BSES

BSES Rajdhani Power Limited





Petition for

Aggregate Approval of True Up of Expenses upto FY 2022-23 & Aggregate Revenue Requirement (ARR) for FY 2024-25

VOLUME - 1

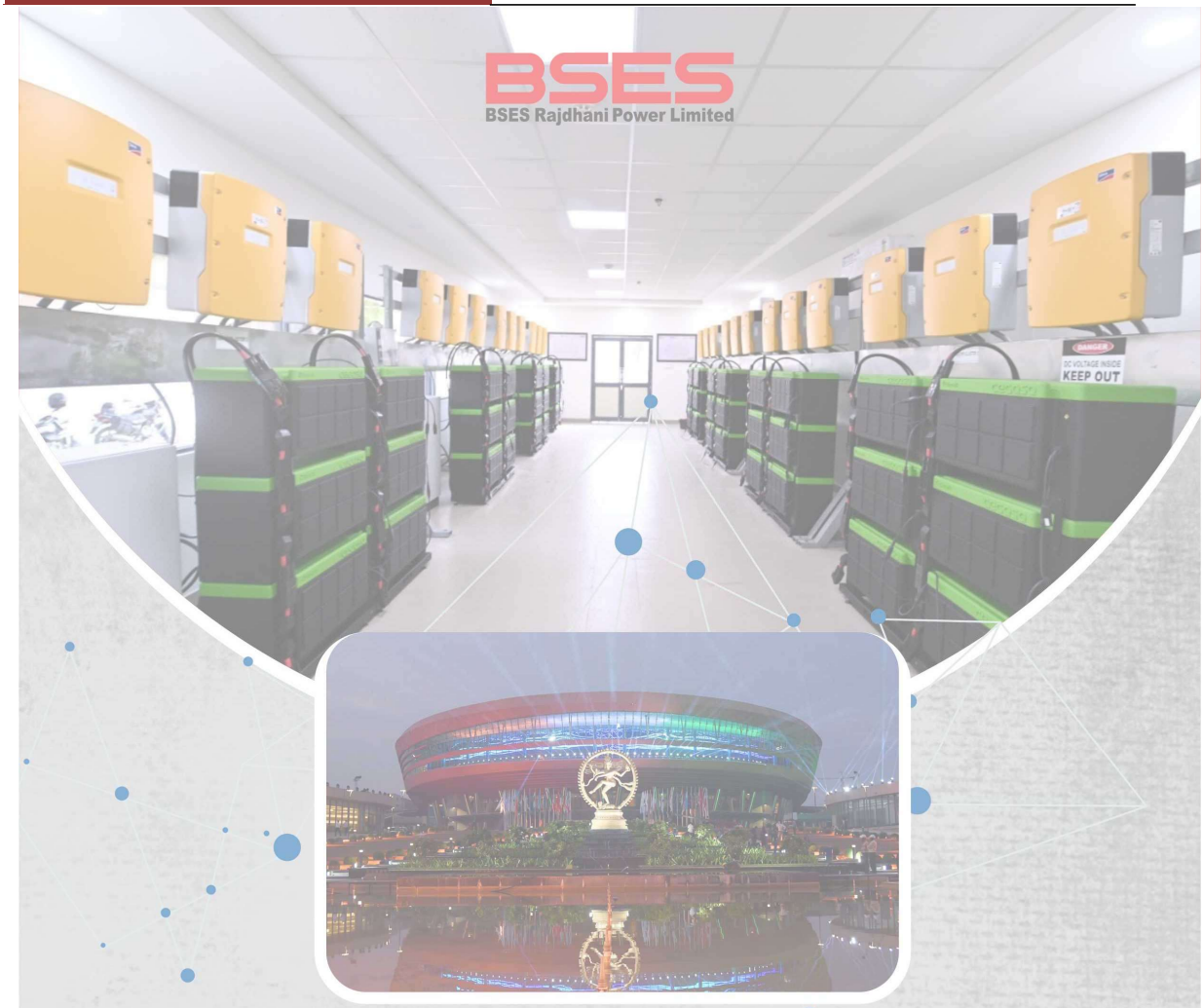


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BSES Rajdhani Power Limited DELHI



Affidavit

BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION
C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. _____OF 2023

IN THE MATTER OF:-
BSES Rajdhani Power Limited
BSES Bhawan, Nehru Place
New Delhi-110 019 ..... **PETITIONER**

AND

IN THE MATTER OF:- Truing-up upto the Financial Year (hereinafter referred to as "**FY**") FY 2022-23, in accordance with Section 62 of the Electricity Act, 2003 read with Sections 11 and 28 of Delhi Electricity Reforms Act, 2000 (hereinafter "**DERA**") to the extent applicable, the DERC (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "**the Hon'ble Commission / Hon'ble DERC**") along with Regulation 13 read with Regulation 139 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "**DERC Tariff Regulations, 2017**") read with **DERC (Business Plan) Regulations, 2017** and DERC (Business Plan) Regulations, 2019 (hereinafter referred to as "**Business Plan Regulations, 2019**") along with the provisions of the DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as "**DERC MYT Regulations, 2011**") and DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as "**DERC MYT Regulations, 2007**").

AND

IN THE MATTER OF:- Aggregate Revenue Requirement ("**ARR**") and Tariff Petition filed for FY 2024-25 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2019 and the DERC Business Plan Regulations, 2023 (hereinafter collectively referred to as "**Business Plan Regulations**") and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the DERC (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.

NOTARY
Mrs. Sumbul Athar
N.C.T. of Delhi
Regd. No.
Exp.
04/02
GOVT. OF
BSES Rajdhani Power Limited
DELHI

AFFIDAVIT VERIFYING THE PETITION:

I, Kanishk Khettarpal, S/o Late Shri Sunil Kumar, aged about 36 years, having my office at BSES Bhawan, Nehru Place, New Delhi – 110019, do hereby solemnly affirm and state as follows:

1. I am working with BSES Rajdhani Power Limited, the Petitioner herein, as Deputy General Manager (Regulatory Affairs) and I am duly authorized by the said Petitioner to make the present affidavit.

2. I say that on behalf of BSES Rajdhani Power Limited, I am filing the present ARR Petition for Truing up of expenses upto FY 2022-23 and Annual Revenue Requirement for FY 2024-25.

3. I further say that the statements made and data presented in the present ARR Petition are to the best of my knowledge derived from records of the Company and based on estimations arising from data and/or records of the Company. Further, to my knowledge and belief, no material information has been concealed in the aforesaid Petition.

NOTARY Mrs. Sumbul Athar N.C.T. of Delhi Regd. No.: 16980 Expiry Date 04/02/2025 GOVT. OF INDIA

BSES RAJDHANI POWER LTD. NEW DELHI

DEPONENT
Kanishk Khettarpal
Authorized Signatory
BSES Rajdhani Power Limited

VERIFICATION:

I, Kanishk Khettarpal, the Petitioner hereby solemnly affirms that the contents of above affidavit are true to the best of my knowledge, no part of it is false and nothing material has been concealed there from.

31 OCT 2023

Verified by me on this _____ day of October, 2023 at New Delhi.

DEPONENT
Kanishk Khettarpal
Authorized Signatory
BSES Rajdhani Power Limited

BSES RAJDHANI POWER LTD. NEW DELHI

NOTARY Mrs. Sumbul Athar N.C.T. of Delhi Regd. No.: 16980 Expiry Date 04/02/2025 GOVT. OF INDIA

ATTESTED

NOTARY PUBLIC, DELHI

BSES Rajdhani Power Limited DELHI 2023



General Power of Attorney

BSES Rajdhani Power Limited DELHI

सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.	:	IN-DL77319781934325U
Certificate Issued Date	:	23-Aug-2022 03:04 PM
Account Reference	:	IMPACC (IV)/ dl732103/ DELHI/ DL-DLH
Unique Doc. Reference	:	SUBIN-DLDL732103357438301850 88U
Purchased by	:	CEO BSES RAJDHANI POWER LIMITED
Description of Document	:	Article 48(c) Power of attorney - GPA
Property Description	:	Not Applicable
Consideration Price (Rs.)	:	0 (Zero)
First Party	:	CEO BSES RAJDHANI POWER LIMITED
Second Party	:	KANISHK KHETTARPAL
Stamp Duty Paid By	:	CEO BSES RAJDHANI POWER LIMITED
Stamp Duty Amount(Rs.)	:	50 (Fifty only)

Please write or type below this line

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT this power of Attorney is executed on this 23rd day of August, 2022 at New Delhi by **Sh. Vineet Sikka.** Chief Executive Officer (CEO) of, **BSES Rajdhani Power Ltd., (the Company)** a company duly incorporated under the provisions of Companies Act 1956 having its Registered Office at BSES Bhawan Nehru Place, New Delhi.

NEELAM SHARMA
ADVOCATE
DELHI
REGD. No. 8227
EXPIRY DATE
01/09/2025

Statutory Alert:
1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

BSES Rajdhani Power Limited DELHI

WHEREAS the Company being the Licensee, is in the business of distribution and retail supply of electricity in the licensed area of supply within Delhi.

WHEREAS the Company in furtherance of its business operation, in strict adherence of the law and for the enforcement of the provisions of law in this regard, time and again initiate legal proceedings and/or has to prosecute/represent/defend the legal proceedings initiated against the Company before various Courts, Judicial and Quasi-Judicial Authorities.

WHEREAS the company in legal proceedings instituted by/or against it is required to defend, appear, compound, settle in any claim, demand or dispute before any court, tribunal, commission or board whether at civil, criminal or labour and whether original or appellate and for such purposes it is required to appoint or remove, replace any consultant, professional, advocate, attorney, lawyer, solicitor on retainership basis or otherwise and to fix the terms & remuneration.

WHEREAS the company for the purpose of appointment of advocates /attorneys / lawyers on regular or retainer basis is required to delegate this authority. In furtherance, the Company's board of Directors in their meeting held on 09th August, 2022, delegated authority on the Chief Executive Officer of BSES Rajdhani Power Ltd. to put his hands on this General Power of Attorney.

NOW THIS DEED WITNESSETH that CEO, do hereby, constitute, appoint and declare **Mr. Kanishk Khettarpal** S/o Late Sh. Sunil Kumar currently working as Deputy General Manager with the Company as duly constituted lawful attorney and to do, perform all or any of the acts, deeds on behalf of the company as specified herein below:-

1. To represent, act, appear and plead on behalf of the Company before various Courts in India including Hon'ble High Courts of various states and Hon'ble Supreme Court, Consumer Forums/ Commissions, Arbitral tribunal and/or before all other authorities/bodies whether Judicial, Quasi-Judicial or Administrative Authorities, Government including State Governments (hereinafter referred to as the "Authorities") and to perform such other acts as required to be performed in furtherance of the performance of the task under this instant clause.

2. To make, declare, swear, affirm, execute, seal, deliver, refer to arbitration, file complaints including criminal complaints before Special Court of Electricity constituted under Electricity Act, 2003/ other courts or before police station of respective jurisdiction and record statement before Such Courts / police authorities, verify pleadings, applications, affidavits, claims, counter claims, caveats, deeds, assurances, instruments, documentations including but not limited

NEELAM SHARMA
ADVOCATE
DELHI
REGD. No. 9227
EXPIRY DATE
01/09/2025

BSES Rajdhani Power Limited DELHI

to presenting / filling/ drafting/ signing pleading, appeals, cross objections, petitions, arbitration claims, writs, special leave petition, bail application, supardari application, and other misc, application for initiation of legal proceedings and/ or representation in ongoing litigation including Suit, execution proceedings, review, revisions, writ, appeals, SLP's, Arbitration Proceedings and to withdraw, compromise, recording of settlement, execution, and filling of settlement agreement, to receive the settlement amount and to file and /or authorize to file applications for compounding/settlement the case be that it be of civil and/or criminal nature and pending before any authority /court/quasi- judicial Authority and to take all essential/ancillary actions in furtherance of the performance of the task under this instant clause including but not limited to leading evidence, cross examination of the witnesses, etc.

3. To file and procure/obtain documents/orders/notices for and on behalf of the Company and to apply and/or to obtain copies including certified copies of the documents and papers for and on behalf of the Company.

4. To take all actions necessary for filing/conducting execution proceedings including initiation/ filling the execution proceedings for the Enforcement Orders /Settlements / Decree amongst other legal proceedings.

5. To retain, engage, and remunerate Advocates, Solicitors and other legal practitioners and advisors and to sign "Warrants", 'Vakalatanama' and other necessary authorities including to take/procure opinions from Advocates/Solicitors and/or to brief them for appearance before various Courts/Authorities.

6. To do all other lawful acts and deeds which are necessary to be performed for the progress and in the course of proceedings and the other prosecutions of various nature including Suits, Writs, Arbitrations, SLP, Complaints, Execution Proceedings and other cases & proceedings, including ongoing litigation and the Company do hereby agree that all the acts and the things lawfully done by and performed by the above said Attorney of the company shall be construed as the acts and the things done by the company. The Company do hereby undertake to ratify and confirm all the tasks lawfully performed by the said Attorney in furtherance of this instant GPA and the same cause to be done for and on behalf of the company by virtue of the powers vested herein.

7. The powers as vested vide this instant GPA in duly constituted lawful attorney are solely at the discretion of the Company and the same may be varied/withdrawn at the sole discretion of the Company.

NOTARY
NEELAM SHARMA
ADVOCATE
DELHI
REGD. NO. 8227
EXPIRY DATE
01/09/2025
GOVT. OF INDIA

BSES Rajdhani Power Limited DELHI

8. That, notwithstanding the foregoing, this power of attorney shall be deemed to be automatically revoked immediately upon disassociation of the lawful attorney with the company as Employee, Retainer, Officer on Special Duty or Otherwise.

IN WITNESS WHEREOF the Chief Executive Officer of BSES Rajdhani Power Ltd., has put his hands on this General Power of Attorney, pursuant to the authority delegated to him by a resolution passed by the Board of Directors in their meeting held on 09th August, 2022.

For and on behalf of/-
BSES Rajdhani Power Ltd.

(Vineet Sikka)
Chief Executive Officer

Accepted

(Kanishk Khettarpal)

WITNESSES:-

1. Parmod Gupta, S/o. Late Sh. M.P. Gupta, R/o. 2F/7746, SF, Ram Nagar, New Delhi-55.

2. Pramod Sharma, S/o. Sh. R.K. Sharma, R/o. C-94, NDSE-2, New Delhi-49.

NOTARY
NEELAM SHARMA
ADVOCATE
DELHI
REGD. No. [illegible]
EXPIRY DATE
01/09/2025
GOVT. OF INDIA

ATTESTED
NOTARY (Govt. of India)
Neelam Sharma
Advocate
Ch. No 165A, Gate No. No. 1
Patiala House Courts
New Delhi-110001
Mob: 9899408305
23 AUG 2022

BSES Rajdhani Power Limited DELHI



List of Abbreviation

List of Abbreviation

Abbreviation	Full Form
AAD	Advance Against Depreciation
ABR	Average Billing Rate
2003, Act	The Electricity Act' 2003
ACOS	Average Cost of Supply
AFC	Annual Fixed Charges
A & G	Administrative & General
AMI / AMISP	Advance Metering Infrastructure Service Provider
APCPL	Aravali Power Company Private Limited
APTEL/ATE/Tribunal	Appellate Tribunal for Electricity
APDRP	Accelerated Power Development and Reform Programs
ARR	Aggregate Revenue Requirement
AT & C	Aggregate Technical and Commercial
Avg.	Average
BG	Bank Guarantee
BERC	Bihar Electricity Regulatory Commission
BOQ	Bill of Quantities
BPR	Business Plan Regulations
BSPHCL	Bihar State Power Holding Company Limited
BRPL	M/s BSES - Rajdhani Power Limited
BYPL	M/s BSES - Yamuna Power Limited
CA No.	Civil Appeal Number
CAPEX	Capital Expenditure
CAGR	Compounded Annual Growth Rate
CAIDI	Customer Average Interruption Duration Index
CC	Consumer Contribution
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CGHS	Central Government Health Scheme
CGRF	Consumer Grievance Redressal Forum
ckt. km	Circuit kilometer
COD	CommercialOperation Date
COS	Cost of Supply
COVID-19	Corona Virus Disease - 2019
CPI	Consumer Price Index
CTPS	Chandrapura Thermal Power Station
CSD	Consumer Security Deposit
CSGS	Central Sector Generating Stations
CYT	Current Year Target
DBFOOT	Design, Build, Fund, Own, Operate and Transfer

BSES Rajdhani Power Limited DELHI

List of Abbreviation

Abbreviation	Full Form
DERA, 2000	Delhi Electricity Reforms Act, 2000
DERC	Delhi Electricity Regulatory Commission
DIAL	M/s. Delhi International Airport Limited
DISCOM	Distribution Company
DJB	M/s. Delhi Jal Board
DMC	Delhi Municipal Corporation
DMRC	M/s Delhi Metro Rail Corporation
DMSW	Delhi Municipal Solid Waste Plant
DPPG	Delhi Power Procurement Group
DT	Distribution Transformer
DTC	Delhi Transport Corporation
DTL	M/s Delhi Transco Limited
DSM	Demand Side Management
DVB	M/s Delhi Vidyut Board
DVC	M/s Damodar Valley Corporation
ECR	Energy Charge Rate
ED	Electricity Duty
EDMC	East Delhi Municipal Corporation
EDWPCL	East Delhi Waste Processing Company Limited
EHV	Extra High Voltage
EI	Electrical Inspector
EIC	Electrical Inspector Clearance
ELR	Energy Law Reports
ERLDC	Eastern Regional Load Despatch Centre
EV	Electric Vehicle
FAR	Fixed Asset Register
FGD	Flue-gas desulfurization
FIFO	First-In, First-Out
FPA	Fuel Purchase Adjustment
FPPAC	Fuel Power Purchase Adjustment Cost
FRSR	Fundamental Rule & Supplementary Rule
FY	Financial Year
GENCO	Generation Company
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GHS	Group Housing Society
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GoI/Central Govt.	Government of India
Grid S/s	Grid Sub-station

BSES Rajdhani Power Limited DELHI

List of Abbreviation

Abbreviation	Full Form
GST	Goods and Service Tax
GT	Gas Turbine
GTAM	Green Term Ahead Market
GDAM	Green Day Ahead Market
HEC	Hydro Energy Certificates
HEP	Hydro Electric Project
HPO	Hydro Purchase Obligations
HR	Human Resources
hrs	Hours
HT	High Tension
HVDS	High Voltage Distribution System
IA	Interim Application
IDBI	M/s. Industrial Development Bank of India
IDT	Inter Discom Transfer
IEGC	Indian Electricity Grid Code
IEX	Indian Energy Exchange
IP/ IPGCL	M/s Indraprastha Power Generation Co. Ltd
IPP	Independent Power Producers
ISGS	Inter-State Generating Stations
IT	Information Technology
JV	Joint Ventures
JERC	Joint Electricity Regulatory Commission
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere hour
kVArh	Kilo Volt Ampere Resistance hour
kW	Kilo Watt
kWh	Kilo Watt Hour
LC Charges	Letter of Credit Charges
LHP	Large Hydro Project
LIC	Life Insurance Corporation of India
LPSC	Late Payment Surcharge
LSC/PC	Leave Salary Contribution/ Pension Contribution
LT	Low Tension
MAT	Minimum Alternate Tax
MCD	M/s Municipal Corporation of Delhi
MCLR	Marginal Cost of Fund based Lending Rate
MDI	Maximum Demand Indicator
MERC	Maharashtra Electricity Regulatory Commission
MNRE	Ministry of New and Renewable Energy
MOD	Merit Order Despatch

BSES Rajdhani Power Limited DELHI

List of Abbreviation

Abbreviation	Full Form
MoM	Minutes of Meeting
MOP	Ministry of Power
MSW	Municipal Solid Waste
MU	Million Units
MUPL	MPSEZ Utilities Private Limited
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NAPS/NAPP	Narora Atomic Power Station /Narora Atomic Power Plant
NCR	National Capital Region
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDMC	New Delhi Municipal Corporation
NDPL	M/s North Delhi Power Limited
NHPC	M/s National Hydroelectric Power Corporation Ltd.
NJPC	Nathpa Jhakri Power Corporation Ltd.
NLDC	National Load Dispatch Center
NMCD	North Municipal Corporation of Delhi
No.	Number
NOIDA	New Okhla Industrial Development Authority
NPCIL	M/s Nuclear Power Corporation India Limited
NRLDC	Northern Region Load Dispatch Centre
NTI	Non-Tariff Income
NTP	National Tariff Policy
NTPC	M/s National Thermal Power Company Ltd.
O&M	Operation and Maintenance
OP	Original Petition
PFC	M/s. Power Finance Corporation
PL	Public Lighting
PLF	Plant Load Factor
PM	Preventive Maintenance
PPA	Power Purchase Agreement
PPC	Power Purchase Cost
PPAC	Power Purchase Adjustment Cost
PPCL	M/s Pragati Power Corporation Ltd.
PSA	Power Sale Agreement
PSERC	Punjab State Electricity Regulatory Commission
PSU	Public Service Utility
PRAAPTI	Payment Ratification and Analysis in Power Procurement
PTC	Power Trading Corporation

BSES Rajdhani Power Limited DELHI

List of Abbreviation

Abbreviation	Full Form
PTW	Permit To Work
PYT	Previous Year Target
QCFI	Quality Circle Forum of India
RA	Regulatory Asset
RAPP	Rajasthan Atomic Power Project
RBI	Reserve Bank of India
R&M	Repair and Maintenance
RE	Renewable Energy
REC	Renewable Energy Certificates
REC PDCL	Rural Electrification Corporation - Power Distribution Company Ltd
REL	M/s Reliance Energy Limited
REL - D	Reliance Energy - Distribution Division
RFP	Request For Proposal
Rms value	Root Mean Square
ROE	Return on Equity
RoCE	Return on Capital Employed
RPH	Rajghat Power House
RPO	Renewable Purchase Obligation
RRB	Regulated Rate Base
Rs./₹	Indian Rupees
Rs./ ₹ Cr.	Indian Rupees in Crores
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SBI	State Bank of India
SBI - PLR	State Bank of India-Prime Lending Rate
SC / Supreme Court	Supreme Court of India
SECI	Solar Energy Corporation of India Limited
SDMC	South Delhi Municipal Corporation
SERC	State Electricity Regulatory Commission
SGS	State Generating Stations
SHP	Small Hydro Project
SJVNL	M/s Satluj Jal Vidyut Nigam Limited
SLD	Service Line Development Charges
SLDC	State Load Dispatch Centre
SMS	Short Message Service
SPD	Single Point Delivery
Sq. Kms	Square Kilometers
SoP	Standard of Performance
SOR	Statement of Reasons

BSES Rajdhani Power Limited DELHI

List of Abbreviation

Abbreviation	Full Form
SPPA	Supplementary Power Purchase Agreement
STPS	Super Thermal Power Station
ST Purchase	Short Term Purchase
SVRS	Special Voluntary Retirement Scheme
T&D	Transmission and Distribution
TehriPSP	Tehri Pumped Storage Plant
THDC	Tehri Hydro Development Corporation Ltd.
TNERC	Tamil Nadu Electricity Regulatory Commission
TO	Tariff Order
TOD/TOU	Time of Day/ Time of Utility
TOTEX Model	Capital Expenditure+Operational Expenditure
TOWMCL	Timarpur-Okhla Waste Management Company Ltd.
TPDDL	Tata Power Delhi Distribution Ltd (formerly NDPL, North Delhi Power Ltd)
TPS	Thermal Power Station
TRANSCO	Transmission Company
TVM	Tri-Vector Meter
TVS	Technical Validation Session
UI	Unscheduled Interchange
UPERC	Uttar Pradesh Electricity Regulatory Commission
UT	Union Territory
UOM	Unit of Measuring
UMPP	Ultra Mega Power Project
VC	Variable Cost
WACC	Weighted Average Cost of Capital
W.P.	Writ Petition
WPP	Wind Power Projects
WPI	Wholesale Price Index
WRLDC	Western Region Load Dispatch Centre
WTE	Waste-to-Energy Plant
Y-o-Y	Year on Year

BSES Rajdhani Power Limited DELHI



Chapter 1A

Background

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Background

1A.1 BSES Rajdhani Power Limited (hereinafter referred to as "**the Petitioner/BRPL**"), is a company incorporated under the Companies Act, 1956, and having its registered office at BSES Bhawan, Nehru Place, New Delhi – 110019, having granted a license for carrying out the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the "*License for Distribution and Retail Supply of Electricity*" (**"License Conditions"**) issued by the Hon'ble Commission. The Petitioner came in existence in 1 July, 2002 post the unbundling of the erstwhile Delhi Vidyut Board (DVB). It is a joint venture company between Reliance Infrastructure Limited and Government of National Capital Territory of Delhi (hereinafter referred to as **"GoNCTD"**).

1A.2 The present Petition is being filed for Truing up of Costs upto FY 2022-23 (hereinafter referred to as the "**True Up Petition**") and Aggregate Revenue Requirement for FY 2024-25 (hereinafter referred to as the "**ARR Petition**").The True up Petition and ARR Petition hereinafter collectively referred to as the "**Petition**".

1A.3 The present Petition contains the following chapters:

a) Chapter 1A – Background
b) Chapter 1B – Executive Summary
c) Chapter 1C – Preamble
d) Chapter 2A – Performance during FY 2022-23
e) Chapter 2B – Compliance with Directives
f) Chapter 3A – True-Up for FY 2022-23



g) Chapter 3B – Past Period Claims

h) Chapter 4 – ARR for FY 2024–25

i) Chapter 5 – Tariff Proposal

1A.4 The above chapters are essentially a part and parcel of the Present Petition. In accordance with the Electricity Act, 2003 (hereinafter referred to as **"the 2003 Act"**), the License Conditions, DERC MYT Tariff Regulations, 2007, DERC MYT Tariff Regulations, 2011, DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "**DERC Tariff Regulations, 2017/ Tariff Regulations, 2017**"), DERC Business Plan Regulations, 2017, DERC Business Plan Regulations, 2019 and DERC Business Plan Regulations, 2023, the Petitioner is filing this Petition for Truing up of Costs upto FY 2022-23 and Aggregate Revenue Requirement for FY 2024-25.

1A.5 A brief list of dates and events relevant to the present Petition are provided as under:

List of Dates and events

Dates	Events
09.03.2001	The Hon'ble Commission notified DERC Comprehensive (Conduct of Business) Regulations, 2001.
On or about 20.11.2001	GoNCTD, in exercise of the powers conferred by Section 60 read with Sections 15 and 16 of the DERA, notified the Delhi Electricity Reforms (Transfer Scheme) Rules, 2001 (hereinafter referred to as "**Transfer Scheme**"). GoNCTD issued Notification No. F.II (118)12001-Power containing Policy Directions under Section 12 of the DERA, 2000 to enable restructuring of the Delhi Vidyut Board and sale of 51% equity shares in the 3 distribution companies to private sector through competitive bidding process. GoNCTD issued an Information Memorandum to the six prequalified entities which were shortlisted on the basis of the criteria specified in the Request for Qualification ("RFQ"). GoNCTD issued the Request for Proposal ("RFP") document to the six qualified bidders representing the key factors for privatization process. It was held out with a view to ensure certainty and enable the bidders to bid based on clean balance sheets. TRANSCO and three DISCOMs filed a joint Petition No. 4 of 2001 before this Hon'ble Commission, pursuant to the Transfer Scheme and the Policy Directions.
22.02.2002	Prior to privatization, the Hon'ble Commission passed Bulk Supply Tariff Order.
10.04.2002	Bids were opened and successful bidders were declared.
31.05.2002	GoNCTD amended the Policy Direction to increase loan amount from ₹ 2,600 Cr. to ₹ 3,450 Cr., in order to bridge the gap between revenue requirement of Transco and revenue realised from DISCOMs.
26.06.2002	GoNCTD notified Delhi Electricity Reform Transfer Scheme (Amendment) Rules, 2002.
27.06.2002	Share Acquisition Agreements and Shareholders Agreements executed between selected bidders and three DISCOMs.
01.07.2002	This is the effective date of privatization of the erstwhile DVB. The Petitioner thus became Distribution Licensees in Delhi with

Dates	Events
	effect from this date. Unbundling of Delhi Vidyut Board and sale of 51% shareholdings to DISCOMs came into effect.
10.06.2003	Electricity Act, 2003 is notified by Ministry of Power (hereinafter referred to as **"MOP"**).
26.06.2003	The Hon'ble Commission issued Tariff Order determining the Aggregate Revenue Requirement (thereinafter referred to as "**AR**R") for FY 2002-03 (9 months) and FY 2003-04.
09.06.2004	The Hon'ble Commission issued Tariff Order determining the Aggregate Revenue Requirement for FY 2004-05.
12.02.2005	MOP notified the National Electricity Policy under Section 3 of the Electricity Act, 2003.
07.07.2005	The Hon'ble Commission issued Tariff Order determining the Aggregate Revenue Requirement for FY 2005-06.
06.01.2006	MOP issued Tariff Policy, 2006, under Section 3 of the 2003 Act. In terms of Section 3 and Section 61 (i) of the 2003 Act, the appropriate Commission is required to be guided by the provisions of the Tariff Policy in discharge of its functions.
21.07.2006	The Petitioner has challenged the Tariff Order dated 09.06.2004, wherein the Hon'ble Commission, as recorded by the Hon'ble Appellate Tribunal for Electricity (hereinafter referred to as "**Hon'ble Tribunal**"), had directed the Petitioner to create Regulatory Asset in its books. The Hon'ble Tribunal by its Judgment dated 21.07.2006 in Appeal No. 155, 156 & 157 of 2005 set aside the findings of the Hon'ble Commission whereby Hon'ble Commission deferred the payments of Petitioner's legitimate dues by creating Regulatory Asset. The Hon'ble Tribunal held that the direction to create Regulatory Asset is bad in law.
07.07.2005	The Hon'ble Commission issued Tariff Order determining the Aggregate Revenue Requirement for FY 2006-07.
31.03.2007	The Policy Direction Period came to an end. Henceforth, the distribution licensees in Delhi were required to arrange power to serve its consumers which, prior to this date was being undertaken by DTL. On this date, the Hon'ble Commission issued detailed order

Dates	Events
	assigning the existing PPAs (enter into by the then DVB / DTL) amongst the distribution licensees of Delhi.
30.05.2007	The Hon'ble Commission notified DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff)) Regulations, 2007. These Regulations were applicable for the MYT Period which was to commence from the date the MYT Order till 31.03.2011. This Regulation was subsequently extended upto 31.03.2012.
23.02.2008	The Hon'ble Commission issued Multi Year Tariff Order (MYT Order) determining the Aggregate Revenue Requirement for the MYT Control Period i.e. FY 2007-08 to FY 2010-11 and distribution tariff for the period 01.03.2008 to 31.03.2009. Further, in this Order the Hon'ble Commission conducted true-up of the Policy Direction Period i.e. FY 2002-03 to 2006-07. This order was carried in Appeal before Hon'ble Tribunal in Appeal 36/ 37 of 2008.
28.05.2009	Tariff Order issued by the Hon'ble Commission for FY 2009-10 and for true up of FY 2007-08. This order was carried before Hon'ble Tribunal in Appeal No. 142 / 147 of 2009. TPDDL/NDPL carried this Order before the Hon'ble Tribunal in Appeal No. 153 of 2009.
06.10.2009 30.10.2009	The Hon'ble Tribunal issued Judgment in Appeal No. 36 & 37 of 2008 against Tariff Order dated 23.02.2008 in favour of the Petitioner on issues pertaining to Sales projections and power purchase, Distribution loss and AT&C losses, Capital expenditure and capitalisation, Employee expenses, Non-inclusion of Reactive Energy Charges, Disallowance of R&M expenses, A&G expenses and approval of lower interest rates for loans. This Judgment was carried by this Hon'ble Commission to the Hon'ble Supreme Court in Civil Appeal No. 884 and 980 of 2010. The said Hon'ble Tribunal Judgment has attained finality vide Hon'ble Supreme Court vide its Judgment dated 01.12.2021 read with Judgment dated 15.12.2022.
30.07.2010	The Hon'ble Tribunal pronounced Judgment in Appeal No. 153 of 2009 (TPDDL Vs DERC) inter-alia holding 4 out of 5 issues in favor of TPDDL. The Hon'ble Commission carried this Judgment in Appeal before the Hon'ble Supreme Court in CA No. 19428 of 2012. However, the said Civil Appeal was dismissed by the

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Dates	Events
	Hon'ble Supreme Court on the ground of delay.
15.10.2010	Statutory Advice was issued by the Hon'ble Commission under Section 86(2) (iv) of EA, 2003, stating, *inter-alia:* (a) The tariff during previous years has not been cost reflective causing DISCOMs to resort to extensive borrowing. (b) The Hon'ble Commission's past practice was to assume higher surplus for tariff fixation which did not consider rise in power procurement cost. (c) Revenue from sale of electricity has not been able to meet even the power purchase. Accumulation of revenue gaps are beyond sustainable levels. (d) There is a need for a fuel cost adjustment Mechanism.
FY 2010-11	Due to stay imposed on determination of tariff by Hon'ble High Court of Delhi in Public Interest Litigation entitled *'N.K. Garg Vs. Union of India'*, no tariff Order was issued for the FY 2010-11.
12.07.2011	The Hon'ble Tribunal issued Judgment in Appeal No. 142 and 147 of 2009 against Tariff Order dated 28.05.2009 holding in favor of the Petitioner on issues pertaining to Power Purchase Rebate, Late payment Surcharge-funding, Carrying cost rate, True up of first 11 months as per Policy Direction Period. This Judgment was carried by this Hon'ble Commission to the Hon'ble Supreme Court in Civil Appeal No. 9003 / 9004 of 2011. The Hon'ble Tribunal Judgment has attained finality by Hon'ble Supreme Court vide its Judgment dated 01.12.2021 read with Judgment dated 15.12.2022.
26.08.2011	Tariff Order issued by the Hon'ble Commission for FY 2011-12. This was carried by the Petitioner in Appeal No. 61 / 62 of 2012 before the Hon'ble Tribunal. Appeal decided by the Hon'ble Tribunal in Judgment dated 28.11.2014.
02.12.2011	The Hon'ble Commission notified DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011. This was to be effective for the period 01.04.2012 to 31.03.2015. This was subsequently extended for a period of one year, i.e. till 31.03.2016.
02.12.2011	Hon'ble Commission vide its letter assured the Petitioner of a roadmap for liquidation of revenue gap.

