
(b) Power factor;
(c) Load factor;
(d) Time of use of electricity;
(e) Quantity of electricity consumed,
(f) Distribution Loss
(g) Collection Efficiency etc.

5.9 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.10 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level as per the detailed methodology discussed in subsequent paragraphs.

ALLOCATION OF WHEELING ARR

5.11 The Commission has considered the gross energy sales (MU) approved for the DISCOM for the year and has allocated the same to different voltage levels in the proportion of energy sales (MU) to these voltages to total sales in that year as submitted by the respective DISCOMs. Both BYPL and BRPL have not indicated any energy sales above 66 kV level in their distribution areas and therefore, no energy sales has been considered above 66 kV level while computing the cost of supply. The voltage wise energy sales approved for FY 2019-20 is as shown in the following table:

Table 5. 10: Approved Energy Sales for FY 2019-20 (MU)

Particulars	BRPL	BYPL	TPDDL
Sales above 66 kV level	-	-	65
Sales at 33/66 kV level	324	273	38
Sales at 11 kV level	2,316	571	1,136
Sales at LT level	10,106	5,924	8,256
Total	12,746	6,768	9,495

5.12 The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU) for that level. The Commission has considered the distribution losses at various voltage levels as projected by the Distribution Licensees in their Business Plan. Keeping the overall distribution losses same as approved by the Commission and considering the losses at 33/66 kV and at 11 kV as projected, the LT voltage level losses are derived. The summary of the voltage wise distribution losses considered by the Commission are as follows:

Table 5. 11: Distribution Loss for FY 2019-20 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00	0.00	0.00
Loss at 33/66 kV level	1.20	0.57	0.79
Loss at 11 kV level	2.63	2.13	2.66
Loss at LT level	11.18	11.63	8.78

5.13 The Commission would like to reiterate that the voltage wise distribution losses considered above are estimates and may not reflect the actual picture. The Commission, in this regard directed the three DISCOMs (BYPL, BRPL and TPDDL) earlier to carry out energy audit so that the actual data of distribution losses at different voltage levels could be used to calculate the cost of supply. The Commission has appointed energy Auditors for third party independent assessment of technical and commercial loss at various voltage levels. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 5. 12: Approved Energy Input for FY 2019-20 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	-	-	65
Input for 33/66 kV level	328	274	38
Input for 11 kV level	2,378	583	1,167
Input for LT level	11,378	6,705	9,051
Total	14,084	7,562	10,321

5.14 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 5. 13: Wheeling cost for different voltages for FY 2019-20 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	6
At 33/66 kV level	28	31	3
At 11 kV level	204	67	99
At LT level	975	769	768
Total	1,207	868	876

5.15 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2019-20 as follows:

Table 5. 14: Wheeling Charges for FY 2019-20 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0	0	0.85
At 33/66 kV level	0.87	1.15	0.86
At 11 kV level	0.88	1.17	0.87
At LT level	0.97	1.30	0.93
Average	0.95	1.28	0.92

ALLOCATION OF RETAIL SUPPLY ARR

5.16 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2019-20 is given as follows:

Table 5. 15: Retail Supply cost for different voltages for FY 2019-20 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	38
At 33/66 kV level	183	137	22
At 11 kV level	1,326	291	687
At LT level	6,344	3,345	5,327
Total	7,853	3,773	6,075

5.17 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2019-20 as follows:

Table 5. 16: Retail Supply Charges at different voltages for FY 2019-20 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	5.89
At 33/66 kV level	5.64	5.02	5.93
At 11 kV level	5.73	5.10	6.05
At LT level	6.28	5.65	6.45
Average	6.16	5.58	6.40

5.18 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 5. 17: Cost of Supply for BYPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	1.15	5.02	6.17
At 11 kV level	1.17	5.10	6.27
At LT level	1.30	5.65	6.95
Average	1.28	5.58	6.86

Table 5. 18: Cost of Supply for BRPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	0.87	5.64	6.51
At 11 kV level	0.88	5.73	6.61
At LT level	0.97	6.28	7.24
Average	0.95	6.16	7.11

Table 5. 19: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.85	5.89	6.73
At 33/66 kV level	0.86	5.93	6.79
At 11 kV level	0.87	6.05	6.92
At LT level	0.93	6.45	7.38
Average	0.92	6.40	7.32

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.19 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.

5.20 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."*

5.21 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.

5.22 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.

5.23 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.

5.24 The Commission has computed category wise revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The Ratio of ABR to Average Cost of Supply and category-wise tariff approved for FY 2019-20 is indicated in the table as follows:

Table 5. 20: Ratio of ABR to ACOS of BYPL approved for FY 2019-20

S.No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	6.86	4.85	71%
B.	Non- Domestic	6.86	11.19	163%
C.	Industrial	6.86	9.32	136%
D.	Agriculture	6.86	3.07	45%
E.	Public Utilities	6.86	7.19	105%
F.	DIAL	6.86	-	-
G.	Advertisement & Hoarding	6.86	12.10	176%
H.	E-Vehicle Charging Stations	6.86	4.92	72%

Table 5. 21: Ratio of ABR to ACOS of BRPL approved for FY 2019-20

S.No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.11	5.27	74%
B.	Non- Domestic	7.11	10.90	153%
C.	Industrial	7.11	9.53	134%
D.	Agriculture	7.11	3.18	45%
E.	Public Utilities	7.11	7.13	100%
F.	DIAL	7.11	7.82	110%
G.	Advertisement & Hoarding	7.11	11.13	157%
H.	E-Vehicle Charging Stations	7.11	4.92	69%

Table 5. 22: Ratio of ABR to ACOS of TPDDL approved for FY 2019-20

S.No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.32	4.96	68%
B.	Non- Domestic	7.32	10.92	149%
C.	Industrial	7.32	9.33	127%
D.	Agriculture	7.32	3.90	53%
E.	Public Utilities	7.32	6.84	93%
F.	DIAL	7.32	-	-
G.	Advertisement & Hoarding	7.32	11.69	160%
H.	E-Vehicle Charging Stations	7.32	4.92	67%

TARIFF STRUCTURE

DOMESTIC TARIFF

5.25 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.