Dates	Events
01.02.2012	BSES Discoms filed Original Petition No. 1 and 2 of 2012 under Section 121 of the 2003 Act before the Hon'ble Tribunal.
05.07.2012	The Hon'ble Commission filed Interim Application (IA) before the Hon'ble Supreme Court, seeking stay on Judgment dated 12.07.2011 issued by the Hon'ble Tribunal in Appeal Nos. 142/147 of 2009 and also stay on the proceedings of O.P. Nos. 1 and 2 of 2012.
13.07.2012	The Hon'ble Commission passed Tariff Order determining ARR for the MYT Control Period i.e. FY 2012-13 to 2014-15 and true up for FY 2010-11. This was subsequently challenged before the Hon'ble Tribunal by the Petitioner in Appeal No. 177/178 of 2012. Appeal decided by Hon'ble Tribunal in Judgment dated 02.03.2015.
01.10.2012	The Hon'ble Commission notified DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012.
28.02.2013	The Hon'ble Supreme Court passed an Order in IA No. 3 and 4 of 2013 filed by the Hon'ble Commission in CA No. 9003/9004 of 2011 along with IA No. 5 of 2013 in CA No. 884/980 of 2010 directing that the Hon'ble Tribunal may pass judgment in OP No. 1 and 2 of 2012, however the same shall not be implemented without the leave of the Court.
31.07.2013	The Hon'ble Commission issued Tariff Order for ARR & Tariff for FY 2013-14 and True up of FY 2011-12. This was subsequently challenged before the Hon'ble Tribunal by the Petitioner in Appeal No. 265 / 266 of 2013. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
14.11.2013	The Hon'ble Tribunal pronounced Judgment in O.P. No. 1 and 2 of 2012.
01.05.2014	In terms of the Hon'ble Supreme Court Order dated 26.03.2014, the Hon'ble Commission submitted an amortization schedule for liquidation of Regulatory Asset recognized in its Tariff Order dated 31.07.2013 issued for the Petitioner in 6-7 years which varied from the schedule provided on 02.12.2011.
23.07.2014	The Hon'ble Commission issued Tariff Order for ARR & Tariff for FY 2014-15 and True up of FY 2012-13. This was subsequently challenged before the Hon'ble Tribunal by the Petitioner in Appeal No. 235 / 236 of 2014. The aforesaid Appeal is currently pending before the Hon'ble

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Dates	Events
	Tribunal.
28.11.2014	The Hon'ble Tribunal issued Judgment in Appeal No. 61 and 62 of 2012 against Tariff Order dated 26.08.2011 in favour of the Petitioner on 26 issues and, refusing to interfere with the findings of the Hon'ble Commission on 10 issues. Out of 10 issues, the Petitioner challenged the Hon'ble Tribunal Judgment for 6 issues before the Hon'ble Supreme Court in C.A. No. 4323/4324 of 2015. The Hon'ble Commission has also filed an Appeal against the Judgment bearing CA no. 8660/8661 of 2015. Hon'ble Supreme Court by Judgment dated 18.10.2022 allowed the Petitioner's CA. No. 4323/4324 of 2015. Appeal No. 8660/8661 of 2015 is currently pending before the Hon'ble Supreme Court. The Petitioner also filed Review of the Tribunal Judgment dated 13.07.2012 being RP No. 7/13 of 2015 before Hon'ble Tribunal and the same has been subsequently disposed ofin favour of the Petitioner by Hon'ble Tribunal Order dated 15.05.2015.
02.03.2015	The Hon'ble Tribunal issued Judgment in Appeal No. 177/178 of 2012 in the matter of Tariff Order dated 13.07.2012 holding on 27 issues and refusing to interfere with the findings of the Hon'ble Commission. Out of those 9 isssues, the Petitioner challenged this Hon'ble Tribunal Judgment for 5 issues before Hon'ble Supreme Court in CA No. 4906/4933 of 2015. The Hon'ble Commission has also filed an Appeal against the Judgment in CA No. 6959/6960 of 2015. The aforesaid Appeals are currently pending before the Hon'ble Supreme Court. The Petitioner also filed Review of the Tribunal Judgment dated 13.07.2012 being RP No. 16/17 of 2015 before Hon'ble Tribunal and the same has been subsequently disposed ofin favour of the Petitioner by Hon'ble Tribunal Order dated 21.04.2023.
29.09.2015	The Hon'ble Commission issued Tariff Order for ARR for FY 2015-16 and True up upto FY 2013-14. This was carried by the Petitioner before the Hon'ble Tribunal in Appeal No. 290/ 297 of 2015. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
28.01.2016	MOP issued revised Tariff policy, 2016.

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Dates	Events
01.02.2017	The Hon'ble Commission notified DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. These Regulations were to apply prospectively with effect from 01.02.2017. However, Clause 139 retrospectively applied these Regulations since 01.04.2016.
31.08.2017	The Hon'ble Commission issued Tariff Order for ARR and Tariff for FY 2017-18 and True-up of FY 2014-15 and FY 2015-16. This was carried by the Petitioner before the Hon'ble Tribunal in Appeal No. 69/72 of 2018 and 70/71 of 2018. The Petitioner also preferred a Review Petition in Petition No. 65 and 66 of 2017 before the Hon'ble Commission, which was allowed vide Order dated 19.02.2018 and 22.03.2018, respectively. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
31.08.2017	The Hon'ble Commission notified DERC Business Plan Regulations, 2017. These Regulations were issued in Terms of the DERC Tariff Regulations, 2017.
28.03.2018	The Hon'ble Commission passed Tariff Order for ARR and Tariff for FY 2018-19 and True-up of FY 2016-17. This was carried by the Petitioner in Appeal No. 193/ 214 of 2018 before Hon'ble Tribunal. The Petitioner also preferred a Review Petition in Petition No. 30/31 of 2018 before the Hon'ble Commission, which was partially allowed vide Order dated 13.12.2019. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
31.07.2019	The Hon'ble Commission passed Tariff Order for ARR and Tariff of FY 2019-20 and True-up of FY 2017-18. This was carried by the Petitioner in Appeal No. 376 of 2019/ 105 of 2020 before the Hon'ble Tribunal. The Petitioner also preferred a Review Petition in Petition No. 63/64 of 2019 before this Hon'ble Commission, which was partially allowed vide Order dated 20.07.2021. The aforesaid Appeal is currently pending before the Hon'ble Tribunal.
30.09.2019	The Hon'ble Tribunal pronounced Judgment in Appeal No. 246 of 2019 in the matter of TPDDL vs. DERC filed against Tariff Order dated 23.07.2014.

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Dates	Events
21.10.2019	The Petitioner submitted Petition for its Business Action Plan for the period FY 2020-21 to FY 2024-25 before the Hon'ble Commission.
27.12.2019	The Hon'ble Commission notified DERC Business Plan Regulations, 2019. TPDDL has challenged the aforesaid Business Plan Regulations, 2019 before the Hon'ble High Court of Delhi vide W.P. No. 3573 of 2020.
28.08.2020	The Hon'ble Commission issued Tariff Order for ARR and Tariff f FY 2020-21 and True-up of FY 2018-19. This was carried by the Petitioner in Appeal No. 246/247 of 2021 before the Hon'ble Tribunal. The Petitioner also preferred a Review Petition in Petition No. 49 and 53 of 2020 before this Hon'ble Commission, which was partially allowed vide Order dated11.03.2021 and 23.09.2021, respectively. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
15.04.2021	The Petitioner vide its communication requested the Hon'ble Commission to allow timely recovery of cost through cost reflective Tariff, Non-creation of Regulatory Assets and 100% adjustment of PPAC through self-True-up on monthly basis.
19.04.2021	The Petitioner vide its communication requested the Hon'ble Commission for implementation of the Judgments/ Orders issued by the Hon'ble Tribunal in the ensuing Tariff proceedings.
07.06.2021	The Hon'ble Tribunal by Order dated 07.06.2021 partly allowed Appeal No. 235/236 of 2014 directing the Hon'ble Commission to follow the directions of the Hon'ble Tribunal on 15 issues as held in Judgment dated 30.09.2019 in Appeal No.246 of 2014 and Appeal No. 213 of 2018 - and allow the impact in the tariff proceedings pending before the Hon'ble Commission.
09.06.2021	Petitioner vide its communication requested the Hon'ble Commission for implementation of issues as per the directions of Hon'ble Tribunal vide Order dated 07.06.2021 passed in IA no. 860 and 861 of 2021 in Appeal no. 235/236 of 2014.
23.06.2021, 28.06.2021and 07.07.2021	The Petitioner vide its communications submitted information as sought by the Hon'ble Commission for implementation of the Hon'ble Tribunal Order added 07.06.2021.
09.08.2021	The Hon'ble Tribunal issued Order in Appeal No. 290/297 of 2015.
31.08.2021	The Hon'ble Tribunal issued Judgment in Appeal No. 6 of 2019

Dates	Events
	& 34 of 2020 in consumer contribution matter.
30.09.2021	The Hon'ble Commission issued Tariff Order for ARR and Tariff of FY 2021-22 and True-up of FY 2019-20. This was carried by the Petitioner in Appeal No. 158/159 of 2023 before the Hon'ble Tribunal. The Petitioner also preferred a Review Petition in Petition No. 60/61 of 2021 before the Hon'ble Commission, which was partially allowed vide Order dated 09.09.2022. The aforesaid Appeal is currently pending before Hon'ble Tribunal.
05.10.2021	The Petitioner by its communication informed the Hon'ble Commission about the persistent issue of severe coal shortage for consideration.
09.10.2021	The Hon'ble Commission vide its letter relaxed the directives in view of the coal crisis.
26.10.2021	The Hon'ble Commission withdrew its relaxations on the coal crisis which were issued on 09.10.2021.
01.12.2021	The Hon'ble Supreme Court passed final Order in Civil Appeal Nos. 884 & 980 of 2010, 9003 & 9004 of 2011 and 1854 & 1855 of 2014 (arising from the Hon'ble Tribunal Judgment dated 14.11.2013 in O.P. 1 and 2 of 2012) directing Hon'ble Commission to implement Orders hand directions in judgments passed by the Hon'ble Tribunal.
14.12.2021	The Petitioner vide its communication submitted its claim in terms of the Hon'ble Supreme Court Order dated 01.12.2021.
15.12.2021	The Petitioner filed its Petition for Truing up of Expenses upto FY 2020-21 and ARR for FY 2022-23
03.01.2022	The Petitioner by its communication made detailed submissions along with total claim (duly certified by the CAG Empanelled Auditors) to assist the Hon'ble Communication in implementation of the Hon'ble Tribunal Orders and compliance of the Hon'ble Supreme Court Order dated 01.12.2021.
17.03.2022	The Hon'ble Commission by Order admitted the Petition for Truing up of Expenses upto FY 2020-21 and ARR for FY 2022-23.
22.04.2022	The Petitioner by its communication informed the Hon'ble Commission about the persistent issue of severe coal shortage.
29.04.2022	The Hon'ble Commission relaxed various directives till 31.07.2022.

Dates	Events
24.05.2022	The Hon'ble Tribunal issued Judgment in A. No. 213 of 2018 (TPDDL vs. DERC).
16.06.2022	The Petitioner informed the Hon'ble Commission about the Tender for Smart Meter and AMISP.
16.08.2022	The Petitioner vide its letter RA/2022-23/01/A/277 dated 16.08.2022 requested the Hon'ble Commission to allow the incremental impact of service tax in line with the Hon'ble Tribunal Judgment dated 24.05.2022.
26.08.2022	The Hon'ble Tribunal issued Interim Order in IA No. 1262/1263 in Appeal No. 246/247 of 2021 directing the Hon'ble Commission to allow O&M expenses in terms of Tariff Regulations, 2017 read with Business Plan Regulations.
15.09.2022	The Petitioner filed Petition for Business Plan for FY 2023-24 to 2027-28.
28.09.2022	The Hon'ble Supreme Court issued Order in I.A. No. 145037/ 145051of 2022 filed by the Petitioner in pending W.P. No. 104/105 of 2014,directing all parties to maintain Status Quo till further Orders.
30.09.2022	The Petitioner vide its communication dated 30.09.2022 intimated the Hon'ble Commission regarding the Hon'ble Supreme Court Order dated 28.09.2022.
30.09.2022	M/s RECPDCL submitted its Final Report to the Hon'ble Commission on Review of Capex and Capitalisation of assets of the Petitioner for the period FY 2004-05 to FY 2015-16.
12.10.2022	The Petitioner vide its communication requested the Hon'ble Commission to share copy of the final report of M/s Feedback Infra on similar lines as submitted by M/s RECPDCL (with revised financial implications after incorporating Petitioner's comments) on 30.09.2022. It was also requested that if the final report does not have the revised Financial Implications, the same may kindly be called upon from M/s Feedback Infra at the earliest.
18.10.2022	The Hon'ble Supreme Court issued Final Judgment in Civil Appeal No. 4323/4324 of 2015 filed by the Petitioner against the Hon'ble Tribunal's Judgment dated 28.11.2014.
30.11.2022	The Petitioner filed Petition for True up upto FY 2021-22 before the Hon'ble Commission.

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Dates	Events
15.12.2022	The Hon'ble Supreme Court issued Order in M.A. No. 633-634 of 2022 in C.A. No. 9003-04 of 2011 with M.A. No. 1261- 1262 of 2022 and M.A. No. 918-919 of 2022 in C.A. No. 884 and 980 of 2010.
29.12.2022	Ministry of Power notified the Electricity (Amendment) Rules, 2022.
24.01.2023	The Hon'ble Commission admitted Petition for True-up upto FY 2021-22 filed by the Petitioner.
30.01.2023and 31.01.2023	The Petitioner made detailed submission w.r.t. implementation of the Hon'ble Supreme Court directions in Order dated 15.12.2022 for consideration of the Hon'ble Commission.
17.02.2023, 26.03.2023	The Petitioner made various submissions regarding Compliance of Hon'ble Supreme Court Order dated 01.12.2021 read with Order dated 15.12.2022 and Judgment dated 18.10.2022.
10.02.2023, 17.02.2023, 24.02.2023, 12.04.2023, 20.06.2023 and 19.07.2023	The Petitioner vide its various communications submitted required information for implementation of the Hon'ble Supreme Court Judgment in C.A. No. 4323/4324 of 2015, by the Hon'ble Commission.
29.03.2023	The Hon'ble Commission notified the Business Plan Regulations, 2023 applicable for the control period of 3 years i.e. FY 2023-24 to FY 2025-26. The Petitioner has challenged said Regulations before the Hon'ble High Court of Delhi in W.P. No. 6618 and 6719 of 2023 which is currently pending.
29.03.2023	The Hon'ble Commission issued the First Amendment of the Tariff Regulations, 2017, to be applicable from 01.04.2023.
17.04.2023	The Hon'ble Tribunal disposed of IA No. 1262 and 1263 of 2022 filed by the Petitioner in Appeal No. 246 /247 of 2021 directing the Hon'ble Commission to allow O&M expenses as per Regulations 87, 92 and 93 of the DERC Tariff Regulations, 2017 and Regulation 23 of the DERC (Business Plan) Regulations, 2019.
21.04.2023	The Hon'ble Tribunal issued final Order in R.P. No. 16/17 of 2015, filed by the Petitioner seeking review of Tribunal judgment in Appeal 177/178 of 2012. The Hon'ble Tribunal disposed of the

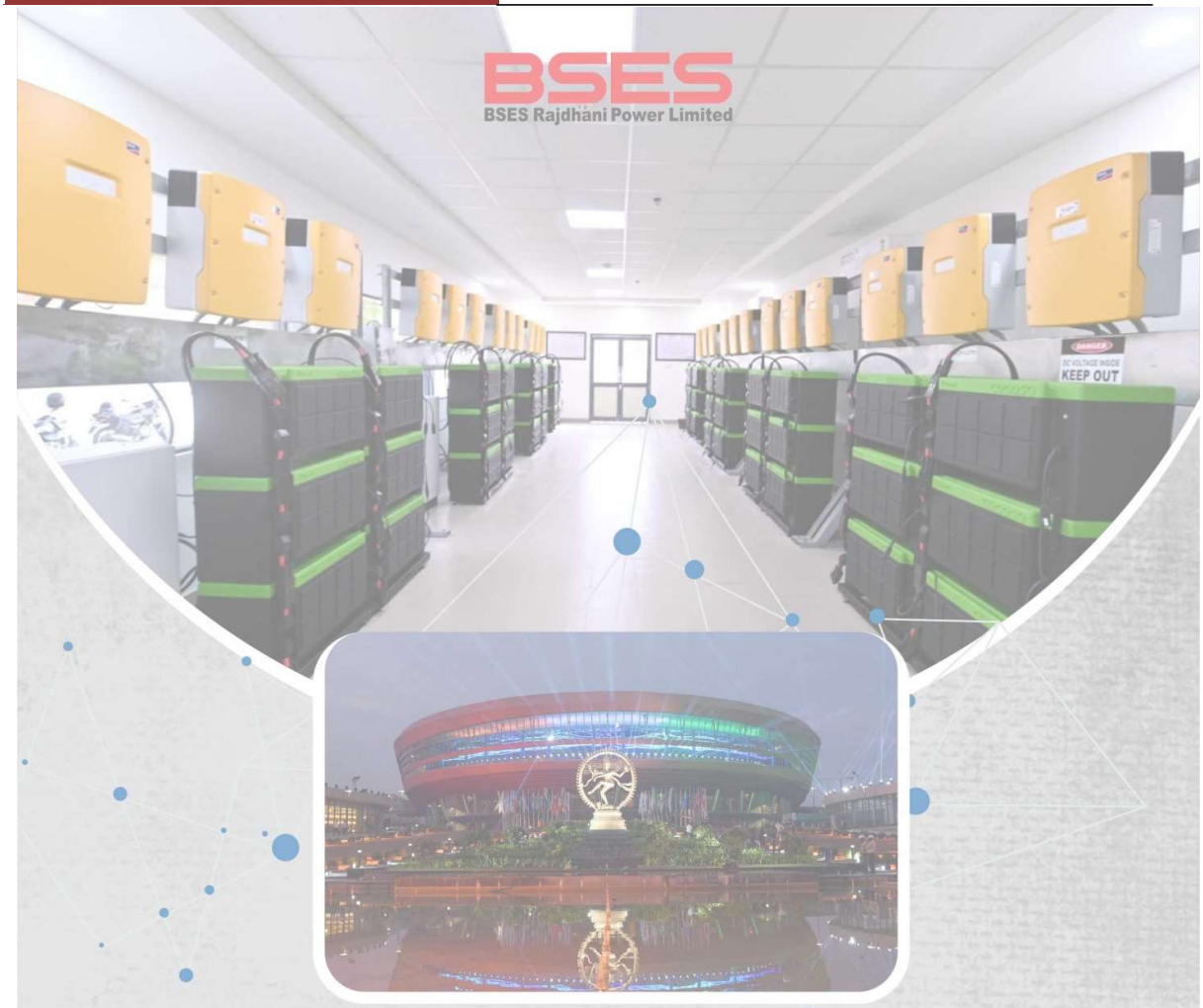
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Dates	Events
	Review Petition in view of the Hon'ble Supreme Court Order dated 15.12.2022.
24.04.2023	The Petitioner filed Amendment Petition before Hon'ble Commission in regard to the RPO for FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 seeking deferment of RPO Target.
03.05.2023	The Petitioner by its communication intimated the Hon'ble Commission about tender for appointment of AMISP for smart metering.
14.05.2023	The Hon'ble Commission issued Order in compliance of directions by the Hon'ble Supreme Court Order dated 15.12.2022. Owing to the above, the Petitioner was constrained to fie Contempt Petitions and Miscellaneous Application before the Hon'ble Supreme Court against non-compliance of Judgment dated 01.12.2021 and Order dated 15.12.2022 by the Hon'ble Commission, which are pending adjudication before the Hon'ble Supreme Court.
22.05.2023	The Petitioner filed Petition for ARR for FY 2023-24.
23.05.2023	The Ministry of Power notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023.
26.05.2023	The Hon'ble Commission vide its Order admitted the Petition of ARR for FY 2023-24.
14.06.2023	The Ministry of Power notified the Electricity (Rights of Consumers) Amendment Rules, 2023.
22.06.2023	Hon'ble Commission issued Order approving additional PPAC for recovery of cost with respect to different quarters of FY 2022-23, having validity till nine months from the issuance of Order.
28.06.2023	The Ministry of Power issued the guidelines for Resource adequacy planning framework for India.
28.06.2023	The Hon'ble Commission filed the Review Petition (Dy. No.

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Dates	Events
	25405/2023) seeking review of the Hon'ble Supreme Court Judgment dated 15.12.2020 in M.A.Nos. 633-634 of 2022 in C.A. No. 9003-9004 of 2011.
30.06.2023	The Ministry of Power notified the Electricity (Amendment) Rules, 2023.
03.07.2023	In terms of Rule 15 of the Electricity Amendment Rules, 2022, Ministry of Power, issued the SOP for Subsidy Accounting and Payment by States/UTs/Discoms/PDs.
10.07.2023	The Hon'ble Commission issued Orders in compliance of directions by Hon'ble Supreme Court Order dated 15.12.2022 and Judgment dated 18.10.2022. The said Compliance Orders are void of quantification of the financial impact on account of the entitlements of the Petitioner under various heads as approved by the Hon'ble Commission.
26.07.2023	Ministry of Power has notified Electricity (Second Amendment) Rules, 2023.
03.08.2023	The Review Petition (Dy. No. 25405/2023) filed by the Hon'ble Commission against the MA Order dated 15.12.2022 were dismissed by the Hon'ble Supreme Court.
08.08.2023	The Petitioner vide its communication submitted its asset wise claim w.r.t. Loss on retirement of asset for the period FY 2004-05 to FY 2021-22 in terms of the methodology specified by the Hon'ble Commission.
01.08.2023, 11.08.2023	The Petitioner updated the Hon'ble Commission about the progress of smart meter implementation project.
18.10.2023	The Petitioner, without prejudice to its rights and contentions in the Contempt Petitions and Miscellaneous Applications, requested the Hon'ble Commission to at least quantify the entitlements of the Petitioner under various heads respectively along with carrying cost, which have been found acceptable and approved by the Hon'ble Commission in the Compliance Orders dated 14.05.2023 and 10.07.2023.

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Chapter 1B
Executive Summary

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Executive Summary

Introduction

1B.1 This Executive Summary consists of the summary of Petition filed by BRPL for truing up upto FY 2022-23 (based on Audited Accounts) & ARR and tariff for FY 2024-25.

1B.2 The Hon'ble Commission notified the Tariff Regulations, 2017 vide its Gazette Notification dated 31.01.2017 which is applicable from 01.02.2017 onwards. Thereafter, the Hon'ble Commission on 29.03.2023 issued the First Amendment to the Tariff Regulations, 2017, applicable from 01.04.2023 onwards. In terms of Tariff Regulations, 2017, the Hon'ble Commission has approved the operational norms in Business Plan Regulations for Distribution utilities as follows:

i. Business Plan Regulations, 2019 for the Control Period FY 2020-21 to FY 2022-23 notified on 02.06.2020;

ii. Business Plan Regulations, 2023 for the Control Period FY 2023-24 to FY 2025-26 notified on 29.03.2023.

1B.3 Accordingly, the True up for FY 2022-23 is required to be done based on the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019.

1B.4 Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25 is determined based on the Tariff Regulations, 2017, Business Plan Regulations, 2019 and Business Plan Regulations, 2023 which broadly has the following components:

a) Power Purchase cost including Transmission charges

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b) Operation and Maintenance (O&M) expenses

c) Return on Capital Employed (ROCE)

d) Depreciation

e) Income tax

f) Non-tariff income

True Up for FY 2022-23

Energy Sales and Revenue

1B.5 The Petitioner has billed Energy & Revenue (net of Electricity Tax, 8% Recovery Asset Surcharge & Pension Trust Surcharge of 7%) of ₹ 10506.8 Cr. (13149.5 MU) at approved Retail Supply Tariff for FY 2022-23 as tabulated below:

Table 1B - 1: Actual Sales and Revenue for FY 2022-23

S.No	Category	Units Billed	Net revenue Billed	Revenue Collected
		MU	₹ Cr.	₹ Cr.
1	Domestic	8447.4	4861.6	4355.7
2	Non Domestic	3160.6	4104.0	4921.2
3	Industrial	547.4	645.3	751.1
4	Agriculture	23.0	11.1	9.4
5	Mushroom Cultivation	0.4	0.3	0.3
6	Public Utilities (DJB , PL and DMRC)	659.6	607.3	743.9
7	DIAL	47.1	47.2	74.9
8	Temporary Supply	125.1	167.9	0.0
9	Advertisement & hoardings	0.9	1.2	3.1
10	Electric Vehicle	48.2	25.4	30.9
11	Own Consumption	23.2	0.4	0.0
12	Enforcement	66.4	35.2	40.6
13	**Total (sum of 1 to 12)**	**13149.5**	**10506.8**	**10931.1**
14	Add Subsidy			1373.8
15	Add Deemed Collection			136.6
16	Less: Regulatory Asset Surcharge			731.1
17	Less: Pension Trust Surcharge			637.3

S.No	Category	Units Billed	Net revenue Billed	Revenue Collected
		MU	₹ Cr.	₹ Cr.
18	Less: E-tax			454.4
19	Less: LPSC			33.6
20	**Net Amount Considered for calculation of Revenue Gap (20 = 13+14+15-16-17-18-19)**			**10585.1**

1B.6 The Petitioner realised revenue amounting to ₹ 10585.1Cr. (excluding 8% RA Surcharge, Pension Trust Surcharge, LPSC & Electricity Tax and including subsidy & deemed collection).

Distribution Loss and Collection Efficiency for FY 2022-23

1B.7 The Petitioner's actual Distribution loss for FY 2022-23 is 7.16%. The Petitioner has claimed the impact on account of overachievement of Distribution Loss target for FY 2022-23 as detailed below:

Table 1B - 2: Claim for overachievement from Distribution Loss target for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Distribution loss Target for Previous Year (PYT)	%	8.00%	As per BPR 2019, 25(1)
B	Distribution loss Target for Current Year (CYT)	%	7.90%	As per BPR 2019, 25(1)
C	Actual Distribution Loss	%	7.16%	Table 3A- 4
D	50% of (PYT - CYT)	%	0.05%	D = 50% of (A-B)
E	CYT-50% of (PYT - CYT)	%	7.85%	E = B - D
F	Energy Input	MU	14,163.0	Table 3A- 4
G	Average Power Purchase Cost	₹ /Unit	6.55	(₹ 9273.3Cr. at S.No. D of Table 3A-24)x10/(14163.0 MU at S.No. C of Table 3A- 12)
H	**Total Financial Gain**	**₹ Cr.**	**69.0**	H = (B-C)xFxG/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	₹ Cr.	1.5	I = (B-E)x Fx G/10x(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	₹ Cr.	42.9	J = (E-C)x Fx G/10x(2/3)
K	**Share of financial gain to be retained**	**₹ Cr.**	**44.4**	**K = I+J**

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	by the Petitioner			
L	**Share of financial gain passed on to the consumers**	**₹ Cr.**	**24.5**	**L = H-K**

1B.8 The Petitioner has claimed the impact on account of overachievement of Collection Efficiency target for FY 2022-23 as detailed below:

Table 1B - 3: Claim for Overachievement on Collection Efficiency Target for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	10,506.8	Table 1B - 1
B	Actual Collection Efficiency	%	100.75%	Table 3A- 8 of this true Up Petition for FY 2022-23
C	Collection Efficiency Target	%	99.50%	As per BPR, 2019
D	Revenue Realised over 99.50% Collection Efficiency Target	₹ Cr.	130.8	D = Ax(B-C)
E	Petitioner's share 1 (over 100% Collection Efficiency Target achieved)	₹ Cr.	78.3	E = (D/(B-C)x(B-100%))
F	Petitioner's share 2 in the ratio 50:50 (between 99.5% - 100% Collection Efficiency Target achieved)	₹ Cr.	26.3	F = (D-E)/2
G	**Share of financial gain to be retained by the Petitioner**	**₹ Cr.**	**104.6**	**G = E+F**
H	**Share of financial gain passed on to the consumers**	**₹ Cr.**	**26.3**	**H = D-G**

Power Purchase Requirement

1B.9 The Petitioner procured most of its power requirement from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL.

1B.10 The summary of actual power purchase quantum procured by the Petitioner during FY 2022-23 is as follows:

Table 1B - 4: Power Purchase quantum for FY 2022-23 (in MU)

S. No	Particulars	Submission	Remarks
A	Power Purchase:		
i	Gross Power Purchase Quantum	15221.3	Table 3A- 12 of this True Up Petition for FY 2022-23
ii	Power sold to other sources	382.7	Excluding Banking
iii	**Net Power Purchase**	**14838.6**	**Ai-Aii**
B	Transmission Loss/Open Access and others	675.6	Table 3A- 12 of this True Up Petition for FY 2022-23
C	**Net power available at Petitioner periphery**	**14163.0**	**Aiii-B**

1B.11 The actual power purchase cost claimed during FY 2022-23 is tabulated below:

Table 1B - 5: Actual Power Purchase Cost in FY 2022-23 (in ₹ Cr.)

S. No.	Particulars	Submission	Remarks
A	**Power Purchase Cost**		
i	Long Term Power Purchase	6469.9	Table 3A- 17 of this True Up Petition for FY 2022-23
ii	Short Term Power Purchase	2708.8	Table 3A- 18 of this True Up Petition for FY 2022-23
iii	Add. Deviation	8.1	Table 3A- 18
iv	Sustained Deviation	3.2	Table 3A- 18
v	Gross Power Purchase Cost	9190.0	v= sum(i to iv)
vi	Power sold to other sources	772.4	Table 3A- 19 of this True Up Petition for FY 2022-23
vii	**Net Power Purchase Cost**	**8417.6**	**vii=v-vi**
B	**Transmission Charges**		
i	Inter-state transmission charges	612.5	Table 3A- 20 of this True Up Petition for FY 2022-23
ii	Intra-state transmission charges	233.5	Table 3A- 20 of this True Up Petition for FY 2022-23
iii	Other Transmission charges	111.0	Table 3A- 20 of this True Up Petition for FY 2022-23
iv	**Total Transmission charges**	**957.0**	**iv= Sum(i to iii)**
C	**Rebate**	**101.3**	Table 3A- 23 of this True Up Petition for FY 2022-23
D	**Net Power Purchase Cost including Transmission charges and excluding rebate**	**9273.3**	**D=A(vii)+B(iv)-C**

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Operation and Maintenance Expenses (O&M Expenses)

1B.12 The Petitioner has computed the O&M expenses for FY 2022-23 as per Business Plan Regulations, 2019 as shown below:

Table 1B - 6: O&M Expenses for FY 2022-23 (in ₹ Cr.)

Assets/ lines	Avg. Quantity	Norms as per Reg 23(1) of BPR, 2019	Amount (₹ Cr.)
66/33 kV Line	1284.1 ckt. km	₹ 4.156 lakh/ ckt km	53.4
11 kV lines	8526.4 ckt. km	₹ 1.239 lakh/ ckt km	105.6
LT lines system	13904.7 ckt. km	₹ 6.629 lakh/ ckt km	921.7
66/11 & 33/11 kV Grid S/s	6725.0 MVA	₹ 1.114 lakh/ MVA	74.9
11/0.415 kV DT	6777.0 MVA	₹ 2.763 lakh/ MVA	187.2
Total			**1342.9**

Additional Expenses

1B.13 The Petitioner has claimed an amount on account of statutory levies/Taxes and miscellaneous expenses which are uncontrollable in nature and not covered in the above normative O&M expenses during FY 2022-23 as tabulated below:

Table 1B - 7: Additional Expenses for FY 2022-23 (in ₹ Cr.)

S. No.	Particulars	FY 2022-23	Remarks/Ref.
A	Loss on Sale of Retired Assets	8.3	As per Annexure-3A.2 and detailed calculation is submitted to the Hon'ble Commission vide letter RA/2023-24/01/A/366 dated 30.10.2023.
B	Impact of 7th Pay Commission	28.8	Note 38 of Audited Accounts
C	Legal Expenses	30.1	Note 41 (other expenses) of Audited Accounts
D	Ombudsman/legal Fees	0.4	Note 41 (other expenses) of Audited Accounts
E	License Fee paid on assets	13.3	Note 5 of Audited Accounts
F	Syndication Fee/Bank charges regarding loan of Working Capital	4.0	Note 39 of Audited Accounts

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S. No.	Particulars	FY 2022-23	Remarks/Ref.
G	Incremental Impact of Property Tax	13.6	Note 41 (Other Expenses) of Audited Accounts
H	Incremental GST Impact	13.5	Note 39 & 42 of Audited Accounts
I	Incremental SMS Charges	0.3	Note 41 of Audited Accounts
J	Letter of Credit Charges	6.3	Note 39 of Audited Accounts
K	**Total**	**118.5**	**Sum of (J to K)**

Capital Expenditure and Capitalisation

1B.14 Actual capitalization and de-capitalisation as per the Audited Accounts for FY 2022-23 has been considered to derive the closing balance of GFA as tabulated below:

Table 1B - 8: Gross Fixed Assets for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Opening GFA	8718.3	Closing value from Table 3A- 36 of True Up Petition for FY 2021-22
B	Capitalisation during the year	743.1	Note 3 & 4 of the Audited Accounts
C	De-capitalisation	33.7	Schedule 5 of the Audited Accounts
D	Closing GFA	9427.7	D = A+B-C
E	Average GFA	9073.0	E = (A+D)/2

Funding of Capitalisation

1B.15 The Funding of Capitalisation (net of de-capitalisation and consumer contribution) through debt and equity in the ratio of 70:30 as shown below:

Table 1B - 9: Funding of Capitalisation for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Total Capitalisation	743.1	Note 3 & 4 of the Audited Accounts
B	De-capitalisation	33.7	Schedule 5 of the Audited Accounts
C	Consumer Contribution	73.4	Note 25 of Audited Accounts

S. No	Particulars	FY 2022-23	Remarks
D	**Balance Capitalisation**	**636.1**	**D = A-B-C**
E	Debt	445.2	70% of D
F	Equity	190.8	30% of D

Consumer Contribution and Grants

1B.16 The average consumer contribution and Grants for FY 2022-23 is tabulated below:

Table 1B - 10: Consumer Contribution including grants for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance	1060.8	Closing Balance of Table 3A- 38 of True Up Petition for FY 2021-22
B	Additions during the year	73.4	Note-25 (Consumer Contribution for Capital Works) of the Audited Accounts
C	Closing Balance	1134.1	C = A+B
D	**Average Consumer Contribution including grants**	**1097.5**	**D = (A+C)/2**

Depreciation

1B.17 The average rate of Depreciation for FY 2022-23 based on the Audited Accounts of the Petitioner is tabulated below:

Table 1B - 11: Depreciation Rate as per Audited Accounts for FY 2022-23

S. No	Particulars	FY 2022-23	Remarks/ Ref.
A	Opening GFA as per audited accounts (₹ Cr.)	8693.4	Note 3& 4 of Audited Accounts
B	Closing GFA as per audited accounts (₹ Cr.)	9402.8	Note 3& 4 of Audited Accounts
C	Average of GFA as per audited accounts (₹ Cr.)	9048.1	(A+B)/2
D	Depreciation as per Audited Accounts (₹ Cr.)	414.0	P&L account
E	**Average depreciation rate (in %)**	**4.58%**	**(D/C)x100**

1B.18 The Petitioner has submitted the allowable depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

Table 1B - 12: Depreciation for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Average GFA	9073.0	Table 1B - 8
B	Average Consumer Contribution and Grants	1097.5	Table 1B - 10
C	Average assets net of consumer contribution & Grants	7975.6	C = A -B
D	Average rate of depreciation (in %)	4.58%	Table 1B - 11
E	**Depreciation**	**364.9**	E = CxD

Working Capital

1B.19 The Petitioner has computed the Working Capital Requirement as per Regulation 84 (4) of the Tariff Regulations 2017 for FY 2022-23 is tabulated below:

Table 1B - 13: Working Capital Requirement for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Ref
A	Annual Revenues from Tariff & Charges	12115.8	Table 1B - 18
A1	Receivables equivalent to two months average	2019.3	A1 = A/6
B	Power Purchase Expenses	9273.3	Table 3A- 24 of this True Up Petition for FY 2022-23
B1	Less: 1/12th of power purchase expenses	772.8	B1 = B/12
C	**Working Capital**	**1246.5**	**C = A1-B1**
D	Opening Working Capital	1104.1	Table 3A-43 of True Up Petition upto FY 2021-22
E	**Change in Working Capital**	**142.4**	**E = C - D**

Return on Capital Employed

Regulated Rate Base (RRB)

1B.20 The Regulated Rate Base (RRB) for FY 2022-23 as per Regulation 68 of the Tariff Regulations, 2017 has been computed as tabulated below:

Table 1B - 14: Regulated Rate Base for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Ref
A	RRB Opening	5148.0	as Per Table 3A-45 of True Up Petition for FY 2021-22
B	ΔAB (Change in Capital Investments)	294.1	C – D + E - F
C	Investments Capitalized	709.4	Table 3A- 38
D	Depreciation	364.9	Table 3A- 40
E	Add: Depreciation on De-capitalised Assets	23.0	Note 3 of Audited Accounts
F	Consumer Contribution	73.4	Table 3A- 36
G	Change in WC	142.4	Table 1B - 13
H	RRB Closing	5584.6	A+B+G
I	**RRB (i)**	**5437.5**	**A+(B/2)+G**

1B.21 The Petitioner has computed 11.73% as the blended rate of interest on loan during FY 2022-23 and considered RoE at 16% for computation of WACC as tabulated below:

Table 1B - 15: Weighted Average Cost of Capital (WACC) for FY 2022-23

S. No.	Particulars	FY 2022-23	Remarks/ Ref
A	Average Equity (₹ Cr.)	2454.3	Table 3A- 44
B	Average Debt(₹ Cr.)	2852.0	Table 3A- 44
C	Rate of Return on Equity	16.00%	BPR, 2019
D	Income Tax Rate	25.17%	Table 3A- 48
E	Grossed up Rate of Return on Equity	21.38%	E = C/(1-D)
F	Blended Rate of Interest on Loan	11.73%	Table 3A- 47
G	**Weighted average cost of Capital**	**16.19%**	**G = ((AxE)+(BxF))/(A+B)**

1B.22 The Petitioner has furnished the Return on Capital Employed during FY 2022-23 as per Regulation 69 of the Tariff Regulations, 2017 as tabulated below:

Table 1B - 16: Return on Capital Employed (RoCE) for FY 2022-23 (in ₹ Cr.)

S. No.	Particulars	FY 2022-23	Remarks/ Ref
A	Weighted Average Cost of Capital (WACC)	16.19%	Table 1B - 15
B	RRB (i)	5437.5	Table 3A- 45
C	**RoCE**	**880.6**	**C = A x B**

Non-Tariff Income

1B.23 The Non-Tariff Income claimed by the Petitioner in True-up of FY 2022-23 is ₹ 141.5 Cr. as per Regulation 94 of the Tariff Regulations, 2017 as tabulated below:

Table 1B - 17: Non-Tariff Income during FY 2022-23 (in ₹ Cr.)

S. No	Particulars	Amount	Remarks/ Ref
A	Other Operating Income	151.6	Note 35 of Audited Accounts
B	Other Income	109.6	Note 36 of Audited Accounts
I	**Total Income as per Accounts**	**261.2**	**(A+B)**
C	Add: Interest on CSD	36.5	Table 3A- 50 of this True Up Petition for FY 2022-23
D	Add: Differential in SLD	17.9	Table 3A- 51 of this True Up Petition for FY 2022-23
II	**Total Other Income**	**315.6**	**(I+C+D)**
	Less: Income from other business		
E	Street Light Maintenance Charges	18.6	Note 36 of Audited Accounts
III	**Net Income to be considered**	**297.0**	**(II-E)**
F	Less: LPSC	19.3	Note 35 of Audited Accounts
G	Less: Write-back of misc. provisions	0.04	Note 35 of Audited Accounts
H	Less: Short term gain	34.3	Note 36 of Audited Accounts
I	Less: Transfer from Consumer contribution for capital works	55.4	Note 35 of Audited Accounts
J	Less: Bad debts recovered	2.5	Note 35 of Audited Accounts
K	Less: Interest on Inter-company Loans	8.4	Note 36 of Audited Accounts
L	Less: Commission on collection of Electricity Duty	14.1	Note 35 of Audited Accounts
M	Less: Interest on Income tax refund	2.6	Note 36 of Audited Accounts
N	Less: MNRE Incentive	1.4	Note 36 of Audited Accounts
O	Less: Pole rental income	9.0	Table 3A- 53 of this True Up Petition for FY 2022-23
P	Less: Income from Sale of Scrap	4.5	Note 36 of Audited Accounts
Q	Less: Gain on Retirement of Assets	4.0	Annexure-3A.2 and detailed calculation is submitted to the Hon'ble Commission vide letter RA/2023-24/01/A/366dated 30.10.2023.
	Net Non-Tariff Income	**141.5**	**(III-sum F to Q)**

Aggregate Revenue Requirement for Truing-up of FY 2022-23

1B.24 Based on the above submissions, the Aggregate Revenue Requirement claimed by the Petitioner for FY 2022-23 is tabulated below:

Table 1B - 18: Aggregate Revenue Requirement during FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Ref
A	Power Purchase Cost (including Transmission Charges)	9273.3	Table 3A- 24 of this True Up Petition for FY 2022-23
B	O&M Expenses	1342.9	Table 3A- 27
C	Additional expenses/ statutory levies	118.5	Table 3A- 32
D	Depreciation	364.9	Table 3A- 40
E	Return on Capital Employed	880.6	Table 3A- 49
F	Less: Non-Tariff Income	141.5	Table 3A- 54
G	Less: Income from Open Access	89.2	Note-35 of Audited Account
H	**Aggregate Revenue Requirement**	**11749.6**	**H = sum(A to G)**
I	Carrying Cost	366.1	Table 4.56 of Tariff Order dtd 30.09.2021
J	**Gross ARR**	**12115.8**	**J = H - I**

Revenue (Gap)/ Surplus

1B.25 Based on above submissions, the revenue gap for FY 2022-23 is tabulated here as follows:

Table 1B - 19: Revenue (Gap)/Surplus for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Gross ARR for FY 2022-23	12115.8	Table 3A-55 of this True Up Petition for FY 2022-23
B	PPAC cost subsumed		
C	Total Revenue including PPAC	10419.4	Table 3A-56 of this True Up Petition for FY 2022-23
D	**Revenue (Gap)/Surplus**	**(1696.4)**	**D = C-B-A**

Past Period Claims

1B.26 The Petitioner in its Petition No. 71 of 2022 filed on 30.11.2022 (True Up upto FY 2021-22) has claimed its tariff entitlements under various categories.

1B.27 Owing to the pendency of Petition No. 71 of 2022 before the Hon'ble Commission and subject to the outcome of matters pending before the Hon'ble Supreme Court of India and Hon'ble APTEL, the Petitioner craves leave of the Hon'ble Commission to approach this Hon'ble Commission, if necessary, in the present Petition.

1B.28 The total financial impact of past period issues including carrying cost upto FY 2022-23 is ₹ 36,057 Cr as mentioned in Table 3B-1 of this Petition.

ARR for FY 2024-25

Energy Sales and Revenue

1B.29 The Petitioner has considered the Adjusted Trend Analysis Method for the purpose of projection of energy sales. The Petitioner has projected the energy sales as 14112.9 MU and revenue realization of ₹ 9262.3 Cr. for FY 2024-25 and has requested the Hon'ble Commission to approve the same. The category wise details of energy sales and revenue realization for FY 2022-23 is as tabulated below:

Table 1B - 20: Energy Sales projected for FY 2024-25

S.No.	Category	Sales (MU)	Remarks/Ref
1	Domestic	9151.7	Table 4- 16
2	Non-Domestic	3198.6	Table 4- 18
3	Industrial	567.8	Table 4- 20
4	Agriculture	24.9	Table 4- 22
5	Mushroom Cultivation	0.7	Table 4- 24
6	Public Utilities	695.4	

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S.No.	Category	Sales (MU)	Remarks/Ref
6.1	Delhi Metro Rail Corporation	329.0	Table 4- 31
6.2	Delhi Jal Board	243.1	Table 4- 29
6.3	Public Lighting	123.2	Table 4- 27
7	Delhi International Airport Limited	55.0	Table 4- 34
8	EV Charging	201.2	Table 4- 37
9	Advertisement & Hoardings	0.9	Table 4- 35
10	Own-Consumption	35.3	Table 4- 39
11	Others	181.5	Table 4- 38
12	**Total (12=sum of 1 to 11)**	**14112.9**	**Table 4- 40**

Table 1B - 21: Revenue estimated for FY 2024-25

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges (₹ Cr.)	TOD Tariff (₹ Cr.)	Revenue Billed (₹ Cr.)
1	**Domestic**	**546.6**	**3800.1**	**-**	**4346.7**
1.1	Domestic Consumer	525.5	3682.3	-	4207.7
1.2	SPD supply for GHS (CGHS)	14.7	86.5	-	101.2
1.3	Worship / Hospital	6.1	26.4	-	32.5
1.4	DVB Staff	0.3	5.0	-	5.3
2	**Non-Domestic**	**784.1**	**2714.4**	**16.6**	**3515.1**
2.1	Non-Domestic LT (up to 3KVA)	119.6	235.0	0.0	354.7
2.2	Non-Domestic LT (above 3KVA)	437.8	1505.3	10.0	1953.1
2.3	Non-Domestic HT	226.7	974.1	6.6	1207.4
3	**Industrial**	**83.6**	**447.5**	**3.0**	**534.0**
3.1	Industrial LT	57.1	273.7	2.4	333.2
3.2	Industrial HT	26.5	173.8	0.5	200.9
4	**Agriculture**	**5.3**	**3.7**	**-**	**9.0**
5	**Mushroom Cultivation**	**0.1**	**0.2**	**-**	**0.3**
6	**Public Utilities**	**97.0**	**451.4**	**0.9**	**549.2**
6.1	Delhi Metro Rail Corporation	43.8	197.6	1.4	242.8
6.2	Delhi Jal Board	37.8	168.6	(0.7)	205.7
6.3	Public Lighting	15.4	85.2	0.2	100.7
7	**Delhi International Airport Limited**	**15.4**	**41.1**	**0.0**	**56.5**
8	**EV Charging**	**-**	**80.9**	**1.7**	**82.6**
9	**Advertisement & Hoardings**	**0.4**	**-**	**-**	**0.4**
10	**Others**	**25.0**	**189.7**	**0.2**	**214.9**
11	**Total**	**1557.5**	**7729.0**	**22.3**	**9308.9**
	Revenue Realisation @ 99.5% CE				**9262.3**

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Distribution Loss and Collection Efficiency

1B.30 The Petitioner has considered 7.14% as Distribution loss for FY 2024-25 as specified in Regulation-25 (1) of Business Plan Regulations, 2023 tabulated as under:

Table 1B - 22: Distribution Loss Target during FY 2023-24 to FY 2025-26

S. No	Distribution Licensee	FY24	FY25	FY26
1	BSES Rajdhani Power Limited	7.30%	**7.14%**	6.96%

1B.31 Regulation-26 (1) of the DERC (Business Plan) Regulations, 2023 specifies targets for Collection Efficiency from FY 2023-24 to FY 2025-26 @ 99.80%. Since there will be no penalty for Collection Efficiency in range of 99.50% to 99.80%, the Petitioner has considered the collection efficiency of 99.50%.

Energy Requirement

1B.32 To arrive at the energy requirement at Petitioner periphery for FY 2024-15, the projected energy sales for the year is grossed up by the distribution loss level of FY 2024-25 in the following manner:

$$\text{Quantum of Power Purchase (MU)} = \frac{\text{Energy Sales (MU)}}{1-(\text{Distribution loss}(\%)/100)}$$

1B.33 Based on the energy sales projected for FY 2024-25 and Distribution loss level as specified for FY 2024-25 in the Business Plan Regulations, 2023, the estimated energy requirement and energy balance is tabulated as under:

Table 1B - 23: Energy Requirement and Energy Balance (MU)

S. No.	Particulars	Quantity (MU)	Reference
A	**Energy Availability**		
1	Power Purchase @Exbus-FIRM	14153.4	Table 4- 44 minus availability from net metering
2	Inter-State Losses	456.3	Table 4- 49
3	Power Available at Delhi Periphery	13697.1	3 = 1 - 2
4	Intra-state Losses	120.5	Table 4- 49
5	Power Available to the Petitioner	13576.6	5 = 3 - 4
6	Net Metering	147.0	H7 of Table 4- 44
7	ST Purchase to be met at Petitioner Periphery	2321.7	Table 4- 47
8	**Total Energy Available**	**16045.3**	**8 = 5 + 6 + 7**
B	**Energy Requirement**		
9	Energy Sales	14112.9	Table 4- 40
10	Distribution Loss	7.14%	Para 4.104
11	**Energy Requirement at Distribution Periphery**	**15198.0**	**11 = 9/(1-10)**
C	**Total Sale of Surplus Power (12 = 11 - 8)**	**847.3**	**C = 8 - 11**

Power Purchase Cost

1B.34 The Petitioner procures its power requirement through a mix of long term and short term sources to meet its demand. Long term sources include Central Generating Stations which are owned and/or fully controlled by Central Government and State Generating Stations which are owned and/or fully controlled by State Government. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Licensees of Delhi is being done by the Hon'ble Commission. Accordingly, the total power purchase cost is projected as ₹ 10936.0 Cr for FY 2024-25.

Table 1B - 24: Power Purchase cost proposed for FY 2024-25

Particulars	Energy Purchase	AFC	Variable Charge	Water Cess	Total Charges	Average Rate
	(MU)	(₹ Cr.)	(₹ Cr.)	(₹ Cr.)	(₹ Cr.)	₹/unit
NTPC Ltd	4925.7	884.8	1741.0	-	2625.8	5.33
NHPC Ltd	985.1	124.2	135.2	51.9	311.3	3.16
Nuclear Power	392.7	-	134.0	-	134.0	3.41
Satluj Jal Vidyut Nigam (SJVNL)	290.7	28.8	35.0	-	63.8	2.19
THDC	225.7	41.3	53.0	10.0	104.3	4.62
Tala	30.7	-	7.0	-	7.0	2.27
Damodar Valley Corp.	1061.8	215.9	353.6	-	569.5	5.36
Power Station of Delhi	1520.0	464.2	1071.7	-	1535.9	10.11
Aravali Power Corporation Ltd	37.9	12.2	17.8	-	30.0	7.92
Sasan-UMPP	460.6	7.3	59.2	-	66.4	1.44
PTC- Tuticorin	141.7	-	50.0	-	50.0	3.53
SECI	2183.4	-	587.6	-	587.6	2.69
New Stations	2044.5	158.5	1188.2	-	1346.7	6.59
Sub-Total – Long Term	**14300.4**	**1937.1**	**5433.4**	**61.9**	**7432.4**	**5.20**
Past arrear	-	325.0	-	-	325.0	
Short Term Purchase	2321.7	-	1995.7	-	1995.7	8.60
Short Term Sale	847.3	-	324.1	-	324.1	3.83
Transmission Losses & Charges	-576.8	1626.8	-	-	1626.8	
Rebate	-	-	-	-	119.7	
Grand Total	**15198.0**	**3888.9**	**7,104.9**	**61.9**	**10936.0**	**7.20**

Renewable Purchase Obligation

1B.35 Regulation-27 of the Business Plan Regulations, 2023 specifies the target for Renewable Purchase Obligation from FY 2023-24 to FY 2025-26. Accordingly, the RPO shortfall for FY 2024-25 is NIL for the Petitioner as tabulated below:

Table 1B - 25: Quantum on account of RPO

Particulars	Other RPO	HPO	Wind RPO	Total	Remarks/Ref
Sales (MU)	14112.9				Table 4- 40
Target (%)	26.37%	1.08%	2.46%	29.91%	BPR, 2023
Target (MU)	3721.6	152.4	347.2	4221.2	C = A x B
Arrangement (MU)	3662.5	511.7	467.4	4641.6	Table 4- 53
Shortfall (MU)	59.7	-	-	59.7	E = minimum of '0' OR (C – D)
Margin available for set-off (MU)	-	359.2	120.3	479.5	F = minimum of '0' OR (D – C)

Particulars	Other RPO	HPO	Wind RPO	Total	Remarks/Ref
RPO Surplus (MU)	-	-	-	419.8	Regulation-27 of the BPR, 2023

1B.36 The Petitioner vide Letter No. RA/2022-23/01/A/593 dated 06.03.2023 has requested the Hon'ble Commission to allow adjustment of the surplus RE power after meeting the targets for control period from FY 2023-24 to FY 2025-26 with the RE shortfall of previous years on FIFO basis in accordance with the Hon'ble Commission Order dated 18.09.2019.

Transmission Charges

1B.37 The Petitioner has projected the Intra State and Inter State Transmission charges and losses for FY 2024-25 as below:

Table 1B - 26: Transmission Loss and Charges projected for FY 2024-25

S. No	Particulars	FY 2024-25	
i.	Inter Transmission Losses (MU) @ 3.57%	456.3	Table 4- 49
ii	Intra Transmission Losses (MU) @ 0.88%	120.5	Table 4- 49
A	**Total Transmission losses (MU)**	**576.8**	**A = i + ii**
B	**Transmission Charges (₹ Cr.)**	**1626.8**	Table 4- 49

O&M Expense

1. Normative O&M Expenses as per Business Plan Regulations, 2019 (BPR, 2019)

1B.38 In terms of Regulation – 23 of Business Plan Regulation, 2019, the Petitioner has computed the normative O&M expenses for FY 2024-25 considering an annual escalation of 3.83% on the norms specified for computation of O&M expenses for FY 2022-23 as tabulated belowg

"23. Operation and Maintenance Expenses

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(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for BRPL for the Control Period

Particulars	*Unit*	*2020-21*	*2021-22*	*2022-23*
66 kV Line	*Rs. Lakh/ Ckt. Km*	*3.855*	*4.002*	***4.156***
33 kV Line	*Rs. Lakh/ Ckt. Km*	*3.855*	*4.002*	***4.156***
11 kV Line	*Rs. Lakh/ Ckt. Km*	*1.150*	*1.194*	***1.239***
LT lines system	*Rs. Lakh/ Ckt. Km*	*6.148*	*6.384*	***6.629***
66/11 kV Grid S/s	*Rs. Lakh/ MVA*	*1.033*	*1.073*	***1.114***
33/11 kV Grid S/s	*Rs. Lakh/ MVA*	*1.033*	*1.073*	***1.114***
11/0.415 kV DT	*Rs. Lakh/ MVA*	*2.563*	*2.661*	***2.763***

....."

1B.39 Accordingly, the Petitioner has computed the normative O&M expenses for FY 2024-25 considering an escalation of 3.83% on the norms specified for computation of O&M expenses forFY 2022-23 and thus computed the O&M expenses as under:

Table 1B - 27: O&M Expenses estimated for FY 2024-25 (in ₹ Cr.)

Particulars	Avg. Quantity	Norms	Units	Amount (₹ Cr.)
66 kV Line	1349.0 ckt.km.	4.480	₹ lakh/ckt. km	60.4
33 kV Line				
11 kV Line	8966.5 ckt.km.	1.336	₹ lakh/ckt. km	119.8
LT Line System	14800.0 ckt.km.	7.147	₹ lakh/ckt. km	1057.7
66/11 kV Grid S/s	7251.0 MVA	1.201	₹ lakh/MVA	87.1
33/11 kV Grid S/s				
11/0.415 kV DT	7352.5 MVA	2.979	₹ lakh/MVA	219.0
Total				**1544.0**

(i) <u>Additional Expenses in accordance with the Business Plan Regulations, 2019:</u>

1B.40 In terms of Regulation 11(9) of Tariff Regulation, 2017 read with Regulation 23 of the Business Plan Regulation 2019, the Petitioner has projected the

additional expenses of ₹ 427.8 Cr. for FY 2024-25 as such expenses are over and above normative O&M expenses.

Table 1B - 28: Additional Expenses estimated for FY 2024-25 based on norms of BPR, 2019 (in ₹ Cr.)

S. No	Particulars	FY 2024-25
1	License Fee paid to GoNCTD	13.3
2	Incremental impact of Property tax	0.2
3	Expenses towards Smart Meter implementation	333.3
4	Ombudsman Expenses	0.4
5	CGRF Expenses	1.2
6	Legal Fees and Expenses	30.1
7	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7
8	Amortization and rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	0.6
9	Syndication Fee/Bank charges regarding loan of Working Capital	4.0
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04
11	Loss on Sale of Retired Assets	8.3
12	Incremental impact of GST	13.5
13	Incremental SMS Charges	0.3
14	Incremental impact of 7th Pay Commission*	-
15	**Additional Expenses (sum of 1 to 14)**	**427.8**

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

2. Normative O&M Expenses as per Business Plan Regulations, 2023

1B.41 The Petitioner has projected the O&M expenses (inclusive of employees expenses pertaining to non-FRSR employees only) of ₹ 846.51 Cr. for FY 2024-25, as provided by the Hon'ble Commission in SOR of Business Plan Regulations, 2023.