5.26 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.

5.27 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.

5.28 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

5.29 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

5.30 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.

5.31 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

5.32 Agriculture & Mushroom cultivation category has been demerged.

5.33 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

5.34 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

5.35 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)

5.36 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

5.37 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

5.38 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

5.39 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.

VOLTAGE DISCOUNT

5.40 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.

5.41 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

5.42 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.

5.43 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.

5.44 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.

5.45 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.

5.46 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.

5.47 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.

5.48 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.

5.49 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.

5.50 In this Tariff Order, the Commission has decided to retain existing TOD tariff.

TARIFF SCHEDULE FOR FY 2019-20

S. 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	6.50 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						
10.1	Supply at LT	-	4.50 Rs./kWh				
10.2	Supply at HT	-	4.00 Rs./kVAh				

Notes:

1. For domestic category of consumers, fixed charges shall be levied on sanctioned load or the contract demand as the case may be.

2. For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case of non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

3. **Time of Day (ToD) Tariff**

   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:
7. 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;
8. 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.
9. {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.}
10. 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) 3.80% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.
11. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.
12. 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.
13. 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.

14. 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.
15. 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.
16. 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).
17. 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.
18. 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.
19. 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.

20. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS

1. DOMESTIC CATEGORY

1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers.

b. Hostels of recognized/aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].

c. Staircase lighting in residential flats separately metered.

d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.

e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.

f. Dispensary/ Hospitals/ Public Libraries/ School/ College/ Working Women's Hostel/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.

g. Small health centres including Mohalla Clinics approved by the Department of Health, Government of NCT of Delhi for providing charitable services only.

h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.

i. Public parks except temporary use for any other purpose.

j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.

k. Places of worship.

l. Cheshire homes/orphanage.

m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement

Board, GoNCTD.

n. Electric crematoriums.

o. Gaushala Registered under GoNCTD.

p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Psychologist, Physiotherapist, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.

q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.

r. The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged domestic tariff.

s. Cattle Farms/ Dairy Farms/ Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA

Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. NON-DOMESTIC

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
c. Railways (other than traction), Hotels and Restaurants
d. Cinemas
e. Banks/Petrol pumps including CNG stations
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing, drycleaner, beauty salon, florist, etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Single Point Delivery for Commercial Complexes supply at 11 kV or above
m. Pumping loads of DDA/MCD
n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than traction. Any other category of consumers not specified/covered in any other category in this Schedule.

3. INDUSTRIAL

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. AGRICULTURE

Available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. MUSHROOM CULTIVATION

Available for load upto 100 kW for mushroom growing/cultivation.

6. PUBLIC UTILITIES

a. DELHI JAL BOARD: Available to DJB for pumping load & Water Treatment Plants.

b. RAILWAY TRACTION: Available for Indian Railways for Traction load.

c. DELHI METRO RAIL CORPORATION: Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. PUBLIC LIGHTING: Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD, CPWD, Slums depts., DSIIDC, MES, GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

7. DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.

8. ADVERTISEMENT & HOARDINGS: Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

9. TEMPORARY SUPPLY

a. Available as temporary connection under the respective category

b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

10. CHARGING OF E-RICKSHAW/ E-VEHICLE

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.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

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

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

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21.10.2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21.10.2009.

6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

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

6.9 The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit an annual compliance report by 30th April of the next year.

6.10 The Commission further directs the Petitioner:

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

c. To conduct a safety audit and submit a compliance report within three months of the Tariff Order;

d. To carry out preventive maintenance as per schedule;

e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;

f. To submit the annual energy audit report in respect of their network at HT level and above.

g. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

h. To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month;

i. To incorporate the following information in the annual audited financial statements:-

i. Category-wise Revenue billed and collected,

ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,

iii. Category-wise PPAC billed and collected,

iv. Category- wise Electricity Duty billed and collected,

v. Category-wise subsidy passed on to the consumers during the financial year, if any,

vi. Category-wise details of the surcharge billed on account of ToD,

vii. Category-wise details of the rebate given on account of ToD,

viii. Street light incentive and material charges for street light maintenance,

ix. Direct expenses of other business,

x. Revenue billed on account of Own Consumption,

xi. Revenue collected on account of enforcement/theft cases,

j. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year. The power purchase invoices received upto April month of the next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;

k. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/ Transmission companies;

l. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

m. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year.

n. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self consumption approved by the Commission and exceeding the normative limit of self consumption at Non-Domestic tariff for actual consumption recorded every month.

o. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

p. To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable.

q. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

r. To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

6.11 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

Annexure - I

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1640)/DERC/2018-19/

Petition No. 09/2019

In the matter of: **Petition for Approval of Annual Revenue Requirement (ARR) for FY 2019-20, Revised ARR for FY 2018-19, True up for FY 2017-18.**

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

...Petitioner/Licensee

Coram:
Hon'ble Mr. Justice S S Chauhan, Chairperson

Appearance:

1. Mr. Rahul Kinnra, Adv.

INTERIM ORDER
(Date of Hearing: 20.02.2019)
(Date of Order: 21.02.2019)

1. The Counsel for the Petitioner states that the instant Petition has been filed by M/s. Tata Power Delhi Distribution Ltd. (TPDDL) for approval of Annual Revenue Requirement (ARR) for FY 2019-20, Revised ARR for FY 2018-19, True up for FY 2017-18.

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.

(Justice S S Chauhan)
Chairperson

Annexure - II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE APPROVAL OF TRUE UP OF PETITION FOR TRUING UP OF EXPENSES UPTO FY 2017-18 AND ARR TARIFF PETITION FOR FY 2019-20

S. No.	R. No.	Name	Address	Date of Receipt
1.	1	Sh. S.R. Abrol	L-2-97B, DDA, LIG Kalkaji, New Delhi 110 019 Nyayabhoomi2003@gmail.com	18.03.2019
2.	2 2A 2B	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	29.03.2019
3.	3	Sh. Praveen Chawla	praveenkumarchawla@gmail.com	29.03.2019
4.	4 4A 4B 4C	Sh. B.S. Sachdev President	Elderly Peoples Forum B-2/13A, Keshav Puram, Delhi 110 035	28.03.2019 30.03.2019 10.06.2019 25.01.2019
5.	5	Sh. Ashok Gupta	Udyog Nagar Factory Owner's Association, Z-101, (Opp. H-18), Udhyog Nagar, Rohtak Road, Delhi 110 041	28.03.2019
6.	6 6A	Sh. Ashok Bhasin	North Delhi Residents Welfare Association, 1618, Main Chandrawal Road Delhi 110 007 Ashok.bhasin2015@gmail.com	27.03.2019 10.07.2019
7.	7	Sh. S.B. Kuchhal	Legal Advisor, Kothi No. 1, Road No. 32 East Punjabi Bagh, New Delhi 110 026	29.03.2019
8.	8 8A 8B 8C	Sh. Malay Saha General Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	05.04.2019
9.	9 9A 9B 9C	Sh. Mukesh Kumar Sharma	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	05.04.2019
10.	10	Sh. Sunil Gupta	Pension Fighters 11/12, Guru Ram Das Nagar, Main Market, Laxmi Nagar, Delhi 110 092 pensionfighters@gmail.com	05.04.2019

S. No.	R. No.	Name	Address	Date of Receipt
11.	11	Sh. Rajan Gupta Former Member	Delhi Electricity Consultative Council, H. No. 355, Udyan, Nerala Delhi 110 040	05.04.2019
12.	12	Dr. Arun Kumar Chairman	Dignity Restoration & Grievance Settlement Association B4/84/2, Safdarjung Enclave, New Delhi 110 029 director@dignityindia.org.	08.04.2019
13.	13 13A	Sh . H.M. Sharma	146FF, Vinodbapuri, Lajpat Nagar-2, New Delhi 110 024 hemantahemanta@rediffmail.com	06.05.2019 12.07.2019
14.	14	Er. Sarabjit Roy National Convenor	Sroy.mb@gmail.com	06.04.2019
15.	15 15A	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi – URD C-6/7, Rana Pratap Bagh, Delhi 110 007 urdrwas@gmail.com	06.04.2019 11.07.2019
16.	16 16A	Sh. Vipin Gupta	A-17, Antriksh Apartments New Town Co-Op. Group Housing Society Ltd. Sector 14-Extn. Rohini Delhi 110 085 Vipin.bfi@gmail.com	08.04.2019 04.05.2019
17.	17	Sh. Kailash Jain	198, Dr. Mukherjee Nagar, Delhi 110 009 kcjcqd@gmail.com	06.04.2019
18.	18	Ms. Neeta Gupta	Neetagupta.vg111@gmail.com	06.04.2019
19.	19 19A 19B 19C 19D	Sh. B.P. Agarwal Advocate,	Bpagarwal57@gmail.com	05.04.2019
20.	20 20A	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	06.04.2019 11.07.2019
21.	21	Sh. A.K. Datta	222, Pocket E, Mayur Vihar Phase II, Delhi 110 091 mmathur2001@yahoo.com	05.04.2019
22.	22	Sh. Kuldeep Kumar General Secretary	Delhi State Electricity Workers Union, L-2, main Road, Brampuri, Delhi 110 094	04.04.2019
23.	23	Sh. B.S. Vohra President	East Delhi RWAs Joint Front, F-19/10, Krishna Nagar, Delhi 110 051	04.04.2019

S. No.	R. No.	Name	Address	Date of Receipt
24.	24	Sh. C.P. Awasthi Secretary	Federation of All Resident Welfare Association 81, Venus Apartment, Rohtak Road, Paschim Vihar, New Delhi 110 087 Awasthichandra1@gmail.com	04.04.2019
25.	25	Sh. Vikas Gotwani	Vgotwani_0409@yahoo.co.in	22.04.2019
26.	26 26A 26B	Sh. Bharat Kumar Bhadawat Head (Regulatory and Legal)	Tata Power Delhi Distribution Ltd. NDPL House, Hudson Lines Kingsway Camp, Delhi 110 009	26.04.2019
27.	27	Sh. S.B. Kuchhal	Kothi No. 1, Road No. 32, East Punjabi bagh, New Delhi 110 026	02.05.2019
28.	28	Sh. Suresh Kumar	C-116, Yadav Nagar, Samaypur Badli, Delhi	06.05.2019
29.	29	Sh. Rakesh	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034,	06.05.2019
30.	30	Sh. Rajesh Kumar	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034,	06.05.2019
31.	31	Sh. Sushil Kumar Jain	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034,	06.05.2019
32.	32	Sh. Sunil Dutt	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
33.	33	Sh. Bale Ram	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
34.	34	Sh. Ardesh	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
35.	35	Sh. Narendra Kumar	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
36.	36	Sh. Uma Shankar Aggarwal	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
37.	37	Sh. Pratap Singh	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
38.	38	Sh. Santosh Kumar	B-312, Saraswati Vihar,	06.05.2019