1B.42 The Regulation 23 (5) of the Business Plan Regulations, 2023 provides as under:

> *"23. OPERATION AND MAINTENANCE EXPENSES:*
> *.....*
> *(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature,*

therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check"

1B.43 The Petitioner requests the Hon'ble Commission to kindly consider the latest available actual FRSR employee expenses of the Petitioner amounting to ₹ 287.0 Cr. for FY 2024-25.

(i) Additional Expenses

1B.44 The Petitioner has estimated the additional expenses for FY 2024-25 in terms of Business Plan Regulation, 2023 as under:

Table 1B - 29: Additional Expenses estimated for FY 2024-25 (₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks/Ref.
1	Employee Expenses pertaining to FRSR employees	287.0	Table 4- 59
2	License Fee paid to GoNCTD	13.3	
3	License Fee paid to DERC	4.7	
4	Property Tax	3.3	
5	Expenses towards Smart Meter Implementation	333.3	
6	Ombudsman Expenses	0.4	
7	CGRF Expenses	1.2	
8	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7	
9	Amortization and rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	1.3	
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04	
11	Loss on Sale of Retired Assets	8.3	
12	Incremental impact of 7th Pay Commission*	-	
13	**Total (sum of 1 to 12)**	**675.4**	

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

3. Total O&M Expenses for FY 2024-25

1B.45 The Petitioner has projected the total O&M expenses for FY 2024-25 in terms of the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 as tabulated under:

Table 1B - 30: Total O&M Expenses estimated for FY 2024-25 (₹ Cr.)

S. No	Particulars	FY 2024-25 as per BPR, 2019	FY 2024-25 as per BPR, 2023
A	**Normative O&M Expenses**		
1	based on network capacity	1,544.0	
2	Considering norm inclusive of Employee Expenses pertaining to non-FRSR Employees		846.5
B	**Additional Expenses**		
1	Employee Expenses pertaining to FRSR employees	included in normative O&M	287.0
2	License Fee paid to GoNCTD	13.3	13.3
3	License Fee paid to DERC	-	4.7
4	Property Tax	-	3.3
5	Incremental impact of Property tax	0.2	
6	Expenses towards Smart Meter Implementation	333.3	333.3
7	Ombudsman Expenses	0.4	0.4
8	CGRF Expenses	1.2	1.2
9	Legal Fees and Expenses	30.1	-
10	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7	22.7
11	Amortization and rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	0.6	1.3
12	Syndication Fee/Bank charges regarding loan of Working Capital and Regulatory Assets	4.0	considered in interest on loan
13	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04	0.04
14	Loss on Sale of Retired Assets	8.3	8.3
15	Incremental GST Impact	13.5	-
16	Incremental SMS Charges	0.3	-
17	Incremental impact of 7th Pay Commission*	-	-
	Additional Expenses	**427.8**	**675.4**
C	**Total O&M Expenses (C = A+B)**	**1,971.8**	**1,521.9**

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

Capital Expenditure and Capitalization

1B.46 As regards, Capital Investment, Regulation-24 (1) of the Business Plan Regulations, 2023 states as under:

*"**24. Capital Investment Plan***
(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 12: Capitalisation for BRPL for the Control Period (in Rs. Cr.)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	Total
Capitalization	658	681	706	2045
Smart Meter	200	200	200	600
Less: Deposit Work	100	100	100	300
Total	758	781	806	2345

"

1B.47 The Petitioner has considered the gross capitalisation of ₹ 881.0 Cr. including consumer contribution (Deposit work) during FY 2024-25 as approved by the Hon'ble Commission in Regulation 24 (1) of the Business Plan Regulations, 2023. The Petitioner requests the Hon'ble Commission to allow the amount of ₹ 881.0 Cr. for FY 2024-25 as the gross capitalization (for normal capex schemes other than smart meters).

Consumer Contribution

1B.48 For the purpose of computation of RRB, the Petitioner has considered actual Consumer contribution capitalized upto FY 2022-23. Thereafter, for each of the FY 2023-24 and FY 2024-25, the Petitioner has considered ₹ 100 Cr. of consumer contribution capitalized as approved by the Hon'ble Commission in Regulation 24 (1) the Business Plan Regulations, 2023.

Table 1B - 31: Consumer Contribution for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	Amount	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2022-23	1134.1	Table 3A- 36 of this True Up Petition for FY 2022-23

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S. No	Particulars	Amount	Remarks/Ref.
B	Consumer Contribution Capitalized for FY 2023-24	100.0	Regulation 24(1) of BPR, 2023
C	Opening Balance of Consumer Contribution capitalized for FY 2024-25	1234.1	C = A+B
D	Consumer Contribution Capitalized for FY 2024-25	100.0	Regulation 24(1) of BPR, 2023
E	Closing Consumer Contribution and Grants for FY 2024-25	1334.1	E = C+D
F	Average Consumer Contribution and Grants	1284.1	F = (C+E)/2

Depreciation

1B.49 The Petitioner has projected the rate of depreciation of 4.58% for FY 2024-25 as claimed in FY 2022-23. However, the depreciation rate of 4.58% so computed, may undergo change at the end of FY 2024-25 based on actual capitalization.

1B.50 The depreciation for FY 2024-25 is tabulated below:

Table 1B - 32: Depreciation for FY 2024-25 (in ₹ Cr.)

S.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2023-24	9427.7	Table 3A-33 of this True Up Petition for FY 2022-23
B	Addition during FY 2023-24	858.0	Regulation 24 of BPR, 2023
C	Opening GFA for FY 2024-25	10285.7	C = A + B
D	Addition during FY 2024-25	881.0	
E	Closing GFA for FY 2024-25	11166.7	E = C + D
F	Average GFA for FY 2024-25	10726.2	F = (C+E)/2
G	Less: Average Consumer Contribution for FY 2024-25	1284.1	Table 1B- 31
H	Average GFA net of Consumer Contribution	9442.1	H = F - G
I	Average rate of depreciation (%)	4.58%	Para 1B.49 and Table 3A- 39
J	**Depreciation for FY 2024-25**	**432.0**	**J = H x I**
K	Opening Accumulated Depreciation for FY 2024-25	4767.3	Table 3A- 41 + ₹396.84 Cr for FY 2023-24
L	Closing Accumulated Depreciation for FY 2024-25	5199.4	L = J + K

Return on Capital Employed (RoCE)

1B.51 Interest on Loan (IOL): In accordance with the norms in Business Plan Regulations, the rate of interest on capex-loan and working capital loan is 12.80% in accordance with Business Plan Regulations, 2019 and 11.05% in accordance with Business Plan Regulations, 2023 for FY 2024-25. IOL computed for FY 2024-25 is as under:

Table 1B - 33: Rate of Interest on Loan as per BPR, 2019 and BPR, 2023

S. No.	Particulars	As per BPR 2019	As per BPR 2023	Remarks/Ref.
A	SBI MCLR as on Oct'23	8.55%	8.55%	
B	Normative Margin	4.25%	2.50%	2nd year of the Business Plan Regulations' control period
C	Margin for Term Loan for FY 2024-25	4.25%	2.50%	C = B
D	Margin for Working Capital Loan for FY 2024-25	4.25%	2.50%	D = B
E	**Rate of Interest on Term Loan as per norms in Business Plan Regulations**	**12.80%**	**11.05%**	**E=A+C**
F	**Rate of Interest on Working Capital as per norms in Business Plan Regulations**	**12.80%**	**11.05%**	**F=A+D**

1B.52 Accordingly, the cost of debt computed for FY 2024-25 on the basis of norms specified in Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is as under:

Table 1B - 34: Cost of Debt for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalization upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref.
A	Opening Debt (₹ Cr.)	1,588.2	405.9	Table 4- 69
B	Opening Working Capital Debt (₹ Cr.)	-	1,377.7	Table 4- 65
C	Capex Addition (₹ Cr.)	-	546.7	Table 4- 64
D	Repayment (₹ Cr.)	158.8	178.4	Table 4- 69
E	Capex Loan - Closing Balance (₹ Cr.)	1,429.4	774.3	E = A + C
F	Change in Working Capital (₹ Cr.)	-	130.6	Table 4- 65
G	Working Capital Loan - Closing Balance (₹ Cr.)	-	1,508.3	G = B + F

S. No	Particulars	corresponding to capitalization upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref.
H	Actual/Normative Rate of Interest	13.50%	13.50%	Para 4.207 of this Tariff Petition
I	Rate of Working Capital Loan	-	12.80%	Para 4.208 of this Tariff Petition
J	**Rate of interest on debt (rd)-Blended**	**13.50%**	**13.04%**	**J=((ExH)+(GxI)) / (E+G)**

Table 1B - 35: Cost of Debt for FY 2024-25 as per BPR, 2023

S. No.	Particulars	corresponding to capitalization upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks /Ref.
A	Opening Debt (₹ Cr.)	1,588.2	405.9	Table 4- 70
B	Opening Working Capital Debt (₹ Cr.)	-	1303.2	Table 4- 65
C	Capex Addition (₹ Cr.)	-	546.7	Table 4- 64
D	Repayment (₹ Cr.)	158.8	170.9	Table 4- 70
E	Capex Loan - Closing Balance (₹ Cr.)	1429.4	781.7	E = A + C
F	Change in Working Capital (₹ Cr.)	-	114.0	Table 4- 65
G	Working Capital Loan - Closing Balance (₹ Cr.)	-	1417.2	G = B + F
H	Actual/Normative Rate of Interest	11.05%	11.05%	Table 1B - 33
I	Rate of Working Capital Loan	-	11.05%	Table 1B - 33
J	**Rate of interest on debt (rd)-Blended**	**11.05%**	**11.05%**	**J=((ExH)+(GxI)) / (E+G)**

1B.53 Return on Equity (ROE): For computation as per Business Plan regulations, 2019, the Petitioner has considered Rate of Return on Equity (hereinafter "ROE") till FY 2024-25 as 16%. However, for computation as per Business Plan Regulations, 2023, the Petitioner has considered Rate of Return on Equity (hereinafter "ROE") for FY 2024-25:

- As 16% for assets capitalised till 31.03.2023 in accordance with Regulation 20(1) and 20(2) of Business Plan Regulations, 2019;

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- As 14% for all assets to be capitalised on and from 01.04.2023 in accordance with Regulations 1(1) and 20(1) of Business Plan Regulations, 2023.

1B.54 Return on Capital Employed (RoCE): The Petitioner has computed RoCE during FY 2024-25 in accordance with Business Plan Regulations, 2019 and Business Plan Regulations, 2023 tabulated here as under:

Table 1B - 36: RoCE for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	as per BPR, 2019	as per BPR, 2023
A	RoCE	1094.4	997.3

Non-Tariff Income

1B.55 The Non-Tariff Income during FY 2024-25 has been considered same as submitted in truing up of FY 2022-23 as under:

Table 1B - 37: Non-Tariff Income for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks/Ref.
1	**Non-Tariff Income**	**141.5**	**Para 1B.55 and Table 3A- 54**

Aggregate Revenue Requirement

1B.56 Based on the above discussions, the Petitioner has sought the ARR in accordance with Business Plan Regulations, 2019 and Business Plan Regulations, 2023 for FY 2024-25 tabulated here as under:

Table 1B - 38: Aggregate Revenue Requirement for FY 2024-25 (₹ Cr.)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks/Ref.
1	2	3	3	4
A	Net Power Purchase Cost including Transmission and SLDC Charges	10,936.0	10,936.0	Table 4- 53
B	O&M Expenses	1,544.0	846.5	Table 4- 60
C	Additional Expenses	427.8	675.4	Table 4- 59

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks/Ref.
1	2	3	3	4
D	Depreciation	432.0	432.0	Table 4- 63
E	Return on Capital Employed (RoCE)	1,094.4	997.3	Table 4-81
F	Other Expenses*	225.1	225.1	Table 4- 83
G	**Sub-total**	**14,659.3**	**14,112.5**	**G= Sum (A to F)**
H	Non-Tariff Income	141.5	141.5	Table 4- 82
I	**Aggregate Revenue Requirement**	**14,517.9**	**13,971.0**	**I = G - H**

**Refundable Unspent Consumer Contribution (with interest) persuant to APTEL Judgment dated 31.08.2021*

Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs

1B.57 The Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs is tabulated below:

Table 1B - 39: Revenue (Gap)/ Surplus at Existing Tariff for FY 2024-25 (₹ Cr.)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks/Ref.
A	ARR for FY 2024-25	14,517.9	13,971.0	Table 4- 83
B	Revenue available towards ARR	9,262.3	9,262.3	Table 4- 42
C	**Revenue (Gap)/ Surplus**	**(5,255.6)**	**(4,708.7)**	**C=B-A**
D	**Less: Revenue Gap on account of Power Purchase cost proposed to be recovered through PPAC**	**(3,970)**	**(3,970)**	**Para 1B.59(a)**
E	**Net Revenue Gap proposed to be recovered through cost reflective Tariff**	**(1286)**	**(739)**	**E=C-D**

Tariff Hike Proposed

1B.58 The revenue gap is primarily on account of Power Purchase Cost which is not within the control of the Petitioner. The other contributing factors include (i) lower revenue on account of lower approved tariff i.e. non cost reflective tariff and (ii) gap on account of financing of huge accumulated deficit.

1B.59 To address the revenue gap indicated above and to fully meet the tariff requirement of the Petitioner, it is proposed that:

a) The revenue gap of ₹ 3970 Cr., difference between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, is proposed to be recovered through additional PPAC during FY 2024-25.

b) Balance revenue gap of ₹ 1286 Cr. in terms of Business Plan Regulations, 2019 and ₹ 739 Cr. in terms of Business Plan Regulations, 2023 is proposed to be recovered through cost reflective tariff.

1B.60 The Hon'ble Commission is requested to allow tariff hike to make cost reflective tariff during FY 2024-25, apart from a surcharge towards recovery of both principal and interest component, on the past accumulated deficit on account of RA.

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Chapter 1C
Preamble

BSES Rajdhani Power Limited DELHI

BEFORE THE HON'BLE DELHI ELECTRICITY REGULATORY COMMISSION

C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. _____OF 2023

IN THE MATTER OF:

BSES Rajdhani Power Limited

BSES Bhawan, Nehru Place,

New Delhi – 110019. …**PETITIONER**

AND

IN THE MATTER OF: Truing-up upto the Financial Year (hereinafter referred to as **"FY"**) FY 2022-23, in accordance with Section 62 of the Electricity Act, 2003 read with Sections 11 and 28 of Delhi Electricity Reforms Act, 2000 (hereinafter "**DERA**") to the extent applicable, the DERC (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as **"the Hon'ble Commission / Hon'ble DERC"**) along with Regulation 13 read with Regulation 139 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "**DERC Tariff Regulations, 2017")** read with **DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019** (hereinafter referred to as "**Business Plan Regulations, 2019")** along with the provisions of the DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as **"DERC MYT Regulations, 2011")** and DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as **"DERC MYT Regulations, 2007").**

AND

IN THE MATTER OF: Aggregate Revenue Requirement (**"ARR"**) and Tariff Petition filed for FY 2024-25 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2019 and the DERC Business Plan Regulations, 2023 (hereinafter collectively referred to as "**Business Plan Regulations")** and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the DERC (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.

BSES Rajdhani Power Limited DELHI

PETITION FOR TRUING-UP UPTO FY 2022-23

AND

AGGREGATE REVENUE REQUIREMENT FOR FY 2024-25

MOST RESPECTFULLY SHOWETH:

1. BSES Rajdhani Power Limited (hereinafter referred to as **"the Petitioner/ BRPL"),** a company incorporated under the Companies Act, 1956, and having its registered office at BSES Bhawan, Nehru Place, New Delhi – 110019, has been granted a license for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the *"License for Distribution and Retail Supply of Electricity"* (**"License Conditions"**) issued by the Hon'ble Commission.

2. The present petition is being filed for: -

   (a) Truing-up of Costs upto FY 2022-23 (hereinafter referred to as the **"True Up Petition")**

   (b) Aggregate Revenue Requirement for FY 2024-25 (hereinafter referred to as the **"ARR Petition").**

   The True up Petition and ARR Petition hereinafter collectively referred to as the **"Petition".**

3. In accordance with the Electricity Act, 2003 (hereinafter referred to as **"the 2003 Act"**), the License Conditions, DERC Tariff Regulations, 2017, Business Plan Regulations, 2017, Business Plan Regulations, 2019, Business Plan Regulations, 2023 and DERC MYT Regulations 2007 and 2011, the Petitioner is required to file the Annual Tariff Petition for FY 2024-25 and Truing-up of

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costs upto FY 2022-23. The Petitioner is praying to this Hon'ble Commission to allow the present Petition and inter alia permit the claims and expenses as sought for by the Petitioner and to allow the truing-up as sought for herein below in terms of law laid down by the Hon'ble Supreme Court and the Hon'ble Tribunal from time to time.

4. In accordance with Section 62 of the 2003 Act and Revised Tariff Policy 2016, the Hon'ble Commission has notified the DERC Tariff Regulations, 2017 and under Section 61, 86(1)(b) and Section 181 of the 2003 Act, which are required to be followed by the Licensees for filing the Petition for determination of ARR and Tariff for any particular financial year.

5. In Delhi, the Distribution Licensees in addition to DERC Tariff Regulations, 2017 are also required to follow the Business Plan Regulations, issued by the Hon'ble Commission for each Control Period while filing the ARR and Tariff Petition.

6. The Business Plan Regulations, 2023 issued by the Hon'ble Commission on 06.04.2023 are in force for a period of three (3) years i.e. FY 2023-24, FY 2024-25 and FY 2025-26. The ARR Petition for FY 2024-25 is being filed under DERC Business Plan Regulations, 2023 without prejudice to the Petitioner's rights and contentions as regards the challenge to the legality, validity and vires of the Business Plan Regulations, 2023 pending adjudication before the Hon'ble High Court of Delhi in W.P. (C) No. 6618 & 6719 of 2023. However, subject to pendency / outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in the present Petition has also submitted its claims for approval of Aggregate Revenue Requirement for FY

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2024-25 in terms of the norms and parameters as laid down under the DERC Business Plan, Regulations, 2019 to seek legitimate allowances entitlements of the Petitioner and demonstrate the financial and operational prejudice being caused to the Petitioner.

7. The ARR Petition of a Distribution Company/ Licensee/ Utility (hereinafter referred to as **"the Discom/ Discoms**") comprises various components like Power Purchase Cost, Operation and Maintenance Expenses, Capital expenditure related expenses, Income Tax, Revenue from tariff, Non-Tariff Income etc.

8. The Power Purchase Cost including Transmission Charges is a major component (constitutes almost 75% - 80%) of the total ARR of Discom. Most of the power is being purchased from Central Generating Stations like NTPC Limited, NHPC Limited, DVC as well as State Generating Companies, etc. Most of these Central/ State Generating Stations are Government Entities / Public Sector Undertakings (**"PSUs"**) for which audit is already being carried by the Comptroller and Auditor General of India. Petitioner purchases power from Central Generating Stations at the tariff determined by the Hon'ble Central Electricity Regulatory Commission (hereinafter referred to as **"Hon'ble CERC"**) and from the State-owned Generators after this Hon'ble Commission determines tariff for the sale of power in its various Tariff Orders. All the Power Purchase Agreements (hereinafter referred to as the "**PPAs**") are approved by the Hon'ble Commission.

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9. Under the provisions of the DERC Tariff Regulations, 2017, the Annual Tariff Petition for determination of ARR for any Financial Year is required to be filed 150 days before the commencement of that particular year.

Legal Provisions for filing of Petition:

10. Filing of the Petition is based on the following legal provisions / principles which needs to be followed by the Hon'ble Commission while deciding the same:

a) **Section 61** of the 2003 Act lays down the guiding principles for tariff determination which essentially require that:

> "*61. The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-*
>
> *(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;*
>
> *(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;*
>
> *(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;*
>
> *(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;*
>
> *(e) the principles rewarding efficiency in performance;*
>
> *(f) multiyear tariff principles;*
>
> *(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;*
>
> *(h) the promotion of co-generation and generation of electricity from renewable sources of energy;*
>
> *(i) the National Electricity Policy and tariff policy:"*

b) **Section 62** of the 2003 Act provides for determination of tariff for supply of electricity by a generating company to distribution licensee; retail supply

and wheeling tariff etc.

c) **Section 64** of the 2003 Actprovides for the procedure for passing Tariff Order by the Appropriate Commission.

d) **Revised Tariff Policy, 2016 notified by the Central Government under Section 3 of the Electricity Act, 2003:**

"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of hydro- thermal mix in case of adverse natural events."

Furthermore, the Revised Tariff Policy, 2016 also mandates approval of capital expenditure necessary to meet the minimum service standards. There is a need to accelerate performance improvement and reduction in losses which will be in long term interest of consumers by way of lower tariffs.

"a) Return on Investment

Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.

…

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

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….

At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.

….

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.

Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

….

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 a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

a. *Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
b. *Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."*

[Emphasis Supplied]

e) The Hon'ble Supreme Court in its various judgments has time and again held that the Tariff Policies are **statutory and binding** including in: -

(i) ***Energy Watchdog v. CERC, (2017) 14 SCC 80 [Para. 57]***

(ii) ***Reliance Infrastructure Limited v. State of Maharashtra, (2019) 3 SCC 352[Para. 29 & 32]***

(iii) ***Tata Power Co. Ltd. Transmission v. MERC, 2022 SCC OnLine SC 1615 [Para. 123, 124, 129 and 131]***.

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(iv) ***GRIDCO Ltd. Vs. Western Electricity Supply Company of Orissa Ltd. &Ors., etc.2023 SCC OnLine SC 1249 [Para. 40 and 53]***

f) **The Electricity (Second Amendment) Rules, 2023** dated 26.07.2023 notified under Section 176 of the 2003 Act has inter-alia laid down the framework for financial sustainability as under:

> *"20. Framework for Financial Sustainability: (1) The Aggregate Technical and Commercial loss reduction trajectory to be approved by the State Commissions for tariff determination shall be in accordance with the trajectory agreed by the respective State Governments and approved by the Central Government under any national scheme or programme, or otherwise.*
> *(2) The trajectory for both collection and billing efficiency, for distribution licensee shall be determined by the State Commission in accordance with the trajectory approved under sub-rule (1).*
> *(3)* ***All the prudent costs of power procurement, incurred by distribution licensee*** *for ensuring 24x7 supply of electricity to consumers under the Electricity (Rights of Consumers) Rules, 2020 and for meeting requirements as per Resource Adequacy plan prepared under the Electricity (Amendment) Rules 2022* ***shall be taken into account, provided that the procurement of power has been done in a transparent manner or procurement price has been approved by the Appropriate Commission****.*
> *(4)* ***All the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system in accordance with sub-section (1) of section 42 of the Act shall be pass through:***
> *Provided that such pass-through of the cost for the assets created by the distribution licensee shall be subject to following conditions:-*
> *(i) the asset has been created in accordance with the capex roll out plan for the licensee approved by the respective State Commission.*
> *(ii) the asset has been procured in competitive and transparent manner.*
> *(iii) the asset is geo-tagged and properly recorded in Fixed Asset Register.*
> *(5)* ***Gains or losses accrued to distribution licensee due to deviation from approved Aggregate Technical and Commercial loss reduction trajectory shall be quantified on the basis of Average Power Purchase Cost and shared between the distribution licensee and consumers. Two third of the gains shall be passed on to the consumers in tariff and rest shall be retained by the distribution licensee. Two third of the losses shall be borne by the distribution licensee and rest shall be borne by the consumers.***

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(6) ***The operation and maintenance norms for distribution licensee shall be determined by the State Commissions in accordance with the guidelines issued by the Authority.***
(7) ***Reasonable Return on Equity shall be permitted, with the assessment of overall risk and the prevalent cost of capital.***
(8) The Return on Equity by the State Commission shall be aligned with the Return on Equity specified by the Central Commission for generation and transmission in its Tariff Regulations for the relevant period, with appropriate modification taking into account the risks involved in distribution business.*"*

g) **Regulation 11 of the DERC Tariff Regulations, 2017** laid down the provisions for tariff filing by the distribution licensees inter-alia as follows:

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

(1) Sales Forecast for the ensuing year and audited Sales for previous Year on monthly basis as prescribed in the Appendix-2;

(2) Expected Revenue to be billed for the ensuing year and audited Revenue Billed and Realized for previous Year as prescribed in the Appendix-2;

(3) Power Procurement Quantum & Cost for ensuing Year and audited Power Purchase Quantum & Cost for previous Year on monthly basis indicating Long Term and Short Term, Renewable Energy Purchase and other applicable Charges as prescribed in the Appendix -2:

Provided that the Distribution Licensee shall propose the indicative cost of power procurement taking into account revenues from Short term sale of Surplus Power and maximum normative rebate available from each entity;

Provided that the Renewable Purchase Obligation of the Distribution Licensee as per the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time shall be part of the Distribution Licensee's Power Procurement Cost;

(4) Actual and Expected intra- State & inter-State Transmission Loss & Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity for the previous and ensuing Year respectively:

Provided that the Distribution Licensee shall propose Wheeling Charges in case the distribution network of other Distribution

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Licensee is used for procurement of power for the Retail Supply Business;

(5) Actual and Expected amount on account of Cross-Subsidy Surcharge and Additional Surcharge to be received by the Licensee, as approved by the Commission from time to time in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time, shall be indicated separately against the consumer category by the Distribution Licensee;

(6) Actual Voltage wise Distribution Loss and Collection Efficiency for the previous Year;

(7) Energy Audit Report of distribution network of the Distribution Licensee for previous Year by certified energy auditor from Bureau of Energy Efficiency;

(8) Monthly Energy Balance for the ensuing & previous Year;

(9) Actual and Expected Additional Expenses on account of O&M beyond the Control of Distribution Licensee for the ensuing & previous Year respectively;

(10) Actual and Expected Capitalisation and Depreciation Schedule for the previous and ensuing Year respectively;

(11) Actual and Expected Non-Tariff Income including Other Business Income for the previous and ensuing Year respectively;

(12) Actual weighted average rate of interest on loan."

h) Applicable provisions of the DERC Business Plan Regulations.

11. Projections for ensuing year are done on the basis of previous years' numbers and data analysis, few of which are outlined below:

a) **Energy Sales** to various consumer categories are projected on the basis of Compounded Annual Growth Rate (**"CAGR"**) of actual energy sales during past years.

b) **Distribution Loss and Collection Efficiency** are projected in accordance with the DERC Tariff Regulations, 2017 and the target specified by the Hon'ble Commission in DERC Business Plan Regulations, 2023.

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c) **Power Quantum** to be purchased is projected on the basis of sales and Distribution Loss projected for the ensuing year. Various Power Purchase Agreements/ Short term and long term Contracts approved by the Hon'ble Commission are taken into consideration while projecting power purchase quantum.

d) **Power Purchase Cost** is projected on the basis of bills raised by Generating & Transmission companies in terms of the orders issued by the Hon'ble CERC, various Petitions filed by the Generating & Transmission Companies before the Hon'ble CERC and/or this Hon'ble Commission based upon the applicability.

e) **Operation and Maintenance Expenses** are projected on the basis of applicable provisions of the Tariff Regulations, 2017 and Business Plan Regulations.

f) **Capital expenditure related expenses** are projected on the basis of capitalisation approved by the Hon'ble Commission in the DERC Business Plan Regulations, 2023 and in terms of the methodology specified in the Tariff Regulations, 2017.

g) **Return on Capital Employed (RoCE)** is projected in terms of the methodology specified in the Tariff Regulations, 2017 and on the basis of the norms specified by the Hon'ble Commission in Business Plan Regulations.

The above is subject to the orders passed by the Hon'ble Delhi High Court in the pending Writ Petitions as well as any modification/ amendment of the

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Business Plan Regulations in terms of the Electricity (Second Amendment) Rules, 2023.

12. Clause 24 of the License Conditions of the Petitioner issued by the Hon'ble Commission provides for the provision of revenue calculation and tariffs.

13. Therefore, it is respectfully submitted that the Hon'ble Commission may consider the following while deciding the instant Petition:

a) There has been **significant variation in Power Purchase Cost** as approved by the Hon'ble Commission in the Tariff Order dated 30.09.2021 vis-a-vis Power Purchase Cost incurred by the Petitioner during FY 2022-23 on account of various factors which were beyond the control and not attributable to the Petitioner including **change in law, fuel cost, increase in demand-supply gap** resulting in more frequent short term power purchase at higher costs. It is noteworthy that there has been no Tariff Order issued by the Hon'ble Commission for ARR of FY 2022-23 and FY 2023-24, as well as True Up of FY 2020-21 and FY 2021-22. Thus, it would be incumbent on this Hon'ble Commission to address this problem as power purchase cost constitutes around 75% - 80% of the total ARR of the Petitioner.

b) The Petitioner has been facing imminent cash-flow challenges due to unrecovered expenses primarily on account of uncontrollable increase in the power purchase cost as well as accumulation and under recovery of Regulatory Asset (hereinafter referred to as the "**RA**").

c) The Petitioner is aggrieved by the fact that undeniably; a cost reflective tariff has not been provided to the Petitioner ever since privatization. The

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Hon'ble Commission in its Statutory Advice to the Government of National Capital Territory of Delhi (hereinafter referred to as **"GoNCTD")** dated 15.12.2010 and 01.02.2013 has admitted that the Petitioner is facing an adverse financial position. Even independent experts appointed by GoNCTD, such as M/s. Price Waterhouse Coopers (hereinafter referred to as "**PwC"**) in its report titled *'Advisory to Delhi Government Report on operational issues of Delhi Discoms'* have corroborated the said findings of the Hon'ble Commission on various occasions.

d) The Petitioner has been and continues to be in a situation where its financial health and ability to pay for power procurement (which constitutes 75% - 80% of the Petitioner's expenses) besides statutory dues has been constrained and that too not for any reasons attributable to the Petitioner but for the legitimate costs and expenses being withheld in the form of RA.

e) In addition to the above, the Petitioner is also not allowed the legitimate entitlements that have been approved through directives or the Orders/Judgments issued by the Hon'ble Supreme Court, the Hon'ble Tribunal in various appellate proceedings as well as the Orders of the Hon'ble Commission itself.

f) The above position was admitted by the Hon'ble Commission itself in its Analysis(Annexure-XII) released along with the Hon'ble Commission's Tariff Order for FY 2011-12 wherein the Hon'ble Commission admitted that in the FY 2010-11 onwards, the power purchase cost was actually 131.83% of the total revenue billed of BRPL, as under:

"Based on the audited accounts of the DISCOMs, the Commission, in its advice dated 15.12.2010 to the GNCTD under Section 86(2) (iv) of the Electricity Act, 2003, had observed that there has been a very considerable increase in power purchase costs incurred by the distribution licensees during FY 2009-10 and FY 2010-11. The power purchase cost which normally does not exceed 80% of the revenue from retail sale of electricity has increased much beyond this level. Table-4 of the advice which summarizes the percentage of power purchase cost vs. total revenue billed is reproduced below:-

Nameof Licensee	***2008-09***	***2009-10***	***2010-11***
NDPL	*76%*	*98%*	*104.02%*
BRPL	*83%*	*94%*	*131.83%*
BYPL	*73%*	*77%*	*154.65%*
NDMC	*65.5%*	*76.25%*	*114.05% (For April-Sep. 10-11)*

g) The position has further aggravated which is evident from the fact that the RA has increased from ₹ 3225.3 Cr. (approved till FY 2011) to ₹ 4189 Cr. (approved till FY 2020).It is noteworthy that these approved figures do not include the impact of various directives/Orders/Judgments issued by the Hon'ble Supreme Court, the Hon'ble Tribunal in various appellate proceedings as well as the Orders of this Hon'ble Commission.