S. No.	R. No.	Name	Address	Date of Receipt
			Pitam Pura, Delhi 110 034	
39.	39	Sh. Vikas	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
40.	40	Sh. Ram Nivas	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
41.	41	Sh. Mintu	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
42.	42	Sh. Rajender	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
43.	43	Sh. Surender Singh	H. No. 525, Main Narela Road, Near WaterTan, Aliput, Delhi	06.05.2019
44.	44	Sh. Udham Singh	H. No. 521, Main Narela Road, Near WaterTan, Aliput, Delhi	06.05.2019
45.	45	Sh. Rajesh Kumar	H. No. 442, Main Narela Road, Near WaterTan, Aliput, Delhi	06.05.2019
46.	46	Sh. Naresh Sharma	E-17, Yadav Nagar, Samaypur Badli, Delhi 1100 42	06.05.2019
47.	47	Sh. Kuldip Singh	B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034	06.05.2019
48.	48 48A	Sh. Hari Ram Bhardwaj	DVB Pensioners Association Rajghat Power House, New Delhi - 110 002	10.05.2019 16.04.2019
49.	49 49A 49B	SH. Ravi Shandiliya Sr. Manager	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019	08.05.2019
50.	50	Sh. Shekhar Saklani Power Management	BSES Yamuna Power Ltd. Karkardooma, Delhi	16.05.2019
51.	51	Sh. Ishwar Dutt	B-1280, Vijay park, Maujpur, New Delhi 110053	16.05.2019
52.	52	Sh. S.R. Narasimhan Treasurer	Ridge Castle Welfare Association Ridge Castle Apartments Dada bari Road, Ward 8, Mehrauli, New Delhi 110 030	07.06.2019
53.	53	Sh. Nikhil Kumar DD (Admn.)	Employees' State Insurance Corporation Hospital, Okhla	12.06.2019
54.	54.	Sh. Amit Kansal Dy. Manager (Comml.) IPGCL	Indraprastha Power Generation Company Limited Regd. Off: "Himadri", Rajghat Power House Complex, New Delhi 110002	18.06.2019
55.	55.	Sh. Amit Kansal Dy. Manager (Comml.) IPGCL	Indraprastha Power Generation Company Limited Regd. Off: "Himadri", Rajghat Power House Complex, New Delhi 110002	20.06.2019

S. No.	R. No.	Name	Address	Date of Receipt
56.	56.	Sh. S.P Gupta President	DVB Engineers (Pensioners) Forum, BN-142, (West) Shalimar Bagh, Delhi 110088	21.06.2019
57.	57. 57A	Sh. Satish Joshi	Satish_i@hotmail.com	28.06.2019 12.07.2019
58.	58	Sh. K.N. Vasudeva	47A, DDA, MIG Flats Pocket-C, Phase-III, Ashok Vihar Delhi 110 052	27.06.2019
59.	59	Ms. Bhawna Luthra	Leadership for Environment and Development (LEAD) India M-8, 3rd Floor, Greater Kailash Part 1, New Delhi 110 048	02.07.2019
60.	60 60A	Sh. Sanjay Gupta	C-4/15, Model Town, 3 Delhi 110 009 sanjayrssons@gmail.com	03.07.2019 12.07.2019
61.	61	Sh. Suhail Khan President	Sofia Educational and Welfare Society, 663, Street No. 6, Old Mustafabad, Delhi 110 094	05.07.2019
62.	62	Sh. Prahlad Singh	H.No. 467, Bakhtawar Pur, Delhi 110 036	04.07.2019
63.	63	Sh. Brij Mohan Garg President	Federation of Wazirpur Vidhan Sabha Welfare Association BA-5A, Ashok Vihar, Phase -1, Delhi 110 052	08.07.2019
64.	64	Sh. Kulwant Singh President	Dislshad Colony Resident Welfare Association (Regd.) F-167, Ground Floor, Dilshad Colony, Delhi 110 095	08.07.2019
65.	65 65A	Sh. S.M. Verma Director (Tech.)	Pragati Power Generation Co. Ltd., Regd. Off: “Himadri”, Rajghat Power House Complex, New Delhi 110002	08.07.2019 08.07.2019
66.	66	Sh. Nanak Chand Jain President	Wazirpur Factories Association C-8-2, Wazirpur Industrial Area, Delhi 110 052	08.07.2019
67.	67	Sh. Balkishan Gupta	Sudhar Samiti Durga Puri, 1449/22, Gali No. 9, Durga Puri, Shahdra, Delhi 110 093	08.07.2019
68.	68	Sh. Umesh Anand President	Association of Entrepreneurs of DDA Sheds Okhla Phase I & II Mandi Complex, DDA Sheds, Okhla Industrial Area, Phase-I, New Delhi 110 020	08.07.2019
69.	69	Mr. Arvind Mehta President	542, Double Storey, New Rajinder Nagar, New Delhi 110 060	10.07.2019

S. No.	R. No.	Name	Address	Date of Receipt
70.	70	Mr. Tanay Gupta Gen. Secretary	Delhi Petrol Dealers Association (Regd.), 3/8, Asaf Ali Road, New Delhi 110 002	02.05.2019
71.	71	Mr. Saurabh Kumar Managing Director	Energy Efficiency Services Limited, 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi 110 066	02.05.2019
72.	72	Mr. Pankaj Chhabra	323, Dr. Mukherjee Nagar, Delhi 110 009 pankajchhabra 323@gmail.com	18.03.2019
73.	73	Mr. Satish Nambardar	H.No. 890, Panna Mojan, Bawana, New Delhi 110 039	21.05.2019
74.	74	Superintending Engineer Electrical SDMC	South Delhi Municipal Corporation, Room No. 205, 02nd Floor, E-Block, Dr. S.P. M. Civic Centre, Jawaharlal Nehru Marg, Minto Road, New Delhi 110 002	13.05.2019
75.	75	Mr. Padam Jain	Jain292@gmail.com	23.05.2019
76.	76	Mr. S.K. Gupta	Sector, 23, Rohini Delhi 110 086 Skgupta876@gmail.com	07.06.2019
77.	77	Mr. Kailash Jain	Dr. Mukherjee Nagar Niwasi Manch kcjqcd@gmail.com	03.06.2019
78.	78	Mr. Aman Singhal	Amansinghal220@gmail.com	11.06.2019
79.	79	Mr. Piyush Garg	Piyshgarg814@gmail.com	11.06.2019
80.	80	Mr. Rajesh Garg	Engineers Association Okhla, Y-35, Okhla Industrial Area, Phase-II, New Delhi 110 020	08.07.2019
81.	81	Mr. Sanjay Kumar	Sanjaykumarsisodiya1974@gmail.com	09.07.2019
82.	82	Mr. Guvind Ram Luthra	A-114, Second Floor, Vivek Vihar-II, Delhi Manishluthra04@gmail.com	09.07.2019
83.	83	Mr. Gurdip Singh President	Krishna Market Pahar Ganj, Residents & Shopkeepers Welfare Society (Regd.) 5147, Pahar Ganj, Krishna Market, New Delhi 110 055	09.07.2019
84.	84	Sh. Jaipal Singh Verma, President	School Block Residents Welfare Association, S-305, School Block, Shakarpur, Delhi 110 092	09.07.2019
85.	85	Mr. Parsu Ram Rawat Secretary	B-43, Gali No. 5 Brahmpuri, Delhi 110 053 Ryashpal1@gmail.com	06.07.2019

S. No.	R. No.	Name	Address	Date of Receipt
86.	86	Mr. Ompal Singh Ahlawat Former President	E-186, Chattarpur Extension New Delhi 110 074	11.07.2019
87.	87	Mr. Amit Bhargwa	B-5-44 Azad Apartment Sri Aurobindo Marg, New Delhi 110 016	12.07.2019
88.	88 88A 88B 88C 88D	Mr. Sanjeev Jain	B-94, Gali No. 10, Shashi Garden Patparganj, Delhi 110 091	12.07.2019 12.07.2019 11.07.2019 11.07.2019 11.07.2019
89.	89	Mr. T.P. Maniappan	Federation of Co-operative Group Housing Societies Dwarka Ltd. B-9, Vidyut CGHS Ltd., Plot No. 2, Sector-12 Dwarka New Delhi 110 078	12.07.2019
90.	90	Lt. Col. Paramjit Singh	Paramjit_49@yahoo.com	12.07.2019
91.	91	Mr. Jasvinder Singh Dhir Executive Member	D-2, Block, Janakpuri, New Delhi 110 058	12.07.2019
92.	92	Mr. K.K. Agnihotri Authorised Signatory	Anant Raj projects Limited H-65, Connaught Circus, New Delhi 110 001	12.07.2019
93.	93	Mr. Shilaish Kumar	Sksastro1938@gmail.com	12.07.2019
94.	94	Mr. J.C. Gosain Chairman	918, Dr. Mukherjee Nagar, Delhi 110 009	12.07.2019
95.	95	Dr. Ruby Makhiya Secretary	Navjeevan RWA Navjeevan Vihar, New Delhi 110 017	12.07.2019
96.	96	Sh. Krishan Kumar President	Resident Welfare Association Kakrola Housing Complex, Dwarka, New Delhi 110 078	12.07.2019
97.	97	Mahipal Singh Member	Rattan Vihar, Kiradi Delhi 110 086	11.07.2019
98.	98	Ms. Sarla Devi	W/o Late Nagresh Kumar A-145, G/F Lal Doora, Village, Delhi 110 091	11.07.2019
99.	99	Mr. Rakesh Bhardwaj	145, Gaun Patparganj Delhi 110 091	11.07.2019
100.	100	Real Cause	Real Cause, 174, Ist Floor, Street No. 38, Zakir Nagar, Okhla New Delhi 110 025	11.07.2019
101.	101	Mr. Leju Valsan	IL&FS Environmental Infrastructure & Services Ltd. SDMC Compost Plant,	12.07.2019

S. No.	R. No.	Name	Address	Date of Receipt
			Mathura Road, Okhla, New Delhi Leju.Valsan@ilfsindia.com	
102	102 102A	Mr. Sumeet Salhotra	Sumeet.Salhotra@ilfsindia.com	10.07.2019 10.07.2019
103	103	Mr. Bijender Singh	bs_kotla@yahoo.com	12.07.2019
104	104	Mr. Jatin Midha Gen. Secretary	Joint Forum of Residents 355, 2nd Floor, Double Storey New rajinder Nagar, New Delhi 110 060	12.07.2019

Annexure - III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS, GENCOS, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2017-18 AND ANNUAL TARIFF PETITION FOR FY 2019-2020