14. It is imperative to note that in terms of Section 61 and 62 of the 2003 Act, the determination of ARR has to be based on the Petition in a manner ensuring timely recovery of all costs so that ultimately consumers do not have to bear burden of avoidable carrying cost on those amounts and costs that are not passed through in the retail tariffs on a regular basis.

15. Accordingly, the Petitioner is filing the present Petition to ensure prompt determination of ARR and Tariff for FY 2024-25 and requests the Hon'ble

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Commission to permit recovery of all expenses as prayed for to enable the Petitioner to:

(a) comply with various directions of the Hon'ble Commission;

(b) meet performance standards and mitigate the impact of the large increase in power purchase costs and other uncontrollable costs.

(c) achieve realistic trajectory for various aspects of the regulated business based on the actual performance of the Petitioner during previous period.

(d) achieve the trajectory for controllable items under various heads based on the criteria mentioned for each of the individual tariff items in the Petition.

(e) Provide payment security mechanism to the generating and transmission companies subject to proceedings pending before various fora including the Hon'ble Supreme Court.

16. Further, the filing of Petition also includes Truing-up of FY 2022-23 based upon the Audited Accounts available and applicable Regulations for that particular financial year.

PRINCIPLES OF TRUING UP UPTO FY 2022-23:

17. It is submitted that the present True Up Petition is filed in accordance with the principles contained in:

a) Electricity Act, 2003;

b) DERC Tariff Regulations, 2007;

c) DERC Tariff Regulations, 2011;

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d) DERC Tariff Regulations, 2017;

e) DERC Business Plan Regulations, 2017;

f) DERC Business Plan Regulations, 2019;

g) Revised Tariff Policy,2016 and National Electricity Policy, 2005;

h) Judgment dated 18.10.2022 issued by the Hon'ble Supreme Court in Civil Appeal Nos. 4323 and 4324 of 2015 inter-alia laying down principles for truing-up.

i) Various Judgments of the Hon'ble Supreme Court/Tribunal regarding:

(i) true-up of uncontrollable factors such as power purchase costs, energy sales, new initiatives, etc.; and

(ii) recovery of accumulated Revenue Gap and allow suitable Tariff revision to recover estimated revenue shortfall;

(iii) fixation of financial and performance targets before the Tariff Year;

(iv) Regulations framed under the 2003 Act could not operate retrospectively.

(v) Approval of all expenses in the truing up while determining ARR without deferring any or part of the expense in the form of RA.

18. Apart from the above, it is humbly submitted that the Hon'ble Commission while deciding the present True Up Petition may be pleased to consider:

a) Actual energy procured and sold by the Petitioner during FY 2022-23.

b) Principals laid down by the Hon'ble Supreme Court and the Hon'ble Tribunal in various Judgments and consequential impact thereof.

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c) All costs prudently incurred by the Petitioner without any deferment in terms of the applicable Regulations.

d) Tariff Orders issued by the Hon'ble CERC for various generating stations and Tariff Orders issued by this Hon'ble Commission for the Generating and Transmission companies from which the Petitioner fulfill its power requirement, while Truing-up the power purchase and transmission costs of the Petitioner.

19. Therefore, it is humbly submitted that allowing truing-up on urgent basis in terms of the principles of true up set out herein above is pivotal for the Petitioner to ***(a)*** meet its power purchase costs and other uncontrollable costs, ***(b)*** meet the performance standards as well as ***(c)*** comply with various directives specified by the Hon'ble Commission, which particularly entails expenditure. Timely completion of the true-up exercise allowing recovery of costs in a reasonable manner will not only have a positive impact on the Petitioner's ability to service the consumers/public but will also reduce the avoidable burden of carrying cost on deferred costs.

20. Accordingly, the Petitioner is filing the present Petition to ensure judicious Truing-up of expenses upto FY 2022-23 so as to permit recovery of expenses as prayed for in the present petition as it impacts the Petitioners functioning in various ways (specifically for disallowances which are not in control of the Petitioner).

21. Further, it is respectfully submitted that the Hon'ble Tribunal has in catena of judgments underscored the necessity for carrying truing-up of expenses for the financial viability of the licensees and utilities. The Hon'ble Tribunal has also

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emphasized on the requirement to carry out the exercise for true-up in a time bound manner and ensure speedy recovery of costs. Reliance is placed on Full Bench Judgment of the Hon'ble Tribunal dated 11.11.2011 in OP No. 1 of 2011. In fact the Hon'ble Tribunal by subsequent Full Bench Judgment dated 14.11.2013 in ***OP No. 1 & 2 of 2012 – BRPL v. DERC &Ors., 2013 SCC Online APTEL 137 [Paras. 38 & 40]*** while reiterating the directions contained in Para 65 of Judgment dated 11.11.2011 in O.P No. 1 of 2011 (reproduced herein below under Para 23 (b)) had inter-alia directed the Hon'ble Commission to take immediate steps for recovery of the admitted Revenue Gap and decide amortization schedule to avert the problems of cash flow, which may come in the way of smooth operation of the Distribution system and meeting the requirements of electricity of the consumers in the national capital in a reliable manner if not remedied in time. Full Bench Judgment in OP No 1 and 2 of 2012 was upheld by the Hon'ble Supreme Court by Final Order and Judgment dated 01.12.2021, while dismissing this Hon'ble Commission's Civil Appeal Nos. 1854-55 of 2014.

22. Furthermore, Ministry of Power in its **Letter bearing No. 23/04/2021- R&R [257161] dated 01.04.2021** issued to various State Commissions ("**SERCs**") including this Hon'ble Commission has categorically stated that:

> *"**timely issuance of the Tariff Orders** and **full cost of reflectiveness of tariff** are important pre requisites for ensuring sustainability of the power sector and is also in the interest of the electricity consumers."*
>
> ***[Emphasis Supplied]***

23. In the said letter dated 01.04.2021, the Ministry of Power has:

a) Emphasised on 2003 Act and the Tariff Policy, 2016 and directed SERCs to

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avoid any further delays leading financial implications or non-compliance or deviation from the Statutes and policies and non-creation of RA. Para 4 of the letter states that:

> *"As per the act, **the tariff should reflect and recover the cost of supply besides a reasonable return**. There is **no provision of creating regulatory assets**. **Para 8.2.2 of the Tariff policy 2016 states that 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 a very rare exception in case of natural calamity or force majeure conditions** and subject to the following:*
>
> a. *Under business-as-usual conditions, **no creation of Regulatory Assets shall be allowed**;*
>
> b. ***Recovery of Outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years (from the date of notification of Tariff Policy, 2016), the State Commission may specify the trajectory for the same."***
>
> ***[Emphasis Supplied]***

b) The Ministry of Power has specifically relied upon Para 65 of the Hon'ble Tribunal Judgment dated 11.11.2011 in OP 1 of 2011 as extracted below:

> *"65In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:*
>
> i. *Every State Commission have to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariffdetermination is conducted year to year basis as per the time schedule specified in the Regulations.*
>
> ii. *It should be the endeavour of every State Commission to **ensure that the tariff for the financial year is decided before 1st April of the tariff year**. For example, the ARR & tariff for the financial year 2011- 12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*
>
> iii. *In the event of **delay in filing of the ARR, truing up and Annual Performance Review**, one month beyond the scheduled date of*

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submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.

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.*

v. ***Truing up** should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should becarried out along with the ARR and tariff determination for the financial year 2011-12.*

vi. *Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism."*

[Emphasis Supplied]

c) Ministry of Power in Para 6 of the letter has specifically highlighted the ballooning regulatory asset as under:

*"despite the above explicit legal provisions, there are **significant delays in issuance of the Tariff Orders** by some of the State Commissions. **Regulatory Assets are being created by some of the State Electricity Regulatory Commissions** as a matter of routine. This is against the letter and spirit of the law and not only negatively impacts financials of the Distribution Licensees and their business sustainability but is also prejudicial to the public interest as the Discoms do not have enough money to buy power or maintain distribution systems. **As per the PRAAPTI portal, as on 28.02.2021, the overdue outstanding amounts to GENCOs payable by DISCOMS has crossed Rs. 1,24,437 Crore. The outstanding loans of distribution utilities is in the range of 6, 00, 000 Crore. The average gap of retail tariff vis-a-vis the annual revenue requirement is in the range of 72 Paise***

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per unit (2018-19). The Regulatory assets is of the Order of 77,939 Crore".

[Emphasis Supplied]

24. The Ministry of Power on 03.05.2021 in furtherance of its communication dated 01.04.2021, has categorically emphasised on the provisions of the 2003 Act and the Hon'ble Tribunal Judgment in OP No. 1 of 2011 dated 11.11.2011passed by the Full Bench regarding timely determination of ARR and Truing up by the State Commissions and issues related to tariff revision.

25. Further, the Ministry of Power in its Letter dated 11.11.2022 has directed all SERCs/JERCs of all the States/UTs for determination of cost reflective tariff and liquidation of RA, to comply with the provision of 2003 Act and Tariff Policy and directions of the Hon'ble Tribunal and the Hon'ble Supreme Court of India. The Ministry of Power has specifically stated that:

> *"It is observed that large Regulatory Assets have been created by some Commissions, without specifying the mandatory trajectory for recovery of such Regulatory Assets. This is in contravention of the law. The State Commissions are required to comply with the provisions of the Electricity Act, 2003 and the Tariff Policy and lay down a trajectory for recovery of Regulatory Assets along with carrying costs.* ***The State Commissions should also ensure that no fresh Regulatory Assets are created****. The State Commissions should* ***ensure that the provisions of the Electricity Act and the Tariff Policy, and directions of Hon'ble APTEL and Hon'ble Supreme Court are implemented.*** *Government are advised that any wilful violation of the law would come under the ambit of Section 90 (2) (f) of the Electricity Act.*
>
> *For the financial viability of the Distribution licensees and the whole power sector, it is essential that the Regulatory Assets are liquidated at the earliest. It is requested that the latest status of Regulatory Assets and the* ***plan for liquidation of the same may be submitted to this Ministry within 30 days****.*
>
> *This issues with the approval of Hon'ble Minister of Power & NRE"*
>
> ***[Emphasis Supplied]***

26. The Hon'ble Supreme Court by its Judgment dated 18.10.2022 in Civil Appeal Nos. 4323 and 4324 of 2015 titled **'BYPL v. DERC'** and **'BRPL v. DERC'** respectively has *inter alia* held that:

a) Tariff Order is quasi-judicial in nature which becomes final and binding on the parties unless it is amended or revoked under Section 64(6) or set aside by the Appellate Authority. At the stage of 'truing up', the DERC cannot change the rules / methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR. [***Para. 51***].

b) Truing Up been held by Hon'ble Tribunal in ***SLDC v. GERC, 2015 SCC Online APTEL 50 (Para. 17)*** to mean the adjustment of actual amounts incurred by the licensee against the estimated / projected amounts determined under the ARR. Concept of 'truing up' has been dealt with in much detail by the Hon'ble Tribunal in its judgment in ***NDPL v. DERC, 2007 ELR (APTEL) 193(Para. 60)***. This view has been consistently followed by the Hon'ble Tribunal in its subsequent judgments. ***[Para. 52-53]***

c) True up stage is not an opportunity for the Hon'ble Commission to rethink *de novo* on basic principles, premises and issues involved in initial projections of the revenue requirement of the licensee. [***Para. 53 & 66***]

d) **True up exercise cannot be done to retrospectively change the methodology / principles of tariff determination and re-opening the original tariff determination order thereby setting the tariff determination process to a naught at 'true-up' stage.** ***[Para. 53]***

e) Revision or re-determination of tariff already determined by the DERC on

the pretext of prudence check and truing up would amount to amendment of the Tariff Order, which can be done only as per the provisions of Section 64(6) of 2003 Act within the period for which the Tariff Order was applicable. DERC cannot amend the Tariff Order in the guise of 'true-up' after the relevant financial year is over and the same is replaced by a subsequent Tariff Order. This would amount to a retrospective revision of tariff when the relevant period for such Tariff Order is already over. It is not permissible to amend the Tariff Order made under Section 64 of the 2003 Act during the 'truing up' exercise. [***Para 55***]

27. It is trite law that the tenets of judicial discipline and propriety requires that the orders of the higher Appellate authorities/superior courts must be followed scrupulously and unreservedly by its subordinate authorities. The direction of the Hon'ble Tribunal and the Hon'ble Supreme Court of India are binding on the Hon'ble Commission. If the Subordinate authority refuses to carry out the directions or to follow the dictums issued by the superior court in the exercise of Appellate powers, the result would be chaos in the administration of the justice. In fact, it will be destructive of one of the basic principles of the administration of justice. Therefore, the judgments delivered by the Hon'ble Tribunal and the Hon'ble Supreme Court ought to be implemented in their true letter and spirit by the Hon'ble Commission. This principle of law has been upheld in a catena of judgments, viz.:

The Hon'ble Supreme Court Judgments:

a) Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v. Western Electricity Supply Company of Orissa Ltd. &Ors.'*

b) Order dated 15.12.2022 in MA Nos. 633-634 and 1261-1262 of 2022 in CA Nos. 9003-04 of 2011 and CA Nos. 884&980 of 2010 respectively.

c) Judgment dated 18.10.2022 in CA Nos. 4323-4324 of 2015;

d) Judgment dated 01.12.2021 in Civil Appeal No. 980 of 2010 – BSES Yamuna Power Ltd. V Delhi Electricity Regulatory Commission and Batch

e) (2004) 5 SCC 1-Tirupati Balaji Developers (P) Ltd V State of Bihar;

f) (1992) Supp (1) SCC 443-Smt Kausalya Devi Bogra and Ors V Land Acquisition Officer, Aurangabad an Anr;

g) (1984) 2 SCC 324 –Union of India v Kamalkshi Finance Corporation

h) (2013) 2 SCC 398-Kishore Samrite v State of UP and Ors;

The Hon'ble Tribunal Judgments:

a) Order dated 23.03.2023 of the Hon'ble Tribunal in I.A. No. 1766 of 2022 in Appeal No. 334 of 2021 filed by TPDDL.

b) Order dated 09.08.2021 in IA No.956 & 968 of 2021 in Appeal No. 290 & 297 of 2015.

c) Order dated 07.06.2021 in IA No. 861& 860 of 2021 in Appeal No. 235 & 236 of 2014

d) Judgment dated 24.05.2022 in Appeal No. 332 of 2021 (and batch)

e) Judgment dated 27.02.2013 in Appeal No. 184 of 2011 (Para 39)

f) Judgment dated 31.01.2013 in Appeal No. 59 of 2012 (Para 32)

g) Judgment dated 30.01.2013 in Appeal No. 55 of 2012 (Para 37)

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28. It is trite law that mere filing of an appeal does not amount to automatic stay of a judgment and these Judgments have to be implemented. Mere filing of the Appeal without getting stay of the operation of the judgment of the Hon'ble Tribunal and/or mere proposal to file the Appeal before the Hon'ble Supreme Court could not be the ground for refusal to implement the judgments of the Hon'ble Tribunal. This principle has been laid down in the following judgments:

a) ***Atma Ram Properties (P) Ltd. vs. Federal Motors Pvt. Ltd. reported as (2005) 1 SCC 705 (Paras 9 & 10)***

b) ***Madan Kumar Singh vs. District Magistrate Sultanpur reported as (2009) 9 SCC 79 (Para 14)***

c) ***Thirunavukkarasu Mudaliar (Dead) by LRs. vs. Gopal Naidu (Dead) by LRs. reported as (2006) 12 SCC 390 (Para 26)***

29. It is further submitted that any action or omission by a subordinate authority/court which negates or violates or refuses to give effect to a direction given by a superior court/tribunal has been repeatedly held to be a denial of justice which is destructive of basic principles in the administration of justice and majesty of courts. This aspect has been dealt by the Hon'ble Supreme Court in various decisions in detail. Those decisions are as under:

a) ***Bhopal Sugar Industries Ltd. vs. ITO, Bhopal reported as AIR 1961 SC 182 (Paras 7-10 and 12)***

b) ***RBF Rig Corp. vs. Commissioner of Customs reported as (2011) 3 SCC 573 (Paras 17-19, 23-27)***

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c) Smt. Kausalya Devi Bogra vs. Land Acquisition Officer reported as (1984) 2 SCC 324 (Paras 6-8 & 14)

30. It is well settled that the direction of the Hon'ble Tribunal is certainly binding on the courts subordinate thereto. Judicial discipline required and decorum known to law warrants that appellate directions should be taken as binding and followed. Mere fact that the order of the appellate authority is not "acceptable" to the subordinate authority cannot and should not be the ground for not following the said directions. Filing of the Petition should not be treated as curtailing any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, the Hon'ble Tribunal (including the principle of parity / equality in treatment of Discoms) and or any other proceedings relevant to the entitlement of the Petitioner.

31. In fact, the Hon'ble Supreme Court in a recent Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v. Western Electricity Supply Company of Orissa Ltd. &*Ors.' was pleased to hold that the Hon'ble Supreme Court has serious doubt about the propriety and legality of the ac/t of the Commission of preferring appeals against the orders of the Hon'ble Tribunal in appeal by which its own orders have been corrected, as under:

> *"The Appellate Tribunal in appeals has dealt with the legality and validity ofthe decisions of the Commission rendered in the exercise of quasi-judicial power. In short, the Appellate Tribunal has tested the correctness of the orders of the Commission.* ***The Commission is bound by the orders of the Appellate Tribunal. Therefore, we have serious doubt about the propriety and legality of the act of the Commission of preferring appeals against the orders of the Appellate Tribunal in appeal by which its own orders have been corrected. The Commission cannot bethe aggrieved party except possibly in one appeal where the issue was about the non-compliance by the Commission of the orders of the Appellate Tribunal. If the***

Commission was exercising legislative functions, the position would have been different."

[Emphasis Supplied]

JUDGMENTS OF the HON'BLE SUPREME COURT AND the HON'BLE TRIBUNAL

32. The Petitioner humbly requests the Hon'ble Commission to comply with the Orders/Judgments and directives issued by the Hon'ble Supreme Court and the Hon'ble Tribunal in the Appeals against Orders of the Hon'ble Commission. It is settled law that directions of superior courts i.e., the Hon'ble Supreme Court and the Hon'ble Tribunal, are binding on the Hon'ble Commission being the subordinate authority. As such, consequential impact ofthe following judgments and directions contained therein must be granted to the Petitioner without any further delay:

a) Hon'ble Supreme Court Order dated 01.12.2021 passed in Civil Appeal Nos. 884/980 of 2010, 9003/9004 of 2011 and 1854/1855 of 2014 respectively in the matter of Delhi Electricity Regulatory Commission vs. BSES Rajdhani Power Limited/ BSES Yamuna Power limited.

b) Hon'ble Supreme Court Judgment dated 18.10.2022 passed in Civil Appeal Nos. 4323/4324 of 2015, respectively, in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited vs. Delhi Electricity Regulatory Commission.

c) Hon'ble Supreme Court Judgment dated 15.12.2022 passed in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011, Miscellaneous Application Nos. 918 & 919 of 2022

in Civil Appeal No. 884 & 980 of 2010, Miscellaneous Application Nos. 1261 & 1262 of 2022 in Civil Appeal No. 884 & 980 of 2010.

d) Hon'ble Tribunal Order dated 21.04.2023 in RP No. 16/17 of 2015 in Appeal No.177/178 of 2012 in the matter of BSES Rajdhani Power Limited/ BSES Yamuna Power limited vs. Delhi Electricity Regulatory Commission.

e) Hon'ble Tribunal Order dated 17.04.2023 in IA No. 1262/ 1263 of 2022 in Appeal No. 246/ 247 of 2021 in the matter of BSES Rajdhani Power Limited/ BSES Yamuna Power limited vs. Delhi Electricity Regulatory Commission.

f) Judgment dated 31.08.2021 passed in Appeal No. 5/ 6 of 2019 & 34 of 2020 respectively in the matter BSES Yamuna Power limited / BSES Rajdhani Power Limited vs. Delhi Electricity Regulatory Commission

g) Order dated 09.08.2021 in IA No.956/968 of 2021 in Appeal No. 290/297 of 2015 in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited vs. Delhi Electricity Regulatory Commission

h) Order dated 07.06.2021 in IA No. 861/860 of 2021 in Appeal No. 235 & 236 of 2014 in the matter of BSES Yamuna Power limited/ BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission.

33. **Delay in granting consequential impact of issues already decided in favor of the Petitioner which have either attained finality or have no stay by a superior Court operational against them are as under: -**

a) Hon'ble Supreme Court Order dated 15.12.2022 in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011, Miscellaneous Appication Nos. 918 & 919 of 2022 in Civil Appeal No. 884 & 980 of 2010, Miscellaneous Application Nos. 1261 & 1262 of 2022 in Civil Appeal No. 884 & 980 of 2010**.[320]days**

b) Hon'ble Supreme Court Judgment dated 18.10.2022 in Civil Appeal Nos. 4323 & 4324 of 2015 against Hon'ble Tribunal Judgment dated 28.11.2014. **[377] days**

c) Hon'ble Supreme Court Order dated 01.12.2021 in Civil Appeal Nos.1854 & 1855 of 2014 against OP No. 1 & 2 of 2012 in Order dated 14.11.2013. **[3938] days**

d) Hon'ble Tribunal Judgment dated 31.08.2021 passed in Appeal No. 5 & 6 of 2019 & 34 of 2020 respectively in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission;**[491] days**

e) Hon'ble Tribunal Order dated 09.08.2021 passed in Appeal No. 290 & 297 of 2015 respectively in the matter of BSES Yamuna Power limited /BSES Rajdhani Power Limited Vs. Delhi Electricity Regulatory Commission;**[813]days**

f) Hon'ble Tribunal Order dated 07.06.2021 passed in Appeal No. 235/236 of 2014 respectively in the matter of BSES Yamuna Power Limited/ BSES Rajdhani Power limited Vs. Delhi Electricity Regulatory Commission**; [876] days**

g) Hon'ble Tribunal Suo-Motu Judgment dated 11.11.2011 passed in O.P. No. 1 of 2011;**[4372] days**

h) Hon'ble Tribunal Judgment dated 28.11.2014 in Appeal No. 61/62 of 2012; 02.03.2015 in Appeal No. 177/178 of 2012; respectively in the matter of BSES Rajdhani Power Limited/ BSES Yamuna Power Limited vs. Delhi Electricity Regulatory Commission & Others.; **[5144], [4494], [3259], [3165]&[3091] days**

i) Hon'ble Tribunal Judgment dated 30.07.2010 in Appeal No. 153 of 2009, 31.05.2011 in Appeal No. 52 of 2008, 28.11.2013 in Appeal No. 14 of 2012 and 30.09.2019 in Appeal No. 246 of 2014, respectively in the matter of North Delhi Power Limited/TPDDL vs. DERC, in accordance with the principle of maintaining equity and parity amongst all the Discoms. It is trite law that the Commission has to treat all the distribution licensees on the same scale and no one of them can be either victimized or favoured on account of the stands or pleas taken by them during the tariff hearings, as held by the Hon'ble Tribunal in the Judgment dated 06.10.2009 in Appeal No.36 & 37 of 2008 (Para 56).**[4841], [4536], [3624], [1492] days**

PENDING PROCEEDINGS IN VARIOUS FORA:

34. In addition to the above, various issues are pending in the following Appeals before the Hon'ble Tribunal. In the event the Hon'ble Commission renders relief to the Petitioner on the said issues, then to that extent the same will have twin benefits in as much as further litigation can be contained as well as the exposure of carrying costs on the consumers could also be contained.

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a) Appeal No. 158& 159 of 2023, Appeal Nos. 246& 247 of 2021, 105 of 2020 &376 of 2019, 193& 214 of 2018, 69/72& 70/71 of 2018, 290 &297 of 2015, 235& 236 of 2014, and 265 & 266 of 2013 pending adjudication before the Hon'ble Tribunal.

b) Appeal No. 155 & 156 of 2015 and Appeal No. 230 & 231 of 2014

c) Appeal No. 16 of 2019

d) Appeal No. 30 & 31 of 2019 and Appeal No. 397 & 441 of 2019.

35. Accordingly, the Petitioner is filing the present Petition for Truing Up upto FY 2022-23 and ARR for FY 2024-25 seeking timely truing up and determination of cost reflective tariff. The Petitioner humbly requests the Hon'ble Commission to permit recovery of all expenses as prayed for in the present Petition.

FACTORS IMPACTING THE PETITIONER AND THE CONSUMERS:

36. A commercially sustainable tariff is a *sine qua non* for the health of the electricity sector. The financial health of Discom is in the larger interests of the consumers themselves. The entire scheme and intent of the 2003 Act is premised on safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner (Section 61(d)). As such, consumer interest does not lie in lower tariff alone. It lies equally, if not more, in the financial health of the utilities which are dedicated to serve their consumers as mandated under Section 61 (d) and (g) of the 2003 Act.

37. It is further submitted that the Petitioner is severely affected owing to the following factors amongst others, and therefore the Petitioner requests the

Hon'ble Commission to take the same into consideration while disposing of the present petition, including: -

a) Creation of new RA and non-amortization of existing RA in a time bound manner and continuance of non-cost-reflective tariff over the years, for the Petitioner;

b) Absence of justifiable True up of uncontrollable expenditure including but not limited to power purchase costs;

c) Long Regulatory time taken in True up of uncontrollable expenditure;

d) Variation in the power purchase costs nationwide which is uncontrollable;

e) Realistic rate of short-term power purchase is higher than the rate factored in by the Hon'ble Commission and the differential amount from the total power purchase cost creates an adverse impact on the Petitioner

f) Continued buildup of Revenue Gap and RA since FY 2006-07;

g) Absence of any time bound mechanism for recovery of accumulated shortfall;

h) Lower rates of carrying costs which should be revised in accordance with the Hon'ble Supreme Court directions.

i) Very low rate of recovery of carrying cost of RA, which ought to be in consonance with various judgments of the Hon'ble Supreme Court thereby ensuring that the Petitioner not only recovers the carrying cost on the RA during the year but also one-third of the outstanding RA principal. In terms of the same, the surcharge ought to be revised appropriately so that the RA is recovered speedily without burdening the future consumers

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with the past costs. It is submitted that the prior decisions of the Hon'ble Commission to continue to retain a meagre surcharge of 8% over the revised tariff hikes at the very root of the ability of the Petitioner to be in a position to clear its outstanding dues to the generating companies and the transmission licensee who have/had issued disconnection notices and Ministry of Power letters on payment security mechanism.

j) Non-implementation ofvarious Judgments of the Hon'ble Supreme Court and the Hon'ble Tribunal.

k) Non-implementation of power purchase cost adjustment on a monthly basis for speedy recovery of ***(i)*** Variation in Price of Fuel from long term sources of Generation; ***(ii)*** Variation in Fixed Cost on account of Regulatory Orders from Long Term sources of Generation; ***(iii)*** Variation in Transmission Charges and ***(iv)*** variation on account of short-term purchase and sale of surplus power.

l) Long Pending Truing up of Capex and Capitalization since FY2004-05 despite undertaking by this Hon'ble Commission to the Hon'ble Tribunal. Further, provisional allowance of reduced capitalization on account of delay in physical verification exercise contrary to the statutory mandate for quarterly physical verification under Business Plan Regulations, resulting in deferred Truing up of Capex and Capitalization.

m) Challenges faced by the Petitioner inraising funds from financial institutions due to the continued absence of time bound amortization schedule of the Regulatory Asset by the Hon'ble Commission which is

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required in line with the Revised Tariff Policy, 2016 and findings of the Hon'ble Tribunal in its various judgments.

n) No financial support to the Petitioner under the various Central Government Schemes which are otherwise available to State Discoms.

o) Seriously exacerbating the financial crisis owing to the non-cost reflective tariffs as determined under the various tariff orders as well as creation of revenue gap year after year and creation of regulatory assets as an ordinary course rather than the statutory mandate of it being required to be created only as a matter of exception. Consequentially, resulting in a situation where financial institutions are not willing to extend financial assistance to the Petitioner to carry on its licensed business.

38. The Petitioner is filing the present Petition to seek the truing up of expenses up to FY 2022-23 and determination of tariff for FY 2024-25. Though the Petitioner has made all efforts and has tried diligently to ensure the filing of a comprehensive Petition, it may be possible that some aspects/components/claims have not been dealt in detail and/or may have been inadvertently omitted. It is submitted that such inadvertent omission/deficiency, if any, would not amount to any waiver of any entitlement/claim by the Petitioner. The Petitioner craves leave of this Hon'ble Commission and reserves its rights to supplement the present Petition with additional facts, additional affidavits, additional submissions and claims, if any.

39. The filing of the Petition should not be treated as curtailing any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, the Hon'ble Tribunal (including the

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principle of parity / equality in treatment of Discoms), the Hon'ble Supreme Court and or any other proceedings relevant to the entitlement of the Petitioner.

PRAYERS AND RELIEF SOUGHT:

40. In view of the above, the Petitioner most respectfully prays that the Hon'ble Commission may be pleased to:

A. Take the present Petition on record and admit the same;

B. Approve the true up of expenses and revenue for FY 2022-23 along with financial impact of past claims upto FY 2019-20, true up for FY 2020-21 and FY 2021-22 by implementing the Judgments of the Hon'ble Supreme Court and the Hon'ble Tribunal; and

C. Approve time bound amortization of the accumulated Revenue Gap up to FY 2022-23 as also the approved Regulatory Asset and carrying cost thereof through a surcharge; and

D. Approve the ARR as submitted in Chapter-4 and Tariff for FY 2024-25 as submitted in Chapter-5;

E. Adjust the gap in power purchase cost by reassigning the allocation of power in terms of Regulation 121 of DERC Tariff Regulations, 2017;

F. Adjust the gap between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, through suitable additional PPAC during FY 2024-25;

G. Defer and/or carry forward the compliance of RPO for FY 2022-23

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H. Determine carrying costs in compliance with the directions of the Hon'ble Supreme Court Order dated 15.12.2022 passed in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011.