S. No.	Name	Address
1	SH. JAG MOHAN	DMRC
2	SH. YOGENDRA SATI	DMRC
3	SH. NITIN TYAGI	MLA, LAXMI NAGAR
4	SH. AVNEESH KUMAR TYAGI	LAXMI NAGAR
5	SH. SANDEEP MALHOTRA	IL&FS
6	SH. HEMANT PALIWAL	LAXMI NAGAR
7	SH. RITURAJ GOVIND	MLA, KIRARI
8	SH. DHARMENDRA KUMAR	RWA, KIRARI
9	MS. SARITA SINGH	MLA, ROHTASH NAGAR
10	SH. VIJAY KUMAR	NEW MODERN SHAHDARA
11	SH. MAHABIR SINGH	ROHTASH NAGAR
12	SH. GAUTAM KUMAR	PRATAP VIHAR
13	SH. JAVED	NAND NAGARI
14	SH. HARI CHAND	ROHTASH NAGAR
15	SH. SUNNY KUMAR	RAM NAGAR
16	SH. RAVINDRA KUMAR	KIRARI
17	SH. JASVEER	SULEMAN NAGAR
18	SH. PARVESH KUMAR	ASHOK NAGAR
19	SH. RAKESH KUMAR	PREM NAGAR
20	SH. ASHOK BHASIN	NDRWF
21	SH. B.L. VERMA	NDRWF
22	SH. DALIP KUMAR	KAROL BAGH
23	SH. PREET KUMAR	ROHTASH NAGAR
24	SH. MUREED RAJ	KIRARI
25	SH. GURDIP SINGH	RWA, PAHAR GANJ
26	SH. ASHOK KUMAR SHARMA	ROHTASH NAGAR
27	SH. LALITESH SHARMA	ROHTASH NAGAR
28	SH. CHANDRAKANT SHRIVAS	DMRC
29	SH. SUKHDEV RAJ ABROL	KALKAJI
30	SH. SHUBHAM KUMAR	DMRC
31	SH. RATAN KUMAR	DMRC
32	SH. DOKIPARTNI SIVAKAR	DMRC
33	SH. LEJUS VALSAN	IL&FS
34	SH. SAURABH BHARDWAJ	MLA, CHIRAG DELHI
35	SH. SANDEEP SINGH	KIRBI PLACE

S. No.	Name	Address
36	SH. SURENDER SINGH	MLA, DELHI CANTT.
37	SH. PRADEEP	DELHI CANTT.
38	SH. SAWAN KUMAR	DELHI CANTT.
39	SH. ANKIT BHARDWAJ	MOTI BAGH
40	SH. SURENDER DHYAN	DELHI CANTT
41	SH. SANDEEP PAWAR	DELHI CANTT
42	SH. DEELIP KUMAR	DELHI CANTT
43	SH. AKHTAR KHAN	R K PURAM
44	SH. MD. TARIQ,	DELHI CANTT
45	SH. SHIV RAM	TELIKHAND VILLAGE
46	SH. GURMEET	DELHI CANTT
47	SH. M K AGGARWAL	RWA, SHAHDARA
48	SH. LOK NATH ANAND	SHAKUR BAST, RANI BAGH
49	SH. V K TALWAR	RANI BAGH
50	SH. PRITAM SINGH	MADANPUR KHADAR
51	SH. JATIN	DELHI CANTT
52	SH. BAL KISHAN,	RWA, DURGA PURI
53	SH. RISHI PARKASH	ADARSH NAGAR
54	SH. PAWAN	DELHI CANTT
55	SH. VISHNU KUMAR RAWAT	MCD, SOAMI NAGAR
56	SH. BIJENDER SINGH	KISAN UNION
57	SH. PAWAN KUMAR SHARMA	MLA, ADARSH NAGAR
58	SH. VIPIN GUPTA	ADARSH NAGAR
59	SH. AJAY GUPTA	ADARSH NAGAR
60	SH. VIRENDER SINGH	SDMC
61	SH. DINESH KUMAR TANWAR	ADARSH NAGAR
62	SH. S. P. AHUJA	ASIAD VILLAGE
63	SH. ROHIT KUMAR	AZAD PUR
64	SH. SUBODH PANDEY	DMRC
65	SH. SANJEEV JHA	MLA, BURARI
66	SH. MUKESH KUMAR	BURARI
67	SH. AJAY KUMAR	NDMC
68	SH. RAKESH SHARMA	KADIPUR
69	MS.VANDANA KUMARI	MLA, SHALIMAR BAGH
70	SH. RATNAKAR PANDEY	BURARI
71	SH. SHARVAN KUMAR	BURARI
72	SH.SAJJAN KUMAR	BURARI
73	SH. NIRBHAY KUMAR SINGH	SANT NAGAR
74	SH. ROHIT KUMAR	JAHANGIR PURI
75	SH. MANIAPPAN THEKKUMAKALTILL	SECTOR -12,DWARKA
76	SH. SANJAY KUMAR MISHRA	SHALIMAR BAGH

S. No.	Name	Address
77	SH. ANIL KUMAR KAUSHIK	BURARI
78	DR. KUNAL TANWAR	RWA, BASAI DHARAPUR
79	SH. PANKAJ JOSHI	SHALIMAR BAGH
80	SH. CHANDAR	SHALIMAR BAGH
81	SH. ARVIND KUMAR MEHTA	JOINT FORUM RESIDENTS, NEW RAJINDER NAGAR
82	SH. JATIN MIDHA	RAJENDER NAGAR
83	SH. JAGDISH KHETARPAL	JANAK PURI
84	SH. AKBAR KHAN	NIZAMUDDIN
85	MS. RAKHI BIRLA	MLA, MANGOL PURI
86	SH. BHUPINDER SINGH BIRLA	MANGOL PURI
87	SH. VIPIN KUMAR	JANGPURA
88	SH. PRAVEEN KUMAR	MLA, JUNGPURA
89	SH. ANIL KUMAR BAJPAYEE	MLA, GANDHI NAGAR
90	SH. GODLY SHARMA	ROHINI
91	SH. RAVINDER KUMAR GAUTAM	JUNG PURA
92	SH. MOINUDDIN	JUNG PURA
93	SH. DEVINDER KUMAR SEHARAWAT	MLA, BRIJWASAN
94	SH. RAVINDRA KUMAR GAUTAM	JUNGPURA
95	SH. HEMANT KUMAR	JUNGPURA
96	SH. GAURAV BHANOT	KRISHNA NAGAR
97	SH. RAJESH KUMAR MALYAN	RWA, WAZIRPUR VILLAGE
98	SH. RAJIV KAKRIA	GREATER KAILASH
99	SH. MOHD. IDRIS UMAIR	DJB
100	SH. B.S. VOHRA	EAST DELHI FEDERATION
101	SH. VIJENDER GUPTA	MLA, ROHINI
102	SH. SURESH KUMAR SHARMA	KALKAJI EXTN.
103	SH. RAJAN GUPTA	INDERLOK
104	SH. JAGJIT SINGH	RWA, HAUDSAN LANE
105	SH. DHARMENDER MOGIA	RWA, PITAMPURA
106	SH. PUNEET GUPTA	ANAND NAGAR
107	SH. HARSH ARYA	DMRC
108	SH. MANUJ SINGHAL	DMRC
109	MS. SAVITA	RWA, MEHRAULI
110	SH. VIJAY KUMAR MANN	DMRC
111	SH. HOSHIYAR SINGH	RWA, MEHRAULI
112	SH. OMPAL SINGH	RWA, CHATTARPUR
113	SH. MASTER RAJ SINGH	JAUNTI VILLAGE
114	SH. JAGDISH PRADHAN	MLA, MUSTAFA BAGH
115	SH. OM PARKASH SAHRMA	MLA, VISHWAS NAGAR
116	SH. RAVINDER	KANJHAWALA

S. No.	Name	Address
117	SH. VINOD KUMAR	PALAM
118	SH. BITTOO KHURANA	PALAM
119	MS. BHAVANA GAUR	MLA, PALAM
120	SH. RAJBIR SINGH	PALAM
121	SH. SANJEEV KUMAR	PALAM
122	SH. RAJENDER KUMAR	PALAM
123	SH. SANDEEP CHAUDHARY	PALAM
124	SH. SANJAY SISODIA	VASUNDHARA ZONE
125	SH. SANJAY GUPTA	MODEL TOWN
126	SH. SANJEEV KUMAR GOEL	PRITAMPURA
127	SH. PRAVEEN RANA	BURARI
128	SH. RAJAN GUPTA	NARELA
129	SH. RAHUL KALRA	EAST OF KAILASH
130	SH. JARNAIL SINGH	MLA, TILAK NAGAR
131	SH. AJIT PAL SINGH	TILAK NAGAR
132	SH. SURINDER SINGH	TILAK NAGAR
133	SH. BHUPINDER SINGH	TILAK NAGAR
134	SH. B. S. VOHRA	RWA, EAST DELHI
135	SH. NEERAJ CHOPRA	RWA, MALVIYA NAGAR
136	SH. JAGDISH RAI BHATIA	RWA, MALVIYA NAGAR
137	SH. SURAJ KUMAR	MANGOL PURI
138	SH. KARAMVIR	MANGOL PURI
139	SH. SANTOSH KUMAR CHOUDHARY	MANGOL PURI
140	MS. PUSHPA	MANGOL PURI
141	SH. AJAY	MANGOL PURI
142	SH. JAIPAL SINGH VERMA	RWA, SHAKARPUR
143	SH. RAJ KUMAR	KRISHAN VIHAR
144	SH. MAHIPAL SINGH	RWA, KIRARI
145	SH. VIJENDER SINGH SHEKHAWAT	RWA, KRISHNA VIHAR
146	SH. BALBIR SINGH	INDIRA VIKAS COLONY
147	SH. KAILASH CHANDER JAIN	RWA, MUKHERJEE NAGAR
148	SH. JAGDISH CHANDER GOSAIN	RWA, MUKHERJEE NAGAR
149	SH. RAJESH GUPTA	MLA, WAZIRPUR
150	MS.BHAVISHYA	WAZIRPUR
151	SH. AAHAN	WAZIRPUR
152	SH. DOMNIC PETER	SANDHYA HYDRO POWER
153	SH. DEVENDER SINGH	SIDHARTH BASTI
154	SH. NARENDER PAL AGGARWAL	RWA, BAWANA
155	SH. CHIRANJI LAL	RWA, SHANTI NIKETAN PUBLIC SCHOOL
156	SH. SANJEEV JAIN	PATPAR GANJ