I. Allow O&M expenses as per Regulations87, 92 and 93 of the DERC Tariff Regulations, 2017 and also Regulation 23 of the Business Plan Regulations, 2019 in compliance of the Hon'ble Tribunal order dated 17.4.2023 passed in IA No. 1262 & 1263 of 2023 in Appeal No. 246 & 247 of 2021.

J. Provide tariff entitlements of the Petitioner, accruing out of implementation of the Hon'ble Supreme Court Judgments/Orders dated 01.12.2021, 18.10.2022 and 15.12.2022, Judgments / Orders of the Hon'ble Tribunal as well as own Orders of the Hon'ble Commission, to be allowed to be recovered in 7 years on the analogy for amortization of Regulatory Asset under the revised Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect;

K. Provide for suitable surcharge for amortisation of balance RA in terms of the Hon'ble Tribunal Judgment dated 14.11.2013 in OP No. 1 and 2 of 2012 read with Judgment dated 11.11.2011 in OP 1 of 2011 and the revised Tariff Policy 2016.

L. Grant tariff entitlements (principal and carrying cost) in terms of directions issued in IA No. 1265 & 1264 of 2022 in Appeal No. 246 & 247 of 2021 & IA No. 1262 & 1263 of 2022, IA No. 956 & 968 of 2021 in Appeal No. 290 &297 of 2015, IA No. 861& 860 of 2021 in Appeal No. 235 & 236 of 2014, Appeal No. 142 of 2009, Appeal No. 36/37 of 2008, Appeal No. 61/62 of 2012 and

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RP No. 13 of 2015; Appeal No. 177/178 of 2012; Appeal 103 of 2017 and Appeal No. 110 of 2014; Appeal No. 153 of 2009, Appeal No. 52 of 2008, Appeal No. 14 of 2012 and Appeal No. 246/247 of 2014 by the Hon'ble Tribunal;

M. In line with the Ministry of Power Letter No. F.No.07/01/2021-RCM-Part (1) dated 11.11.2022, it is humbly submitted to comply and provide a full cost-reflective tariff while keeping the statutes and policies on non-creation of regulatory assets into consideration.

N. In terms of Section 62(4) of the 2003 Act read with the Electricity (Amendment) Rules, 2022 dated 29.12.2022 and Electricity (Amendment) Rules, 2023 dated 30.06.2023, it is humbly requested to align the existing power purchase cost adjustment formula to include 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;

(d) Variation on account of short-term purchase and sale of surplus power; and;

(e) Recovery of all of the above on monthly basis without any capping

O. In terms of Section 61 (a) to (i) of 2003 Act read with the Electricity (Second Amendment) Rules, 2022 dated 26.07.2023, it is humbly requested to allow pass-through of all prudent costs incurred by the Petitioner including reasonable Return on Equity in order to ensure financial sustainability of the

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Petitioner.

P. Give effect to all orders/directions/ judgments that are issued by the Hon'ble Supreme Court and the Hon'ble Tribunal or including directions that may be passed by the Superior Courts (Hon'ble Supreme Court, Hon'ble High Court and Hon'ble Tribunal) during the pendency of this petition and grant reliefs in terms of the directions therein.;

Q. Approve the Tariff proposal as prayed in Chapter 5 of this Petition.

R. Grant liberty, if necessary, to allow additions / alterations / changes/ modifications to the petition and permit the petitioner to place on record any developments/ facts/ documents, computations of financial impact pursuant to Orders and directions of Superior courts that come to the knowledge of the Petitioner at a future date; and

S. Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings; and

T. Pass any order or further order/s and grant any other relief which this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Prayed accordingly

Petitioner

Through:

Regulatory Affairs

Authorized Signatory

For BSES Rajdhani Power Limited







Chapter 2A
Performance during FY 2022–23

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PERFORMANCE DURING FY 2022-23

Distribution Loss Reduction Performance of the Petitioner

2A.1 Reduction in Distribution loss level is a pivotal benchmark for any distribution utility like the Petitioner. The privatization of the distribution business in Delhi had the fundamental mandate of accelerated reduction in Distribution loss levels. The Business Plan Regulations, 2019 read with DERC Tariff Regulations, 2017 incorporate stringent Distribution loss reduction trajectory for the Petitioner.

2A.2 The Petitioner has been able to consistently reduce Distribution loss levels year-on-year since privatization and has the distinction of achieving one of the highest per year average loss reduction for any private distribution utility in the country. The Petitioner has achieved Distribution Loss of 7.16% against the target of 7.90% approved by the Hon'ble Commission.

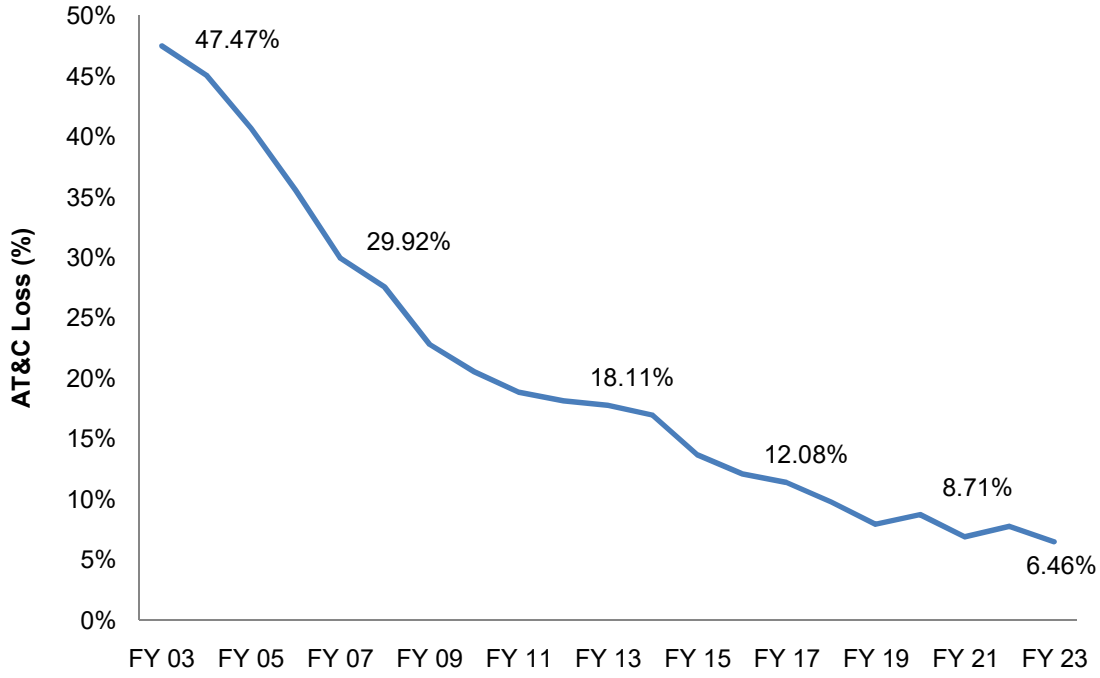
2A.3 It is noteworthy that the AT&C Losses were reduced from over 47.47% in July'2002 to 6.46% in FY 2022-23. Thus, the Petitioner has shown exemplary performance in the loss reduction with an average reduction of ~2% per annum in absolute terms since July 2002. The reduction is amongst the highest average loss reduction rate achieved by any power distribution utility in the country.

2A.4 Further, REC Ltd., appointed by Government of India (GoI) through Ministry of Power (MoP), has published the report on Consumer Service Rating of DISCOMs (CSRD) on 12.04.2023 wherein it has rated the Petitioner

amongst the top DISCOM in the country for Customer Services having rating "A". This is the second consecutive year that the Petitioner has topped the rating.

2A.5 The graph below shows a steep and consistent decline in the AT&C loss levels in last 20 years indicating considerable results from various loss reduction initiatives taken from time to time:

Figure 2A-1: AT&C Loss levels since privatisation



Performance Standards

2A.6 The Petitioner has been consistent in delivering services adequately meeting the standards of performance prescribed by the Hon'ble Commission. The Standards of Performance that has been achieved by the Petitioner with respect to targets specified by the Hon'ble Commission as follows:

I. Power Supply Failure

a) **Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply:** The Petitioner has been able to achieve compliance of 100% against Hon'ble Commission's benchmark of 95%.

b) **Continuous power failure affecting more than 100 consumers connected at Low voltage supply:** The Petitioner has been able to achieve compliance of 100% against Hon'ble Commission's benchmark of 95%.

c) **Continuous power supply failure requiring replacement of distribution transformer:** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%.

d) **Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS):** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%.

e) **Continuous scheduled power outages:** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%

f) **Replacement of burnt meter or stolen Meter:** The Petitioner has been able to achieve compliance of 96.10% against Hon'ble Commission's benchmark of 95%.

g) **Faults in street light maintained by the Licensee:** The Petitioner has been able to achieve compliance of 99.70% against Hon'ble Commission's benchmark of 90%.

h) **Percentage billing mistakes:** The Petitioner has been able to be under the limit of 0.01% against the Hon'ble Commission's benchmark of limit of 0.2%.

2A.7 Accordingly, the performance of the Petitioner during FY 2022-23 is tabulated below:

Table 2A - 1: Standards of Performance during FY 2022-23

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 failure where distribution transformer requires replacement.	At least 95% calls received should be rectified within prescribed time limits	473743	473743	0	100.00%
(ii)	Continuous power failure affecting more than 100 consumers connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		37295	37295	0	100.00%
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		14	14	0	100.00%

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	
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above		161894	161894	0	100.00%
(v)	Continuous scheduled power outages	At least 95% of cases resolved within time limit	7641	7641	0	100.00%
(vi)	Replacement of burnt meter or stolen Meter		26335	25309	1026	96.10%
Period of scheduled outage						
2	Faults in street light maintained by the Licensee	At least 90% cases should be complied within prescribed time limits	11803	11768	35	99.70%
Reliability Indices						
			Total Bills received during the year	**No of Bills with Mistakes during the year**		
3	Percentage billing mistakes	Shall not exceed 0.2%	34954888	1752	510	0.01%

Table 2A - 2: Reliability Indices during FY 2022-23

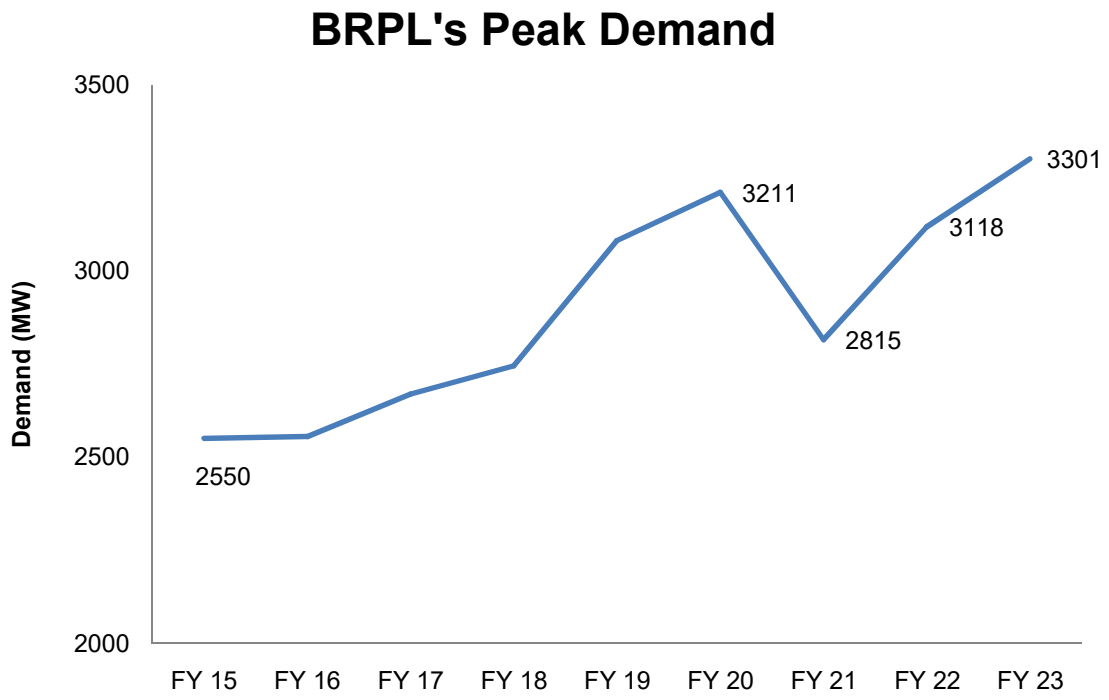
Parameters	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
SAIFI	0.28	0.21	0.25	0.34	0.24	0.21	0.15	0.11	0.10	0.21	0.30	0.61
SAIDI	0.18	0.15	0.18	0.20	0.19	0.15	0.12	0.08	0.08	0.15	0.11	0.24
CAIDI	0.64	0.70	0.72	0.59	0.79	0.71	0.80	0.73	0.80	0.71	0.37	0.39

Peak Demand

2A.8 During FY 2022-23, the Petitioner is able to serve peak demand of 3301 MW. The growth in peak demand witnessed in the last 9 years is depicted

below:

Figure 2A - 2 : Trajectory of Peak Power demand of BRPL



Growth in Consumer Base

2A.9 Total number of consumers being served by the Petitioner at the end of FY 2022-23 was 29.89 lakhs as against 28.68 lakhs consumers during the previous year, an annual growth of 4.21%. Evidently, our consumer density is one of the largest among the private distribution utilities in the country.

Promoting Digital

2A.10 One of the earliest discoms in the country to jump-on the technology bandwagon, the Petitioner has been promoting digital for a while now. Over the years, the discom has transformed into a digital company. The push towards digitisation has come in handy for the discom during the COVID-19

pandemic. In fact, digitisation efforts received a fillip as more and more consumers are taking to digital to connect with the Petitioner.

2A.11 Consumers don't need to visit a BRPL office for availing services. They can do so from the safety and comfort of their homes using digital self-service touch points like the BRPL's Website, Mobile App, WhatsApp, Email, Call Centre and SMS.

2A.12 During these trying-times, all the consumers of the Petitioner could do self-meter reading, download their bills and even pay them from the comfort of their homes using convenient digital options. Lakhs of consumers chose to use them to get actual bills.

2A.13 However, there are consumers, who still prefer to avail our services, the traditional way by visiting our offices. This may be difficult for many consumers, given the present circumstances. For such consumers, as part of our 'BSES Aap Ke Saath' and 'BSES Aap Ke Dwar' outreach programs, the Petitioner has started organising onsite consumer engagement helpdesks for the benefit of the residents. Following the necessary safety guidelines, empowered Business Teams from the Division office visit the residential society and assist consumers.

2A.14 Working very closely wit/h the Permanent Lok Adalat (PLA) officials, the Petitioner became the first DISCOM in the country in early June 2020 to organize a Virtual Permanent Lok Adalat (E-PLA) for settling the power-theft dispute cases of its consumers. Under this, all participants, including the Judges, court officials, discom official and the accused connect virtually. This

new virtual platform is facilitating the consumers to resolve the dispute issues through the online E-PLA. Even though the PLA has stared allowing settlement of cases through the traditional route, nearly 100% of the consumers (since June) are preferring service of the virtual PLA.

2A.15 Being established by the DSLSA, this is the first exclusive PLA for a discom in Delhi. The other two PLAs are common for all the discoms in the National Capital.

2A.16 The Petitioner is also encouraging more and more consumers to use our digital platforms and offerings. During the peak of the Covid-19 lock-down, around 90% of our consumers were paying their bills online.

2A.17 The Petitioner's customers can connect with the discom and apply for a host of services, including applying for a new connection, registering complaints, from the comfort of their homes and offices using Mobile App, website and social media mediums like Facebook, Twitter and WhatsApp. In fact, there is virtually no need for a Petitioner consumer to visit Petitioner office. They can avail the services from the comfort of their homes.

2A.18 As a part of this initiative, the Petitioner is also rolling-out Digi Seva Kendras (DSK) - state-of-the-art centres modelled on the line of Passport Seva Kendras. These DSKs offer quick, convenient and hassle free single window services to customers, who can apply for a host of services like new connection, load/ name/ category change etc.

2A.19 The Petitioner has been at the forefront of promoting digital payments.

Customers can also make payment of their electricity bills through various convenient options like Debit Card, Credit Card, Net Banking, E Wallets, UPI and QR Code. To encourage digital payments, BRPL regularly facilitate attractive wallet based cash-back schemes for its customers.

Promoting Renewable, E-mobility and Energy Efficiency

2A.20 As part of its endeavour to promote e mobility, the Petitioner has inducted a fleet of electric vehicles, including E Cars, E Scooters and E Cargo for captive use. The total number of EV's in the organisation is over 29. The Petitioner is also enroute to achieve its goal of replacing the existing fleet with EVs by 2030.

2A.21 For the benefit of consumers as on date there are over 1850 EV charging connections with a combined sanctioned load of 48 MW in the license area and over 320 EV charging points have been installed and being operated by the Petitioner. Moreover, the Petitioner has installed/facilitated 119 nos battery swapping stations in the license area.

2A.22 The Petitioner is creating Awareness for EV Adoption, at least one session concluded in all divisions (total 33 Sessions done in FY 22-23).

Corporate Social Responsibility Initiatives:

2A.23 BRPL's licensed area is dotted with settlements, whose residents are deprived of basic infrastructure, hygienic living conditions, employable skills

and appropriate earning opportunities. As a responsible corporate citizen, BRPL aims to address such issues through its CSR activities and make a difference in the lives of these needy citizens.

2A.24 BRPL's CSR programs are focused around the following areas: (i) Skill development and Education / Literacy Program, (ii) Sanitation, (iii) Environment and Energy Conservation, (iv) Health Care/Medical Services

2A.25 During the year, the CSR activities and programs were completed using budget of Rs 22.62 crore as approved by the Board of Directors of the Company.

2A.26 Vocational Training Centres: Based on the track record of BRPL's VT centres, job-oriented courses on Computers, Beauty Culture, and Tailoring were continued to be provided. More than 1,800 students enrolled at the BRPL VT centres. A job fair/Rozgar Mela was also organized in Dwarka in December 2022. One student, named Jasica, received a salary package worth ₹ 2.35 lakh p.a. Additionally, a unique VT centres was set up for transgender community with an aim bring them to mainstream of the society and provide them a life with dignity. With this motive, we aim at equip them with Financial independence, General Awareness and Personality Upkeep and make them employable through Skill Training in housekeeping and assist them in securing a job for their livelihood.

2A.27 Financial Literacy: BRPL, through its CSR programs, is spreading awareness on financial concepts, personal finance, and the management of money. Bank accounts are being opened for the beneficiaries who don't

have accounts and are willing to be part of the formal banking system. A total of 6,000 women benefitted from this program in FY 22-23.

2A.28 Self Help Groups (SHGs): The Self Help Groups (SHGs) are envisaged as an instrument to bring social and economic empowerment of women, particularly those belonging to the needy sections of society. The project aims to strengthen the skill capabilities of five SHGs (around 100 women) in West Delhi to make them socially and economically empowered.

2A.29 Digital Library: A digital library is operating in Jamina Nagar Police Station for underprivileged students by Shikar Organization supported by BRPL. More than 62,000 students benefitted from this program so far.

2A.30 Effective Education – Effective Education for Students -Providing professional support to commerce students of Class XI-XII of DPPS) with an aim to clear their doubts on specific stream and provide such platform from they can achieve their carrier journey

2A.31 Self Defence Training for Girls: BRPL organized self-defence training programs in five schools in West Delhi, and around 240 girls participated with the aim of protecting girls and women.

2A.32 School Health Clinic: BRPL has partnered with the Government's ambitious School Health Clinic (SCH) project in South and West Delhi and is initially covering 20 Delhi Government schools, benefiting more than 20,000 students and staff. Holistic healthcare of children, one of the most vulnerable sections of our society, needs equal focus on physical as well as mental

health. These SHCs will look after the overall wellbeing of a student.

2A.33 Sanitary Napkins & Masks: Due to the large proportion of unemployed urban poor women in the community, BRPL chose to produce sanitary napkins to enhance their economic and social status. Establishing entrepreneurship among women is much needed. BRPL helped make over 400,000 sanitary napkins and 33,500 masks stitched and distributed, respectively.

2A.34 Automatic Sanitary Napkin Vending & Incinerating Machine -BRPL has been promoting menstrual hygiene practices among women from the weaker sections of society by providing them with accessible, affordable, and safe sanitary pads through its Self Help Groups. Eleven sanitary vending machines cum incinerators have been installed at the Government. Hospital and Nursing Home. Automatic Sanitary Napkin Vending & Incinerating Machine is installed in five Govt. Institutions.

2A.35 Safe Disposal of Sanitary Waste: With an aim to keep our surroundings and environment clean, BRPL is engaging with the communities, sensitizing and creating awareness among the targeted households. The program is engaging with the rag pickers for the collection, segregation, and disposal of household-generated sanitary waste in Okhla, Tehkhand area, benefiting around 2,000 women under this project.

2A.36 Cleanliness and Arsh& Wash: Awareness programs on the safe disposal of sanitary waste and hygiene were organized at various locations in South and West Delhi, benefiting around 3,200 people under this project. BRPL has largely focused on the reduction of waterborne diseases, sensitization, and

improvement in sanitation at home and surrounding areas. Also, the project aims to limit the school dropout rate among girl students and sensitize them about hygiene from Rang Pahari and other slums of Delhi Cantonment area.

2A.37 Distribution of Assistive Aid and Appliances to People: In Delhi, assistive aid and appliances were distributed to around 50 people with disabilities, including wheelchairs, tricycles (motorized and manual), and artificial limbs to the Divyangjans. The visually impaired were handed over smartphones with special software as part of the discom'sSparsh initiative.

2A.38 Disability & Supporting the Differently Abled: BRPL has helped children from the National Association for the Blind (NAB) by providing them with the necessary facilities, including Braille and audio books. A little help on this front will aid in their education.

2A.39 Eye Care Camps: Five eye care camps were organized in Jaffarpur Division in association with I-Care Hospital. Around 1,373 people visited the OPD, and 885 medicines and 903 glasses were distributed in these camps.

2A.40 Blood Donation Camp: Safe blood saves millions of lives each year. It has been shown all over the world that regular, voluntary, non-remunerated blood donation by low-risk donors is the key to saving lives. In fact, each unit of blood can save around 4-5 lives, but this is possible only when usable blood is available. There is always a dearth of usable blood. According to studies, India, in spite of having a population of more than 1 billion, is struggling to keep up with the demand of 15 million units of blood per annum, with a deficit of 4 million units. BSES Rajdhani Power Limited

(BRPL) organized a blood donation camp in association with the Indian Red Cross Society, and 50 people donated their blood for this noble cause.

2A.41 Tobacco De-addiction Camps: BRPL has successfully completed five tobacco de-addiction programs with a great amount of success. Around 279 people participated, and 225 pledged to quit their habit in these programs.

2A.42 Physical Fitness: BRPL is providing football training, including diet and related support, to the needy youth from rural/semi-urban areas (primarily from West Delhi) under CSR. Three players, Ms.Arti, RituMor, and Parmela, were selected for the Indian Archery team under 18, and they also took part in the Hero Women Indian League held in Odisha. Also, Ms.Renu Rani was a member of the Indian Football Team for Asia Cup '22.

2A.43 Yoga: For the well-being of our police personnel and the teaching and non-teaching staff at government schools, Yoga camps were organized, and more than 1,000 people benefited from them.

2A.44 Water ATMs: BSES installed two water ATMs, one each in South and West Delhi, with the aim of providing safe drinking water to residents, especially those from underprivileged sections of society.

2A.45 Water Coolers: BRPL also installed six water coolers in MCD schools, with the aim of providing safe and cool drinking water to students and staff.

2A.46 Green Crematorium: BRPL set up an electric furnace at MCD Sarai Kale Khan Crematorium in South Delhi, promoting eco-friendly cremation.

2A.47 Renovation of Crematoriums: BRPL aims to provide dignity to the departed soul's last journey and comfort to their loved ones during the last rites. As part of this effort, the company has been sprucing up selected crematoriums in West Delhi and providing facilities such as benches, chairs, exhaust fans, water tanks, and dustbins.

2A.48 Tree Plantation: BRPL's CSR programs continued to build on the annual tree-plantation drive that started in July. Around 30,000 plants were planted in Delhi Police premises, Delhi Government and MCD Schools, Community centers, and crematoriums, as part of Delhi Government's Annual Green Initiative Drive.

2A.49 Energy Conservation: BRPL organized five consumer awareness programs on energy conservation and awareness in South Delhi, benefiting around 650 people.

Customer Care Initiatives

2A.50 During FY 2022-23, the Petitioner has taken various consumer centric initiatives towards customer care, are as follows:

a. Virtual Call / Video Chat service launched in Oct'22 - Centralized virtual call service for consumers to connect with BRPL representatives through video call.
b. Helpdesk for Visually Impaired (A) Call back service B) Priority Direct Agent access at Call Centre launched in Dec'22.
c. Consumer Outreach - Call back to abandoned customer calls (DSS &

Commercial) introduced.

d. iSAT- negative feedback customers called back for Root Cause Fix.

e. Enhanced Customer Email Module -Upgraded to more efficient customer email management system.

f. Website & Intranet Content Management System- Provide BRPL user groups/ deptt. with a way to manage digital information on BSES website & BSES Intranet.

g. Opt for E-Bill service – Provision for non-e-bill BRPL customers to register for e-bill without logging into "My Account ".

h. BRPL Power App Enhancement - Update Contact details (Email/Mobile No, E-bill & SMS alerts) service through Power App.

i. Service for visually impaired customers through BRPL Power App to register for call back request / Braille Bill.

j. Show Notices/Acknowledgement service on BRPL WhatsApp Business No. (+91-8800919123) – To view disconnection notice or final bill (if any) against desired CA No.

k. BSES Amazon Alexa Skill **-** Users can avail host of BRPL services through Alexa on Amazon by enabling BSES Rajdhani Power skill.

Recognition and Awards

2A.51 During FY 2022-23, the Petitioner has been recognised and felicitated with following awards:

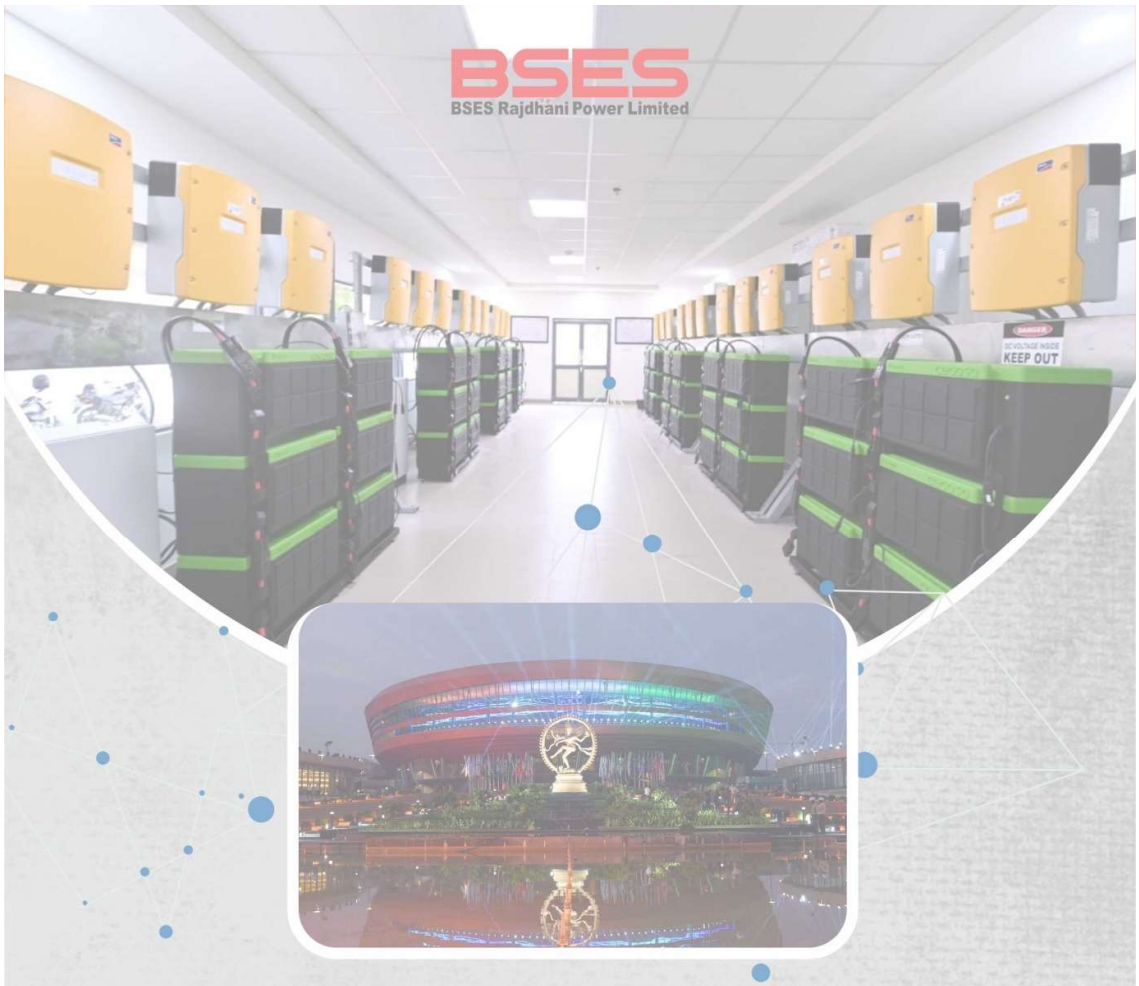
S.No.	Awards	Forum	Details
1	Best Performing Distribution Company	Independent Power Producer Association of India (IPPAI)	Best performing discom award for various initiatives of loss reduction, solar roof top, sustainable scrap initiatives, EV initiatives and governance mechanisms.