S. No.	Name	Address
157	SH. RAKESH KUMAR BHARDWAJ	PATPAR GANJ
158	SH. VINAY PRAKASH SINGH	RWA, NARAYANA
159	SH. BUDHSEN SHARMA	NARAINA RING ROAD
160	SH. NEERAJ NIRWAL	DELHI CANTT
161	SH. SAURABH GANDHI	GENERAL SECRETARY, URD
162	SH. A. K. DUTTA	CHAIRMAN, URD
163	SH. BRIJESH MATHUR	COORDINATOR, RC
164	SH. HEMANTA SHARMA	LAJPAT NAGAR
165	SH. B.B. TIWARI	SECRETARY, URD
166	LT. COL. PARAMJIT SINGH	SHALIMAR BAGH
167	SH. JITENDRA KUMAR TYAGI,	PRESIDENT, URD
168	SH. DAYANAND MISRA	RWA, DWARKA
169	SH. RAM NARAYAN SINGH	SECTOR - 12, DWARKA
170	SH. ASHOK KUMAR TIWARI	SECTOR - 12, DWARKA
171	SH. SOMNATH BHARTI	MLA, MALVIYA NAGAR
172	SH. KRISHNA CHOPRA	MALVIYA NAGAR
173	SH. V.K. MALHOTRA,	SHEIKH SARAI
174	SH. SUDHIR SINGH	MALVIYA NAGAR
175	MS. RUBY MAKHIJA	RWA, NAVJIWAN VIHAR
176	SH. KRISHNA KUMAR	RWA, DWARKA
177	SH. PRABHAKAR SINGH	MODEL TOWN
178	SH. B.S. SACHDEV	ELDERLY PEOPLE FORUM, KESHAV PURAM
179	SH. BRIJ MOHAN DUTT	FEDRATION OF WAZIRPUR, VIDHAN SABHA
180	DR. JAI KISHAN	ELDERLY PEOPLE FORUM, KESHAV PURAM
181	SH. AMIT BHATI	ROHINI
182	SH. SUNIL YADAV	ROHINI
183	SH. KRISHAN	ROHINI
184	SH. RAM KHILADI	ROHINI
185	SH. MADAN LAL	MLA , KASTURBA NAGAR
186	SH. ANKIT BAISOYA	KOTLA MUBARAK PUR
187	SH. SANDEEP BAISOYA	KASTURBA NAGAR
188	SH. SANJEEV BAISOYA	KOTLA
189	SH. MB. TABREZ ALAM	RWA, LODHI ROAD
190	SH. MB SHAMSHER ALAM	RWA, LODHI ROAD
191	SH. NANDU THAKUR	LODHI COLONY
192	SH. BANDHU YADAV	LODHI COLONY
193	SH. ANYUL HAQ	LODHI ROAD
194	SH. YASH PAL RAWAT	D- BLOCK, BRAMPURI

S. No.	Name	Address
195	SH. SAGAR	RWA, LODHI ROAD
196	SH. SUBHASH CHAUDHARI	LAJPAT NAGAR
197	SH. PRADEEP	KOTLA
198	SH. B.L. SHARMA	GARHI
199	SH. RAJESH	LAJPAT NAGAR
200	SH. SURAJ KUMAR	
201	SH. PRINCE	LAJPAT NAGAR
202	SH. ANIL SHARMA	EX. MLA, R K PURAM
203	SH. AMAN KUMAR TOMAR	R K PURAM
204	SH. ARUN KUMAR	
205	SH. PRINCE	MAHARANI BAGH
206	SH. SHREY	JANGPURA
207	SH. KAILASH NATH	LODHI ROAD
208	SH. ARVIND KUMAR	LODHI ROAD
209	SH. VINOD KUMAR	LODHI ROAD
210	SH. RAJ KUMAR	LODHI ROAD
211	MS. KANCHAN GANDHI	BJP
212	SH. MAZHAN YAZEEN	DELHI MINORITIES COMMISSION
213	SH. AJAY SINGH	R. K. PURAM
214	SH. DEEPAK KUMAR KOHLI	
215	SH. RAMAN	
216	SH. MANISH KUMAR	R. K. PURAM
217	SH. DEVENDER KUMAR	
218	MS. SEEMA MALIK	NIGAM PARSHAD, KASTURBA NAGAR
219	SH. GURPAL SINGH	MAHINDER ENCLAVE
220	SH. MANMOHAN	SECTOR-7, ROHINI
201	SH. JAGDISH YADAV	SECTOR-7, ROHINI
222	SH. OM PARKASH MAMGAIN	
223	SH. RAJESH KUMAR GUPTA	
224	SH. RAKESH SHARMA	
225	SH. ASHWANI KUMAR	
226	SH. M. YAMIN KHAN	
227	SH. ASHUTOSH KUMAR	
228	MS.POONAM CHHETRAI	
229	SH. B. A. RANGANADHAN	ADVOCATE, SUPREME COURT
230	SH. TILAK BASU	ADVOCATE
231	SH. ISHAN ROY CHAUDHARY	ADVOCATE
232	SH. RAJESH BHATIA	
233	SH. ARUN KUMAR	
234	MS. PUSHPA UNIYAL	MAHILA MORCHA
235	MS. CHARANJIT KAUR	MAHILA MORCHA

S. No.	Name	Address
236	SH. C.A. ASKHOK KUMAR	PANT MARG
237	SH. PRASHANT SHARMA	SECTOR-7, ROHINI
238	SH. KAMAL KISHOR YADAV	ROHINI
239	SH. SAMIR RANJAN	MAYUR VIHAR, PHASE-1
240	SH. TUSHAR MALHOTRA	
241	SH. KULJIT SINGH,	
242	SH. S. K. SHARMA	SECTOR-12, ROHINI
243	SH. HARISH KUMAR	
244	SH. AZHAR ALI	LAXMI NAGAR
245	SH. AMIT BHARGAWA	SRI AUROBINDO MARG
246	MS. SANGEETA TYAGI	BRAHAM PURI
247	SH. SANJAY SINGH TYAGI	BRAHAM PURI
248	SH. ASHISH VERMA	
249	SH. ARYAMAN JAIN	CHANAKYA PURI
250	SH. MUKESH KIRAR	JUNGPURA
251	SH. KANHIYA LAL	
252	SH. MUKESH KUMAR MANJHI	
253	SH. DANISH ANSARI	
254	SH. ANAND SINGH	R K PURAM
255	SH. PRADEEP RAI	R K PURAM
256	SH. SUNEEL	
257	SH. ANSAR	R K PURAM
258	SH. VISHAL KUMAR RAI	LODHI COLONY