2	Best Distribution Company to Promote Consumer Awareness	Independent Power Producer Association of India(IPPAI)	Best power distribution company award for promoting consumer awareness like Demand side management, energy /conservation, safety awareness etc.
3	Best Company – Utilities EV category	Independent Power Producer Association of India(IPPAI)	The Company has been awarded for best utility company in EV charging infrastructure.
4	Techno Commercial Innovation & Best Practices	Independent Power Producer Association of India(IPPAI)	The Company has been awarded for innovation in sustainable scrap management practices.
5	Techno Commercial Innovation & Best Practices	Independent Power Producer Association of India(IPPAI)	The Company has also been awarded for innovation for Energy Audit tool developed – "Sanket"
6	Industry Excellence Award	India Energy Storage Alliance (IESA)	Excellence Award for virtual power plant initiative during 5th IESA Awards.
7	Excellence in Procurement Sustainability-Annual CPO Awards	Institute of Supply Chain Management India (supported by World Bank)	The Company has been awarded for excellence in procurement sustainability initiatives like Governance in award of contracts as per regularity requirements, scrap recycling, green procurement initiatives for reducing carbon footprints, clause of mandatory safety adherence in all contracts etc.
8	Responsible Business Awards	World CSR Congress	The Company won the best power discom award for various initiatives in areas like safety, socially responsibility, green energy, governance etc.
9	Quality and Innovation Award	Green tech Foundation	Quality and Innovation Award for outstanding achievement in innovation for pillar mounted package substation occupying 1/5th of space compared to conventional set-up.
10	Inter-Industry 'Supervisory Skill Competition' Award	Confederation of Indian industry (CII)	The Company has won prize for Kaizen initiative during CII supervisory skill competition.
11	Safety Innovation Award	Institution of Engineers India	The Institution of Engineers has facilitated the Company with prestigious Safety Innovation Award 2022 for implementing innovative safety management systems for ensuring safety of employees and consumers.
12	Safety Excellence Award for commitment to "Fire Safety"	International Institute of Security and Safety Management (IISSM)	IISSM Safety Excellence Award 2022 under "Fire Safety" category for commitment towards fire safety.

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13	TISS LeapVault Award	Tata Institute of Social Science (TISS)	The Company has been awarded 'TISS LeapVault Award 2022' for "Best Blended Learning Program" (power distribution sector). The TISS LeapVault CLO Award is the most prestigious award for excellence in corporate learning, leadership development, training and coaching.
14	Innovation with Impact Awards – Green Energy	Indian Chambers of Commerce (ICC)	The Company has been awarded for 'Green Energy' for various green and solar rooftop initiatives toward power procurement.
15	Innovation with Impact Awards – Efficient Operations	Indian Chambers of Commerce (ICC)	The Company has also been awarded under the Efficient Operations category for loss reduction, collection efficiency, feeder upgradation, power factor improvement, and anti-theft measures.
16	Innovation with Impact Awards – Integrated Award	Indian Chambers of Commerce (ICC)	The Company has won integrated award by ICC for efficient operations, procurement governance, Quality of Service, Technological Initiatives, and Consumer Empowerment & Best Operations.
17	Trenchless Excellence Awards	Indian Society for Trenchless Technology (IndSTT)	The Company has received IndSTT Trenchless Excellence Awards for "Green Field" cable laying project using trenchless technology for connecting in feed of 400 kV DTL Mudka to 66 kV Nilothi Grid at 'No Dig India Show 2022'-12th International Conference & Exhibition Ceremony.
18	Jury Special Recognition	Data Security Council of India (DSCI)	The Company has received Jury Special Recognition in the Annual Information Security Summit (AISS), organized by DSCI (Data Security Council of India, a NASSCOM initiative).
19	ICC Jury and Innovation Award (Renewable section)	Indian Chamber of Commerce (ICC)	Indian Chamber of Commerce has conferred Innovation and Jury award for renewable and energy innovation.
20	Switch Delhi EV Award	Dialogue and Development Commission of Delhi (DDC)	The Company has received the coveted Switch Delhi Award EV 2022 by DDC in the category of Discoms with the highest number of charging points installed in Delhi.
21	RoSPA Award	Royal Society for the Prevention of Accidents (RoSPA)	The Company has been awarded by RoSPA, a registered British charity, under the Bronze category for health and safety performance during the year 2021.
22	Vishwakarma Award	Construction Industry Development Council (CIDC).	The Company has won the 14th CIDC Vishwakarma Award 2023 from the Construction Industry Development Council (CIDC), for innovation of new technology, products, services, and good practices for the growth and development of the construction sector.

23	EV Charge Leadership Awards	EMobility+	The Company won the EV Charge Awards 2021 by EMobility+ under the categories of 'Best Green Procurement Initiative' and 'Best Consumer Proposition of the Year' for its various EV-related initiatives like energy charging stations, an e-vehicle fleet, etc.
24	National Gaurav Award	Indian Braveheart	The Company has been awarded for 'Energy Wise and Energy Rise', a DSM Initiative. BSES recognized the importance of awareness and education on energy efficiency and introduced 'Energy Wise Energy Rise' in collaboration with The Energy and Resources Institute (TERI).
25	Best Performing Distribution Utility - CBIP Award	Central Board of Irrigation & Power (CBIP)	The Company has received the coveted CBIP Award 2022 for the 'Best Performing Distribution Utility' in the private sector based on several criteria including financial performance, T&D loss reduction, DT failure rate, network capacity addition, consumer metering, distribution reliability, capacity building through training, safety practices, CSR and green power integration.



Chapter 2B
Compliance with Directives

Contents

COMPLIANCE WITH DIRECTIVES 131

COMPLIANCE WITH DIRECTIVES

2B.1 The Hon'ble Commission has issued various directives in Chapter 6 of Tariff Order dated 30.09.2021 applicable for compliance during FY 2022-23. The Petitioner is hereby submitting the compliance status as follows:

2B.2 **Directive 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."

Compliance to Directive 6.1:

The matter regarding payment to Central & State Generating Stations and Transmission Utilities is presently sub-judice before the Hon'ble Supreme Court in W.P. (C) 104 & 105 of 2014, Civil Appeal Nos. 8464-66 and 8387-89 of 2014 and connected matters as also before the Hon'ble Tribunal in Appeal Nos. 27, 28 & 32 of 2014.

Without prejudice to the above, it is humbly submitted that pursuant to the Hon'ble Supreme Court's Order dated 26.03.2014 (continued by Orders dated 06.05.2014 and 03.07.2014), Petitioner is endeavoring to make payment of current dues to Central Generating and Transmission Utilities. As regards the State Generating and Transmission Companies, the Hon'ble Supreme Court by its Order dated 12.05.2016 in Contempt Petition No. 83 of 2015 and

connected contempt petitions had modified its earlier orders and directed for payment of 70% of current dues to the Delhi Utilities.

The Petitioner has submitted month wise audited cash flow statement to the Hon'ble Commission. It is noteworthy that the payments of current dues are being made, even though the Petitioner has been suffering from regulatory interdict owing to non-cost reflective tariff, unlawful creation and non-amortization of Regulatory Asset by deferring prudently incurred costs, and unlawful appropriation of subsidy (which is part of the current revenue stream of the Petitioner).

2B.3 **Directive 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

Compliance to Directive 6.2:

The Petitioner submits that it has complied with the aforesaid directive and it is an ongoing process. The details of the month wise payment for FY 2022-23 are tabulated below:

2B- 1: BRPL - Details of Payment to Pension Trust for FY 2022-23

(Amount in ₹ Cr.)

Month	Due Amount	Date of Payment	Amount Paid	Bank Details	Cumulative Payment	Balance
Apr-22	34.99	05-05-2022	14.00	Fund Transfer		
		06-05-2022	16.00	Fund Transfer		
		07-05-2022	4.99	BARBR5202205070 0959973	34.99	-
May-22	51.52	04-06-2022	15.50	Fund Transfer		
		07-06-2022	36.02	BARBR5202206070 0900925	51.52	-
Jun-22	64.04	06-07-2022	23.00	Fund Transfer		
		07-07-2022	41.04	BARBR5202207070 0814388	64.04	-
Jul-22	69.57	03-08-2022	41.00	BARBR5202208030 0760132		
		04-08-2022	9.00	Fund Transfer		
		06-08-2022	10.00	Fund Transfer		
		08-08-2022	9.67	Fund Transfer	69.67	-0.11
Aug-22	68.38	03-09-2022	36.00	Fund Transfer		
		05-09-2022	30.00	Fund Transfer		
		07-09-2022	2.28	Fund Transfer	68.28	0.11
Sep-22	65.74	07-10-2022	65.74	BARBR5202210070 0813286	65.74	-
Oct-22	59.55	02-11-2022	25.00	Fund Transfer		
		03-11-2022	15.00	Fund Transfer		
		04-11-2022	5.75	Fund Transfer		
		07-11-2022	13.80	BARBR5202211070 0933110	59.55	-
Nov-22	48.92	01-12-2022	5.50	Fund Transfer		
		02-12-2022	3.00	Fund Transfer		
		06-12-2022	35.00	Fund Transfer		
		07-12-2022	5.42	Fund Transfer	48.92	-
Dec-22	43.09	03-01-2023	7.00	Fund Transfer		
		04-01-2023	2.00	Fund Transfer		
		05-01-2023	10.00	Fund Transfer		
		07-01-2023	24.09	Fund Transfer	43.09	-
Jan-23	40.51	01-02-2023	15.00	Fund Transfer		
		02-02-2023	6.00	Fund Transfer		
		04-02-2023	10.00	Fund Transfer		
		07-02-2023	9.51	Fund Transfer	40.51	-
Feb-23	44.82	01-03-2023	6.50	Fund Transfer		
		02-03-2023	20.00	Fund Transfer		
		03-03-2023	2.50	Fund Transfer		
		07-03-2023	15.82	BARBR5202303070	44.82	-

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Month	Due Amount	Date of Payment	Amount Paid	Bank Details	Cumulative Payment	Balance
				0932757		
Mar-23	46.14	31-03-2023	35.00	Fund Transfer		
		06-04-2023	11.14	Fund Transfer	46.14	-
Total	**637.26**		**637.26**		**637.26**	

2B.4 **Directive 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:

Compliance to Directive 6.3:

The direction relates to Pension Trust. We trust that the Pension Trust has complied with the directive as copy of the intimation has not been provided to the Petitioner.

2B.5 **Directive 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.:

Compliance to Directive 6.4:

The Petitioner submits that there has been no regulation of power during FY 2022-23. Thus, the scenario contemplated in aforesaid Directive does not arise.

2B.6 **Directive 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:

Compliance to Directive 6.5:

The Petitioner submits that there has been no regulation of power by DTL in FY 2022-23.

2B.7 **Directive 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:

Compliance to Directive 6.6:

The Petitioner submits that adherence to the aforesaid Directive is ongoing and is being complied with. In this regard, the Petitioner uploads outage reports on monthly basis in its website.

2B.8 **Directive 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:

Compliance to Directive 6.7:

It is submitted that the Petitioner has taken appropriate measures to ensure that no cash collection exceeding ₹ 4,000 towards electricity bill is accepted by counters/mobile vans of the Petitioner, except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. Further, no cash collection above ₹ 50,000 towards electricity bill is being accepted at designated scheduled commercial bank branches. The Petitioner is thus complying with the aforementioned Directive.

2B.9 **Directive 6.8**

The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments

either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.

Compliance to Directive 6.8:

It is submitted that the instant matter is presently sub-judice before the Hon'ble Tribunal in Appeal 193 of 2018 and Appeal 376 of 2019. Without Prejudice to the above, till such time, the matter is heard and decided by the Hon'ble Tribunal, the Petitioner has taken appropriate measures to ensure that the said directive is being complied with in terms of the Hon'ble Commission's Orders and, accordingly, restricted the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to less than 1 % of total units billed for FY 2022-23.

2B.10 **Directive 6.9**

The Commission directs the Petitioner to submit the statement of interest on all types of loans availed from various Banks/Financial institutions on an annual basis at the end of every financial year. This statement shall be duly supported by certificates from every lending Bank/Financial institution for each loan, certifying the following:

- *Opening balance of loan*
- *Loan disbursed during the year*
- *Repayment during the year*
- *Interest rates as applicable in accordance with the terms of sanction*
- *Additional interest if any levied on account of non-creation of required charge/not providing required security*
- *Interest charges levied and paid*

- *Penal charges levied and paid*
- *Processing charges and/or fees of any other kind as levied and paid as per the terms of sanction*

This Statement and Certificate shall be submitted within 60 days from the end of the Financial Year:

Compliance to Directive 6.9:

The Petitioner has complied with the aforesaid Directive and submitted the statement of interest on all types of loans availed by the Petitioner during FY 2022-23 from various Banks/Financial institutions and certificate by the CAG Empanelled Auditors, vide letter RA/2023-24/01/A/102 dated 31.05.2023.

2B.11 **Directive 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.

Compliance to Directive 6.10 (a):

The Petitioner has complied with the aforesaid directive.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

Compliance to Directive 6.10 (b):

The Petitioner has complied with the aforesaid Directive and quarterly progress report have been submitted to the Hon'ble Commission by following letter/ mails:

- RA/2022-23/01/A/232 dated 15.07.2022. (April 2022 to June 2022)
- RA/2022-23/01/A/382 dated 14.10.2022. (July 2022 to Sept. 2022)
- RA/2022-23/01/A/513 dated 12.01.2023. (Oct. 2022 to Dec. 2022)
- RA/2023-24/01/A/26 dated 17.04.2023. (Jan. 2023 to March 2023)

c. To conduct a safety audit and submit a compliance report within three months.

Compliance to Directive 6.10 (c):

The Petitioner has complied with the aforesaid directive and the Information has already been submitted to the Hon'ble commission vide letter ref no. RA/2023-24/01/A/243 dated 16.08.2023.

d. To carry out preventive maintenance as per schedule.

Compliance to Directive 6.10 (d):

The Petitioner has complied with the aforesaid directive during FY 2022-23.

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.

Compliance to Directive 6.10 (e):

The Petitioner has complied with the aforesaid directive for FY 2022-23. The Information has been submitted to the Hon'ble Commission vide the following letters:

- RA/2022-23/01/A/105 dated 24.05.2022. (April 2022)
- RA/2022-23/01/A/185 dated 29.06.2022. (May 2022)
- RA/2022-23/01/A/256 dated 27.07.2022. (June 2022)
- RA/2022-23/01/A/300 dated 29.08.2022. (July 2022)
- RA/2022-23/01/A/356 dated 27.09.2022. (Aug. 2022)
- RA/2022-23/01/A/401 dated 31.10.2022. (Sept. 2022)
- RA/2022-23/01/A/438 dated 25.11.2022. (Oct. 2022)
- RA/2022-23/01/A/475 dated 20.12.2022. (Nov. 2022)
- RA/2022-23/01/A/554 dated 07.02.2023. (Dec. 2022)
- RA/2022-23/01/A/588 dated 02.03.2023. (Jan. 2023)
- RA/2022-23/01/A/624 dated 23.03.2023. (Feb. 2023)
- RA/2023-24/01/A/43 dated 24.04.2023. (March 2023)

f. To submit the annual energy audit report in respect of their network at HT level and above.

Compliance to Directive 6.10 (f):

The Petitioner has complied the aforesaid Directive during FY 2022-23 and has submitted the Energy Audit Report vide letter no. RA/2023-24/01/A/327 dated 09.10.2023.

g. To submit compliance report related to the findings of the Energy Audit conducted by the Commission within 30 days from the issuance of this Tariff Order.

Compliance to Directive 6.10 (g):

The Petitioner vide its email dated 09.11.2022 and 22.11.2021 requested the Hon'ble Commission to share the report of Energy Audit to comply the above directive. However, the report has not been shared with the Petitioner till date.

h. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter.

Compliance to Directive 6.10 (h):

The Petitioner has complied with the aforesaid directive. The Information has been submitted to the Hon'ble Comission vide the following letters;

2B- 2: Auditor's certificate in respect of Form 2.1a on quarterly basis in various letters

S. No.	Month	Letter Reference Number	Date of letter
1	Quarter 1 (April'22 to June'22)	RA/2022-23/01/A/366	30/09/2022
2	Quarter 2 (July'22 to Sept.'22)	RA/2022-23/01/A/488	26/12/2022
3	Quarter 3 (Oct.'22 to Dec.'22)	RA/2022-23/01/A/625	23/03/2023
4	Quarter 4 (Jan.'23 to March'23)	RA/2023-24/01/A/135	22/06/2023

i. To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month;

Compliance to Directive 6.10 (i):

The Petitioner has submitted details of addition to Network capacity during FY 2022-23 vide letter no. RA/2023-24/01/A/61 dated 09.05.2023.

j. To incorporate the following information in the annual audited financial statements:-

i. Category-wise Revenue billed and collected,

ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,

iii. Category-wise PPAC billed and collected,

iv. Category- wise Electricity Duty billed and collected,

v. Category-wise subsidy passed on to the consumers during the financial year, if any,

vi. Category-wise details of the surcharge billed on account of ToD,

vii. Category-wise details of the rebate given on account of ToD,

viii. Street light incentive and material charges for street light maintenance,

ix. Direct expenses of other business,

x. Revenue billed on account of Own Consumption,

xi. Revenue collected on account of enforcement/theft cases,

Compliance to Directive 6.10 (j):

The Petitioner has complied with the above Directive and the aforesaid information has been incorporated in Note-59 of the Audited financial statements for FY 2022-23.

k. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year considering normative rate of Banking Transactions as approved by the Commission. 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;

Compliance to Directive 6.10 (k):

The Petitioner has complied with the above Directive and has submitted Annual Auditor's certificate in respect of power purchase details for FY 2022-23 to the Hon'ble Commission vide letter no. RA/2023-24/01/A/95 dated 30.05.2023.

l. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/Transmission companies;

Compliance to Directive 6.10 (l):

The Petitioner would like to submit that it has complied with the aforementioned directive and has submitted reconciliation statement in respect of power purchase cost and transmission cost to the Hon'ble Commission vide letter no. RA/2023-24/01/A/246 dated 17.08.2023.

m. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

Compliance to Directive 6.10 (m):

The Petitioner has complied with the aforesaid directive. The information has been submitted to the Hon'ble Commission vide the following letters;

I. Q1 details submitted vide letter no. RA/2022-23/01/A/234 dated: 15/07/2022

II. Q2 details submitted vide letter no. RA/2022-23/01/A/383 dated: 14/10/2022

III. Q3 details submitted vide letter no. RA/2022-23/01/A/514 dated: 12/01/2023

IV. Q4 details submitted vide letter no. RA/2023-24/01/A/174 dated: 14/07/2023

n. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year.

Compliance to Directive 6.10 (n):

The Petitioner vide letter no. RA/2022-23/01/A/39 dated 22.04.2022 submitted before the Hon'ble Commission about the force majeure condition which

occurred due to power crisis arising out of coal shortage and substantial increase in prices of Short Term Power.

In this regard, the Hon'ble Commission, in order to mitigate such power crisis and safeguard the interest of the Consumers & Distribution Licensees, vide letter dated 29.04.2022 approved the exemption for non-intimation and non-consideration of the Power Procured above Rs.5/kWh for computing restriction in impact of such purchase on total Short Term Power Purchase not exceeding 10 Paise/kWh for True-up of FY 2022-23 till 31.07.2022.

Accordingly, the Petitioner has complied with the aforesaid directivein terms of the letter of the Hon'ble Commission dated 29.04.2022.

o. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self-consumption approved by the Commission and exceeding the normative limit of self-consumption at Non-Domestic tariff for actual consumption recorded every month.

Compliance to Directive 6.10 (o):

The Petitioner has complied with the above directive.

p. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

Compliance to Directive 6.10 (p):

The Petitioner has complied with the aforesaid directive. The information has been submitted to the Hon'ble Commission vide letters;

i. FY 2022-23 Quarter I: Letter no. RA/2022-23/01/A/245 dated 21.07.2022 and RA/2022-23/01/A/263 dated 01.08.2022.

ii. FY 2022-23 Quarter II: Letter no. RA/2022-23/01/A/392 dated 20.10.2022 and RA/2022-23/01/A/398 dated 31.10.2022.

iii. FY 2022-23 Quarter III: Letter no. RA/2022-23/01/A/528 dated 19.01.2023, RA/2022-23/01/A/549 dated 03.02.2023 and RA/2022-23/01/A/550 dated 03.02.2023.

iv. FY 2022-23 Quarter IV: Letter no. RA/2023-24/01/A/54 dated02.05.2023,RA/2023-24/01/A/74 dated 16.05.2023 and RA/2023-24/01/A/79 dated 19.05.2023.

q. To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/Electrical Inspector, etc. as applicable.

Compliance to Directive 6.10 (q):

The Petitioner has complied with the aforesaid directive. The information has been submitted to the Hon'ble Commission vide letters;

i. FY 2022-23 Quarter I: Letter no. RA/2022-23/01/A/262 dated 01.08.2022.

ii. FY 2022-23 Quarter II: Letter no. RA/2022-23/01/A/399 dated 31.10.2022.

iii. FY 2022-23 Quarter III: Letter no. RA/2022-23/01/A/548 dated 03.02.2023.

iv. FY 2022-23 Quarter IV: Letter no. RA/2023-24/01/A/80 dated 19.05.2023.

r. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

Compliance to Directive 6.10 (r):

The Petitioner has complied with the aforesaid directive. The information has been submitted to the Hon'ble Commission vide letters;

I. Q1 details submitted vide letter no. RA/2022-23/01/A/223 dated: 13/07/2022

II. Q2 details submitted vide letter no. RA/2022-23/01/A/357 dated: 29/09/2022

III.Q3 details submitted vide letter no. RA/2022-23/01/A/506 dated: 05/01/2023

IV.Q4details submitted vide letter no. RA/2023-24/01/A/017 dated: 13/04/2023

In addition to the aforesaid letters, the Petitioner from time to time vide its letters dated 03.05.2023, 01.08.2023 and 11.08.2023 has apprised the Hon'ble Commission about the progress of Tender for Appointment of Advanced Metering Infrastructure Service Provider (AMISP) for Smart Prepaid Metering in Petitioner's area on DBFOOT Basis for implementation of Smart Metering as per Ministry of Power's Notification dated 23.05.2022.

s. To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

Compliance to Directive 6.10 (s):

The Petitioner has complied with the aforesaid directive. The Information has been submitted to the Hon'ble Commission vide letters;

I. Q1 details submitted vide letter no. RA/2022-23/01/A/228 dated: 14/07/2022

II. Q2 details submitted vide letter no. RA/2022-23/01/A/375 dated: 13/10/2022

III. Q3 details submitted vide letter no. RA/2022-23/01/A/517 dated: 13/01/2023

IV. Q4 details submitted vide letter no. RA/2023-24/01/A/10 dated: 12/04/2023.

In addition to the above, the Petitioner has filed an amendment application no. I.A. 2 of 2023 in Petition no. 58 of 2021 pending before the Hon'ble Commission, seeking relaxation/ waiver of RPO targets for FY 2022-23.



Chapter 3A
True Up for FY 2022–23

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True Up for FY 2022-23

Background

3A.1 The Petitioner in this chapter seeks Truing up of Expenditure and Revenue for FY 2022-23 in terms of Business Plan Regulations 2019, applicable for the control period from FY 2020-21 to FY 2022-23, read with Regulation 13 of Tariff Regulations, 2017.

3A.2 The Petitioner vide its letter reference no. RA/2023-24/01/A/360 dated 26.10.2023 has already submitted its Audited Financial Statement for FY2022-23. Copy of the same is enclosed herewith as Annexure – 3A.1.

Legislative Provisions of Truing-up

3A.3 The Petitioner respectfully submits that before adverting to the issues of Truing up on merits, the Petitioner seeks to highlight the statutory provisions and judicial decisions with respect to the concept of Truing up.

3A.4 The Hon'ble Commission notified the Tariff Regulations, 2017 vide Gazette Notification dated 31.01.2017 which were made applicable from 01.02.2017 onwards. Further, the operational norms for Distribution utilities have also been approved by the Hon'ble Commission for the Control Period FY 2020-21 to FY 2022-23 in the Business Plan Regulations, 2019 notified vide Gazette Notification dated 02.06.2020.

3A.5 Distribution licensee has to file petition for true-up of previous year and determination of tariff in line with Regulation 13 of the Tariff Regulations 2017, relevant excerpt is reproduced here as follows:

> *"13. The Utility shall file a Petition for True up of ARR for previous years and determination of tariff in such form and in such manner as specified*



in these Regulations along with relevant formats of Generating Entity, Transmission Licensee and Distribution Licensee, as the case may be, duly supported with detailed computations."

3A.6 The Hon'ble Supreme Court vide its Judgement dated 18.10.2022 passed in Civil Appeal No. 4323 & 4324 of 2015 has laid down the principles of Truing up. The relevant extract of the Judgment is reproduced below:

".....51… As noticed above, a tariff order is quasi judicial in nature which becomes final and binding on the parties unless it is amended or revoked under Section 64(6) or set aside by the Appellate Authority. Apart from this, we are also of the view that ***at the stage of 'truing up', the DERC cannot change the rules/methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR****.*

*52.****'Truing up'*** *has been held by APTEL in SLDC v. GERC to* ***mean the adjustment of actual amounts incurred by the Licensee against the estimated/projected amounts determined under the ARR****……*
53. In our opinion, 'truing up' stage is not an opportunity for the DERC to rethink de novo on the basic principles, premises and issues involved in the initial projections of the revenue requirement of the licensee. ***'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at 'trueup' stage."***

[Emphasis Added]

3A.7 The Hon'ble Tribunal in its Judgement dated 17.04.2023 in Appeal No. 247 OF 2021 & IA No. 1263 of 2022 has directed the Hon'ble Commission to allow O&M expenses strictly in terms of Regulation 87, 92 and 93 of Tariff Regulations, 2017 and Regulation 23 of Business Plan Regulations, 2019.The relevant extract of the Tribunal's Judgement is reproduced below:

"Mr. Sujit Ghosh, learned Counsel for the Respondent Commission, ***would submit that the Commission would strictly adhere to Regulations 87, 92 and 93 of the DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 as also Regulation 23 of the DERC (Business Plan) Regulations, 2019****.*
In the light of the unequivocal submission of Mr. Sujit Ghosh, learned Counsel for the Respondent Commission, that the Commission would abide by the aforementioned Regulations, it is unnecessary for us to dwell on the question whether or not an application of this nature is

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maintainable. Recording the submissions of Mr. Sujit Ghosh, learned Counsel for the Respondent Commission, as aforesaid, the IA is closed."
[Emphasis Added]

3A.8 In accordance with the abovementioned Regulations and aforesaid facts, the Petitioner is filing the true-up of FY 2022-23 before the Hon'ble Commission. The methodology adopted by the Petitioner for the purpose of True-up of FY 2022-23 in the instant Petition is based on the above legal framework in compliance with the Tariff Regulations, 2017 and the Business Plan Regulations, 2019 read with the judgements and orders of the Hon'ble Supreme Court and the Hon'ble Tribunal. Relevant extracts of the prevailing Regulations which have been relied upon in the instant Petition are as follows:

a) Distribution Loss and Collection Efficiency:

Regulation 4(9)(a) and Regulation 4(9)(b) of the Tariff Regulations, 2017 provides targets of Distribution Loss and Collection Efficiency to be specified under Business Plan Regulations for a control period. Relevant excerpt is reproduced here as follows:

"4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:
….
(9) Distribution Norms:
(a) Distribution Loss Target;
(b) Collection Efficiency Target;...."

In view of above, the Hon'ble Commission specified the targets of Distribution Loss and Collection Efficiency along with incentive/disincentive sharing mechanism for over achievement/ under achievement of the same in Regulation 25 and Regulation 26 of Business Plan Regulations, 2019 for the control period FY 2020-21 to FY 2022-23, relevant excerpt is reproduced here as follows:

"***25. TARGET FOR DISTRIBUTION LOSS***

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

Table 15: Target for Distribution Loss for the Control Period

Distribution Licensee	2020-21	2021-22	2022-23
BSES Rajdhani Power Limited	8.10%	8.00%	**7.90%**
BSES Yamuna Power Limited	9.00%	8.75%	8.50%
Tata Power Delhi Distribution Limited	7.90%	7.80%	7.70%
New Delhi Municipal Council	9.00%	8.75%	8.50%

(2)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)Any financial impact due to Underachievement on account of Distribution Loss target by the distribution licensee for the relevant year, (i.e. Actual Loss > Loss target), shall be to the account of distribution licensee as specified in Regulation 161 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4)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.*

26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23of 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.

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(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."

b) Power Purchase Cost

The principles to be followed for true-up of power purchase cost for any Financial Year is to be carried out in line with the Regulation 152(b) of the Tariff Regulations, 2017. Relevant excerpt of the same is reproduced here as follows:

"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;

….
152. True up of ARR for Distribution (Wheeling &Retail Supply) Licensee shall be conducted on the following principles:
....
(b) Variation in long term power purchase quantum and cost of the distribution licensee based on merit order dispatch principle of projected long term power purchase quantum and cost vis-a-vis actual long term power purchase quantum and cost

Provided that the distribution licensee shall submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in it's area of supply;

Provided that the cost of credit to the net metering consumer on account of net surplus unit of power injected into the grid as specified in Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations,2014 shall be allowed to the distribution licensee in the power purchase cost of the relevant year;

(c) Variation in short term power purchase quantum and cost of the distribution licensee based on projected short term power purchase quantum and costvis-a-vis actual short term power purchase quantum and cost:

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Provided that Trading Margin, Transmission Charges and Transmission Losses incurred on Forward And Reverse transaction in the same time slot executed within three months for Forward/Reverse power procurement/sale through Banking And Bilateral shall not be allowed in the Power Purchase Cost of the Distribution Licensee;

Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than forced scheduling of power as certified by SLDC on monthly basis shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;

Provided that any Additional/Penal Deviation Settlement Mechanism(Unscheduled Interchange) Charges other than forced scheduling of power as certified by SLDC paid by the Distribution Licensee shall not be allowed in Power Purchase Cost;
....”

The Petitioner would like to highlight that power purchase cost being an uncontrollable parameter has to be trued up on the basis of actuals. The rebate on power purchase being an intrinsic and inseparable part of power purchase cost must also be trued up on actuals in terms of Regulation 123 and 152 of the said Regulations.

Further, the Petitioner submits that a large part of the tariff of DISCOMs is unrecovered in the form of Regulatory Assets. The accumulated Regulatory Assets is of no immediate value to the Petitioner in discharging contractual liabilities for carrying out its business year on year. The Petitioner has faced an acute stringency of cash flow on account of the huge accumulated Regulatory Assets. Factually, on account of cash crunch (due to accumulated Regulatory Asset) the Petitioner was unable to avail the benefit of the rebate offered by Gencos/Transcos.

In view of the above, we humbly request the Hon’ble Commission to consider the actual rebate earned and power sector crisis position of the

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Petitioner while truing up of the uncontrollable Power Purchase Cost.

Accordingly, the power purchase cost, for the purpose of Truing up, has been considered in the instant Petition based on the actual Power Purchase Cost (including the actual rebate earned) during FY 2022-23.

c) Operation and Maintenance Expenses

Regulation 4(3) of the Tariff Regulations, 2017 provides Operation and Maintenance Expenses to be specified under Business Plan Regulations for a control period, relevant excerpt is reproduced here as follows:

"4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:
….
(3) Operation and Maintenance Expenses
…."

Further, Regulation 92 of the Tariff Regulations, 2017 defines the components of Operation and Maintenance expenses, relevant excerpt is reproduced here as follows:

"92. Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of:
(a) Employee Expenses,
(b) Administrative and General Expenses; and
(c) Repair and Maintenance Expenses."

In line with above, the Hon'ble Commission has defined normative Operation and Maintenance expenses in Regulation 23 of the Business Plan Regulations 2019,relevant excerpt is reproduced here 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 as follows:

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Table 8: Norms for O&M Expenses for BRPL for the Control Period

S. No.	Particulars	Unit	2020-21	2021-22	2022-23
1	66 kV Line	Rs. Lakh/ ckt. Km	3.855	4.002	**4.156**
2	33 kV Line	Rs. Lakh/ ckt. Km	3.855	4.002	**4.156**
3	11 kV Line	Rs. Lakh/ ckt. Km	1.150	1.194	**1.239**
4	LT Line System	Rs. Lakh/ ckt. Km	6.148	6.384	**6.629**
5	66/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	**1.114**
6	33/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	**1.114**
7	11/0.415 kV DT	Rs. Lakh/ MVA	2.563	2.661	**2.763**

...."

Accordingly, the Petitioner has considered normative Operation and Maintenance Expenses in the true-up exercise of FY 2022-23. Further, the additional expenses, which are not part of the actual O&M expenses considered by the Hon'ble Commission while determining aforesaid norms for the control period from FY 2020-21 to FY 2022-23, have also been considered under Regulation 45 of the Tariff Regulations, 2017 and Regulation 23 of the Business Plan Regulations, 2019.

Further, Hon'ble Tribunal's Judgment dated 24.05.2022 passed in Appeal No. 213 of 2018 has directed the Hon'ble Commission to consider the impact of increase in rate of service tax and revisit its order. The relevant extract of the Tribunal's Judgement is reproduced below:

> *"It is apparent that the decisions taken by Order dated 30.09.2021 on the subjects of re-determination of AT&C loss trajectory and impact of increase in rate of Service Tax were influenced by the Suo Motu order dated 29.09.2019 which had illegally attempted to dislodge the Compliance Order dated 04.02.2021. Since the Suo Motu order has been found to be improper, unjust, and bad in law and is being vacated, consequently rendering the Compliance Order operative and in force, the decisions on the above-mentioned subject by the Tariff Order dated 30.09.2021 cannot be allowed to stand. We order accordingly. It would be the obligation of the State Commission to revisit the same and pass fresh orders in accordance with law on such issues, also for the period covered by the Tariff Order dated 30.09.2021."*

The detailed explanation of aforesaid claim is provided in subsequent

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paragraphs of the instant petition.

d) Depreciation

The principles to be followed for true-up of depreciation for any Financial Year is to be carried out in line with the Regulation 152 (e) of the Tariff Regulations, 2017, relevant excerpt of the same is reproduced here as follows:

> "*152. True up of ARR for Distribution (Wheeling &Retail Supply) Licensee shall be conducted on the following principles:*
>
> *....*
> *(e) Depreciation, Return on equity and interest on loan shall be trued up every year based on the actual capitalisation vis-a-vis capital investment plan (capitalisation) approved by the Commission:*
> *Provided further that the Commission shall true up the interest rate on the basis of increase/decrease in State Bank of India Base Rate as on April 1 of the relevant financial year via-a-vis State Bank of India Base Rate as on April 1 of the immediately preceding financial year in accordance with Regulation 77 of these Regulations;*

...."

Further, Regulation 29 of the Tariff Regulations, 2017 provides that any grant/contribution which does not imply any debt-equity service or any liability is to be excluded from capital cost for determination of depreciation; relevant excerpt is reproduced here as follows:

> *"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."*

Accordingly, the Petitioner has computed depreciation on average GFA net of average Consumer Contribution of FY 2022-23 as elaborated in the subsequent paragraphs.



e) Return on Capital Employed (RoCE)

Regulation 68 of the Tariff Regulations, 2017 provides methodology for computation of RRB for any FY; relevant excerpt is reproduced here as follows:

"68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:
RRBi =RRBi-1 + ΔABi/2 +ΔWCi;
...."

Accordingly, the Petitioner has computed RRB for FY 2022-23. Further, WACC has been computed in terms of Regulation 70 of the Tariff Regulations 2017, relevant excerpt is reproduced here as follows:

"70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$WACC = \left[\frac{D/E}{1+D/E}\right] * r_d + \left[\frac{1}{1+D/E}\right] * r_e$$

Where,
....

D is the amount of Debt derived as per these Regulations;

E is the 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.
...."

In continuation to above, RoCE for FY 2022-23 has been computed by multiplying WACC with RRB as specified in the Regulation 69 of the Tariff Regulations, 2017, relevant excerpt is reproduced here as follows:

"69. Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:
RoCE=WACC RRBi*

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.... "

Regulation 72 and Regulation 73 of the Tariff Regulations, 2017 provides for computation and allowance of Tax on Return on Equity, relevant excerpt is reproduced here as follows:

*"72. **Tax on Return on Equity**: The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid vis-a-vis total income of the Utility in the relevant financial year in line with the provisions of the relevant Finance Acts....*

Provided that if the rate of return on equity for a Control Period is allowed on pre-tax basis, then income tax on the return on equity shall not be allowed separately as a pass through in ARR;
Provided further that no amount shall be considered towards tax exceeding the actual amount of tax paid by the corporate entity of the Utility as an assesse.

73. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per formula given below:
Rate of pre-tax return on equity=Base rate/ (1-t)
Where "t" is the effective tax rate in accordance with Regulation 0 and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid by the Utility on pro-rata basis by excluding the other income stream:
Provided that wherever the Utility pays Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess."

Further, Regulation 21 of the Business Plan Regulation, 2019 provides the methodology for computation of Tax on Return on Equity; relevant excerpt is reproduced here as follows:

*"**21. TAX ON RETURN ON EQUITY***

The base rate of return on equity as allowed by the Commission under Regulation 20(1) and Regulation 20(2) of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 16/[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be....."

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The Petitioner humbly submits that the Income tax ought to be considered as per applicable Tariff Regulations, 2017 and principle laid down by Hon'ble Tribunal in various judgments. A conjoint reading of the Regulations of the Hon'ble Commission in light of the principles laid down by the Hon'ble Tribunal would clearly establish that:

(a) The Distribution Business must be treated as if in a watertight compartment;

(b) The Return on Equity is not only the income of the Distribution Business;

(c) A 16% rate of Return on Equity has been assured to the distribution business and must be given to the entity meaning thereby all other taxes payable by the distribution business computed on a normative basis must be allowed as a pass through.

Further, it is highlighted that the Hon'ble Supreme Court in its Order and Judgment dated 18.10.2022 has also laid down the principle of Truing up i.e. *'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at 'true up' stage.*

Rate of Interest on Loan

Regulation 77 of the Tariff Regulations, 2017 provides for the methodology for computation of Rate of Interest on loan, relevant excerpt is reproduced

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here as follows:

"77. 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."

In view of the above, the Hon'ble Commission has specified the margin for rate of interest on loan in Regulation 22 (1) of the Business Plan Regulations 2019; relevant excerpt is reproduced here as follows:

*"**22. MARGIN FOR RATE OF INTEREST ON LOAN***
(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:
Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:
Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%."

Accordingly, the Petitioner has considered the blended cost of debt at the rate of 11.73%and post-tax RoE at the rate of 21.38% for computation of

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WACC for FY 2022-23.

f) Non-Tariff Income:

The relevant excerpt of the Regulation 11(11) of the Tariff Regulations, 2017 is reproduced here as follows:

"11. The Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial Year which shall contain:
....
(11) Actual and Expected Non Tariff Income including Other Business Income for the previous and ensuing Year respectively;
...."

Further, Regulation-94 of Tariff Regulations, 2017 provides tentative list of components of Non-Tariff Income, relevant excerpt of the same is reproduced here as follows:

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative lists as follows:
(i) Income from rent of land or buildings;
(ii) Net Income from sale of de-capitalised assets;
(iii) Net Income from sale of scrap;
(iv) Income from statutory investments;
(v) Net Interest on delayed or deferred payment on bills;
(vi) Interest on advances to suppliers/contractors;
(vii) Rental from staff quarters;
(viii) Rental from contractors;
(ix) Income from Investment of consumer security deposit;
(x) Income from hire charges from contactors and others, etc.
95. The Non-Tariff Income shall be reduced from ARR."

Accordingly, the Petitioner has submitted the details of Non-Tariff Income for FY 2022-23 elaborated in the subsequent paragraphs.

3A.9 Based on the applicable statutory provisions as referred above, the Petitioner prays for true-up of expenses and revenue of FY 2022-23, as elaborated in the subsequent paragraphs.

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Energy Sales

3A.10 Regulation 152 of the DERC Tariff Regulations, 2017 provides that true up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the principles of variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-à-vis actual revenue and sales. The quantum of energy sales is an uncontrollable factor and therefore any variation and its impact thereto ought to be allowed by the Hon'ble Commission. Accordingly, the Petitioner requests the Hon'ble Commission to carry out the true-up of the variation in the revenue and sales for FY 2022-23.

3A.11 It may be noted that the methodology followed by the Hon'ble Commission regarding Enforcement sales i.e. calculation of units billed on account of enforcement by dividing the amount realised by twice ABR has been set aside by the Hon'ble Supreme Court in its Judgment dated 18.10.2022 wherein the Hon'ble Supreme Court has directed the Hon'ble Commission as under:

> *" 79... We are of the view that **the methodology adopted by the DERC is contrary to the settled principle of law** that when the law deems a certain imaginary state of affairs as real, DERC would not let its imagination boggle at treating the 100 units as sales. We are of the view that such imaginary state of affairs must be taken to its logical end and commend the treatment of 100 units as 'sales'.*
>
> *80. We are of the view that the **assessed energy has to be considered as supply** by the appellants in enforcement cases. Therefore, **we direct the DERC to consider assessed energy for calculation of enforcement sales and allow the impact of the same along with carrying costs**. In view of our conclusion as above, we do not deem it necessary to answer the other contentions on this issue."**[Emphasis Added]***

3A.12 In view of the directions of the Hon'ble Supreme Court in the aforesaid Judgment, the Petitioner has considered 66.4 MU as enforcement sales in the instant petition for True-up of FY 2022-23. Further, the Petitioner has claimed the impact of energy sales on account of theft/enforcement for previous years in Chapter 3B of this Petition.

3A.13 The actual energy sales during FY 2022-23 after taking into account the impact of Hon'ble Supreme Court Judgment dated 18.10.2022 is 13149.5 MU. The category-wise bifurcation of connected load, no. of consumers and energy sales during FY 2022-23 for truing up is tabulated here as follows:

Table 3A- 1:Category-wise energy sales for truing up during FY 2022-23 (MU)

S. No.	Category	Connected Load	Consumers	Energy Sales
		MW	No.	MU
1	**Domestic**	**6574.8**	**2604605**	**8447.4**
1.1	Domestic	6457.9	2600884	8204.6
1.2	SPD for GHS (CGHS)	81.6	192	192.6
1.3	Worship & Hospital	22.3	20	33.7
1.4	DVB Staff	13.0	3509	16.6
2	**Non-Domestic**	**2504.7**	**357841**	**3160.6**
2.1	Non-Domestic LT (up to 3kVA)	388.3	244859	358.4
2.2	Non-Domestic LT (above 3kVA)	1381.8	111978	1660.5
2.3	Non-Domestic HT	734.6	1004	1141.7
3	**Industrial**	**283.0**	**5413**	**547.4**
3.1	Industrial LT	194.0	5251	327.2
3.2	Industrial HT	89.1	162	220.2
4	**Agriculture**	33.7	6299	23.0
5	**Mushroom Cultivation**	0.3	27	0.4
6	**Public Utilities**	**324.3**	**11340**	**659.6**
6.1	Public Lighting	51.2	7182	118.4
6.2	Delhi Jal Board (DJB)	127.6	4149	238.2
6.3	Delhi Metro (DMRC)	145.5	9	303.0
7	**Delhi International Airport Ltd. (DIAL)**	**51.3**	**2**	**47.1**
8	**Advertisement and Hoardings**	**1.5**	**803**	**0.9**
9	**Charging Stations for EV**	**26.9**	**1548**	**48.2**
9.1	EV Charging at LT	21.0	1544	39.2
9.2	EV Charging at HT	5.9	4	9.0

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S. No.	Category	Connected Load	Consumers	Energy Sales
		MW	No.	MU
10	Own Consumption	12.1	803	23.2
11	Temporary Supply	0.0	0	125.1
12	Enforcement	0.0	0	66.4
	Total	9812.6	2988681	13149.5

3A.14 The actual revenue billed (net of E. Tax, Regulatory Asset Surcharge and Pension Trust Surcharge) from sale of power by the Petitioner at approved Retail Supply Tariffs during FY 2022-23 is ₹ 10506.8 Cr. The category wise and component wise revenue billed during the year is tabulated here as follows:

Table 3A- *2*: *Actual Eergy Sales and Revenue for FY 2022-23*

S. No.	Category	Energy Sales	Fixed Charges	Energy Charges (inc. Other)	PPAC	Total Charges	Avg. Billing Rate	Regulatory Assets Surcharge
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ /Unit	₹ Cr.
1	Domestic	8447.4	471.0	3593.3	797.3	4861.6	5.76	325.2
2	Non-Domestic	3160.6	723.4	2706.2	674.5	4104.0	12.98	278.5
3	Industrial	547.4	86.1	452.7	106.4	645.3	11.79	44.1
4	Agriculture & Mushroom	23.5	5.5	4.0	1.9	11.4	4.84	0.8
5	Public Utilities	659.6	77.7	429.3	100.3	607.3	9.21	48.5
6	DIAL	47.1	3.3	36.2	7.8	47.2	10.02	14.2
7	Adv. & Hoardings	0.9	0.2	0.8	0.2	1.2	13.52	0.1
8	Temporary	125.1	22.6	117.6	27.6	167.9	13.42	11.2
9	Charging Stations for EV	48.2	0.0	21.2	4.2	25.5	5.28	1.7
10	Others	89.6	0.1	31.7	3.7	35.6	3.97	2.6
11	**Total**	**13149.5**	**1389.9**	**7393.0**	**1723.9**	**10506.8**	**7.99**	**726.7**

Pension Trust Surcharge

3A.15 Hon'ble Commission in its Tariff Order dated 30.09.2021 has increased the Pension Trust surcharge by 2% resulting into applicability of Pension Trust

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surcharge of 7% with effect from 01.10.2021 over the approved retail supply tariff to meet the Pension Trust liability of erstwhile DVB employees/ Pensioners as recommended by GoNCT of Delhi.

3A.16 Further, the Hon'ble Commission vide directive 6.2 in the Tariff Order dated 30.09.2021 directed the Petitioner to deposit the amount of pension trust surcharge collected from consumers directly to the Pension Trust.

3A.17 It is submitted that the Petitioner has collected an amount of ₹ 637.3 Cr. towards Pension Trust Surcharge during FY 2022-23 against billed amount of ₹ 635.1 Cr, details are tabulated here as follows:

Table 3A- 3: Pension Trust Surcharge for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23
1	Revenue Billed on account of Pension Trust Surcharge	₹ Cr.	635.1
2	Amount Collected on account of Pension Trust Surcharge*	₹ Cr.	637.3

**Deposited in the Bank account of Pension trust in compliance with the directions of the Hon'ble Commission.*

Distribution Loss during FY 2022-23

3A.18 The Petitioner in its Para No 3A.20 & 3A.21 of Petition for True up of FY 2020-21 and Para No 3A.22 & 3A.23 of Petition for True up of FY 2021-22, had submitted its request to consider the adverse impact of COVID-19 and Lockdown as force majeure event and requested the Hon'ble Commission to revise the Targets of Distribution loss for FY 2020-21 and FY 2021-22 and allow the consequential impact of the same on the Distribution loss Target for FY 2022-23. Since, the True up of FY 2020-21 and FY 2021-22 is still pending, the Petitioner would like to request the Hon'ble Commission to kindly allow the adverse impact of COVID-19 on the distribution loss trajectory for FY 2020-21 and FY 2021-22 and its consequential impact for FY 2022-23.

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3A.19 Without prejudice to the above, the Petitioner is submitting its claim based on the Distribution Loss targets approved in the Business Plan Regulations, 2019. The actual distribution loss level achieved by the Petitioner during FY 2022-23 is tabulated below:

Table 3A- 4: Distribution loss level during FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Energy Input (excluding OA)	MU	14163.0	Para 3A.38
B	Energy Billed	MU	13149.5	Table 3A- 2
C	Actual Distribution Loss	%	7.16%	(A-B)/A
D	Target Distribution Loss	%	7.90%	As per BPR 2019, Regulation 25(1)
E	Over/ (Under) Achievement	%	0.74%	D-C

3A.20 Regulation 25(2) of the Business Plan Regulations, 2019 states that 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 Tariff Regulations, 2017, which is reproduced as under::

> *"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)."*

3A.21 Further, Regulation 25(4) of the Business Plan Regulation, 2019 specifies the computation of sharing the financial impact on account of overachievement of distribution loss target between the Petitioner and consumers.

3A.22 Accordingly, the total financial impact on account of overachievement of 0.74% towards distribution loss target which is to be retained by the Petitioner

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is ₹ 44.4 Cr. and balance ₹ 24.5 Cr. is to be passed on to the consumers, detailed computation is tabulated here as follows:

Table 3A- 5: Computation of share of Incentive to be retained by the Petitioner on account of Distribution Loss overachievement for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Distribution loss Target for Previous Year (PYT)	%	8.00%	As per BPR 2019, Regulation 25(1)
B	Distribution loss Target for Current Year (CYT)	%	7.90%	As per BPR 2019, Regulation 25(1)
C	Actual Distribution Loss	%	7.16%	Table 3A- 4
D	50% of (PYT - CYT)	%	0.05%	50%*(A-B)
E	CYT-50% of (PYT - CYT)	%	7.85%	E = B - D
F	Energy Input	MU	14,163.0	Table 3A- 4
G	Average Power Purchase Cost	₹/Unit	6.55	(₹ 9273.3Cr. at S.No. D of Table 3A-24)x10/(14163.0 MU at S.No. C of Table 3A-12)
H	Total Financial Gain	₹ Cr.	69.0	(B-C)xFxG/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	₹ Cr.	1.5	(B-E)xFxG/10x(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	₹ Cr.	42.9	(E-C)xFxG/10x(2/3)
K	**Share of financial gain to be retained by the Petitioner**	**₹ Cr.**	**44.4**	**I+J**
I	**Share of financial gain passed on to the consumers**	**₹ Cr.**	**24.5**	**H-K**

Collection efficiency during FY 2022-23

3A.23 As per Regulation 5(11) of the Tariff Regulations, 2017, collection efficiency is the ratio of revenue realised and revenue billed during the year without considering revenue billed/realised on account of Electricity Tax, Late Payment Surcharge, Regulatory Asset Surcharge and Pension Surcharge, relevant excerpt is reproduced here as follows:

> *"(11) Collection efficiency shall be measured as ratio of total revenue realized to the total revenue billed in same year.*



Provided that Revenue realised or revenue billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of collection efficiency"

3A.24 Further, Regulation 26(1) of the Business Plan Regulations, 2019 provides 99.50% as target of Collection Efficiency for the Petitioner during the control period from FY 2020-21 to FY 2022-23.

"26. TARGET FOR COLLECTION EFFICIENCY
(1) The targets for Collection Efficiency for FY2020-21 to FY2022-23 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."

3A.25 The Petitioner has billed a gross amount of ₹ 12323.1 Cr. which includes amount on account of Electricity Tax, Regulatory Asset Surcharge and Pension Trust Surcharge. The net Revenue Billed considered for computation of Collection Efficiency during FY 2022-23 is tabulated here as follows:

Table 3A- 6: Net Revenue Billed for True-up of Collection Efficiency during FY 2022-23

S.No	Particulars	UOM	FY 2022-23	Remarks
A	Total Revenue Billed As per Form 2.1 A	₹ Cr.	12323.1	Note 61 of Audited Accounts of FY 2022-23
B	Less- Electricity Tax	₹ Cr.	454.5	
C	Less- Regulatory Assets Surcharge	₹ Cr.	726.7	
D	Less- Pension Trust Surcharge	₹ Cr.	635.1	
E	**Net Revenue Billed**	**₹ Cr.**	**10506.8**	**(A-B-C-D)**

3A.26 In continuation to above, the Petitioner has realised the gross revenue of ₹12441.4 Cr. during FY 2022-23 which includes collection on account of

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Electricity Tax, Late Payment Surcharge, Regulatory Assets Surcharge and Pension Trust Surcharge. The net Revenue Realised considered for the purpose of computation of Collection Efficiency during FY 2022-23 is tabulated here as follows:

Table 3A- 7: Net Revenue Realised for True-up of Collection Efficiency during FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Total Revenue Realised as per Form 2.1 A	₹ Cr.	12441.4	Note 61 of Audited Accounts of FY 2021-22
B	Less- Electricity Tax	₹ Cr.	454.4	
C	Less- Regulatory Assets Surcharge	₹ Cr.	731.1	
D	Less- Pension Trust Surcharge	₹ Cr.	637.3	
E	Less- Late Payment Surcharge	₹ Cr.	33.6	
F	**Net Revenue Realised**	**₹ Cr.**	**10585.1**	**F = (A-B-C-D-E)**

3A.27 Accordingly, the Petitioner has achieved collection efficiency of 100.75% during FY 2022-23 in line with the above mentioned Regulation 5(11) of the Tariff Regulations 2017, an overachievement of 1.25% from the target. The detailed computation of actual collection efficiency during FY 2022-23 is tabulated here as follows:

Table 3A- 8: Collection Efficiency during FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	10506.8	Table 3A- 6
B	Net Revenue Realised	₹ Cr.	10585.1	Table 3A- 7
C	Actual Collection Efficiency	%	100.75%	C = B/A
D	Target Collection Efficiency	%	99.50%	Regulation 26 of BPR, 2019
E	Over/ (Under) Achievement	%	1.25%	E = C - D

3A.28 Regulation 26(2) and Regulation 26(3) of the Business Plan Regulations, 2019 provides that gain on account of overachievement in Collection



Efficiency target is to be computed as per Regulation 163 of the Tariff Regulations, 2017 and gain corresponding to actual collection efficiency between 99.50% to 100% is to be equally shared between consumers and licensee.

3A.29 Further, Regulation 163 and Regulation 164 of the Tariff Regulations, 2017 provides methodology for computation of gain on account of overachievement in Collection Efficiency target and the sharing mechanism of the same, relevant excerpt is reproduced here as follows:

> *"163. The financial impact on account of over or under achievement of Collection Efficiency target shall be computed as under:*
>
> *Incentive or (Penalty) = (C1 - C2) * A_b*
>
> *where,*
>
> *C1 (Actual Collection Efficiency = $[\frac{Ar}{Ab}]$ * 100*
>
> *A_r = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;*
> *A_b = Actual amount billed excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;*
> *C2 =Target Collection Efficiency in %;*
>
> *164. 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 to 100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."*

3A.30 Accordingly, in terms of abovementioned Regulation 163 and Regulation 164 of the Tariff Regulations 2017 and Regulation 26(2) and Regulation 26(3) of the Business Plan Regulations, 2019, financial gain on account of overachievement of 1.25% towards collection efficiency target is ₹ 130.8 Cr. The Petitioner's share1incentive on account of over 100% Collection Efficiency Target achieved is ₹ 78.3 Cr. Moreover, Petitioner's share2

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incentive for Collection Efficiency Target achieved between 99.5%-100% is ₹26.3 Cr. Further, balance incentive of ₹ 26.3 Cr is passed on to consumers, detailed computation is tabulated here as follows:

Table 3A- 9: Sharing of Financial Gain on account of Overachievement of Collection efficiency Target during FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	10506.8	Table 3A- 6
B	Actual Collection Efficiency	%	100.75%	Table 3A- 8
C	Collection Efficiency Target	%	99.50%	As per BPR, 2019
D	Revenue Realised over 99.50% Collection Efficiency Target	₹ Cr.	130.8	D = Ax(B-C)
E	Petitioner's share 1 (over 100% Collection Efficiency Target achieved)	₹ Cr.	78.3	E = (D/(B-C)x(B-100%))
F	Petitioner's share 2 in the ratio 50:50 (between 99.5% - 100% Collection Efficiency Target achieved)	₹ Cr.	26.3	F = (D-E)/2
G	**Share of financial gain to be retained by the Petitioner**	**₹ Cr.**	**104.6**	**G = E+F**
H	**Share of financial gain passed on to the consumers**	**₹ Cr.**	**26.3**	**H = D-G**

Net Revenue for FY 2022-23

3A.31 The computation of net revenue available after adjusting the Petitioner's share of incentive towards overachievement of Distribution Loss Level targets and Collection Efficiency targets is tabulated below. It is worth to mention here that for the purpose of computing surplus or deficit for the year, the amount of net revenue is considered based on actual collection only.

Table 3A- 10: Net Revenue for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Realised (Excluding E. Tax, LPSC, RA Surcharge &PT Surcharge)	₹ Cr.	10585.1	Table 3A- 7
B	Less - Overachievement due to Lower Distribution Loss	₹ Cr.	44.4	Table 3A- 5
C	Less - Overachievement due to Higher Collection Efficiency	₹ Cr.	104.6	Table 3A- 9
D	Net Revenue for FY 2022-23	₹ Cr.	**10436.1**	D = A-B-C

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Power Purchase Quantum

3A.32 It is submitted that the Petitioner purchases most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Hon'ble Commission as per its Orders dated 31.03.2007.

3A.33 The Petitioner vide its below listed letters has already submitted the details of monthly power purchase cost and invoices raised by Generating Companies and Transmission Companies for the period April 2022 to March 2023.

Table 3A- 11: Correspondences with Hon'ble Commission regarding power purchase cost

S. No.	Month	Letter Ref. no.	Submission Date
1	Apr'22	RA/2022-23/01/A/184	29.06.2022
2	May'22	RA/2022-23/01/A/221	12.07.2022
3	Jun'22	RA/2022-23/01/A/293	23.08.2022
4	Jul'22	RA/2022-23/01/A/294	23.08.2022
5	Aug'22	RA/2022-23/01/A/296	24.08.2022
6	Sep'22	RA/2022-23/01/A/363	29.09.2022
7	Oct'22	RA/2022-23/01/A/442	28.11.2022
8	Nov'22	RA/2022-23/01/A/485	23.12.2022
9	Dec'22	RA/2022-23/01/A/533	24.01.2023
10	Jan'23	RA/2022-23/01/A/604	09.03.2023
11	Feb'23	RA/2023-24/01/A/35	20.04.2023
12	Mar'23	RA/2023-24/01/A/39	21.04.2023

3A.34 The Petitioner vide its letter no. RA/2023-24/01/A/95 dated 30.05.2022 has also submitted the Power Purchase Cost Statement for the period April 2022 to March 2023 duly certified by the Statutory Auditor.

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3A.35 All PPAs were submitted and accordingly approved by the Hon'ble Commission. Further, the details of all PPAs have also been submitted as part of the Business Plan submissions dated 15.09.2022.

3A.36 The Petitioner has procured 15221.3 MU during FY 2022-23 from various sources.

3A.37 The detailed summary of actual power purchase quantum procured by the Petitioner at its periphery during FY 2022-23 is tabulated here as follows:

Table 3A- 12: Power Purchase Quantum for FY 2022-23 (MU)

S. No	Particulars	Submission	Remarks
A	Power Purchase:		
I	Gross Power Purchase Quantum	15221.3	Para 3A.36
ii	Power sold to other sources	382.7	Excluding Banking
iii	**Net Power Purchase**	**14838.6**	**i-ii**
B	Transmission Loss	675.6	
C	**Net power available at BRPL periphery***	**14163.0**	**A(iii)-B**

**Excluding Open Access*

3A.38 The Petitioner has considered abovementioned energy input of 14163.0 MU at Distribution periphery of the Petitioner, subject to certification by Delhi SLDC. The Petitioner craves leave of the Hon'ble Commission to explain the workings if and when required by the Hon'ble Commission.

Short term Purchase

3A.39 During FY 2022-23, the Petitioner has procured 4064.5 MU through Bilateral/Banking/Intrastate including UI under short term purchase. The summary of source-wise details of short term power purchase is tabulated here as follows:

Table 3A- 13: Details of Short Term Power Purchase

S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	%
A	Bilateral	484.0	17.7%	1336.3	37.9%	1090.6	26.8%
B	Banking	786.6	28.8%	825.2	23.4%	990.0	24.4%

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S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	%
C	Exchange	1229.4	45.0%	1117.9	31.7%	1693.1	41.7%
D	Intra-State	209.3	7.7%	244.7	6.9%	283.4	7.0%
E	UI	20.5	0.8%	-0.4	0.0%	7.4	0.2%
F	**Total**	**2729.9**		**3523.6**		**4064.5**	

3A.40 The Petitioner purchased 4064.5 MUs through Short term sources (almost 93% of short-term energy through Bilateral, Banking and Exchange whereas same was 92% in FY 2020-21).The banking transactions involve marginal cost and the prices at exchange are market discovered prices and are determined transparently.

3A.41 In addition to above, the Petitioner has faced impact of severe coal shortage in Central Generating Power Plants on several occasions during FY 2022-23 which has been highlighted before the Hon'ble Commission vide letter dated 06.09.2021, 05.10.2021 and 07.10.2021. Taking cognizance of the same, the Hon'ble Commission vide letter dated 09.10.2021 granted few relaxations which were later revoked on 26.10.2021. However, the abovementioned issue of severe coal shortage remained persistent thereafter. The Petitioner vide letter dated 22.04.2022 submitted before the Hon'ble Commission about the detailed representation of the circumstances beyond the control of the Petitioner. Thereafter, the Hon'ble Commission in its letter dated 29.04.2022 had relaxed various directives till 31.07.2022. The Petitioner vide its letters dated 08.07.2022, 27.07.2022, 27.07.2022, 05.08.2022, 17.08.2022, 02.09.2022 and 22.09.2022 reiterated its submission. On 02.08.2022, the Hon'ble Commission extended the validity of Exemption in seeking prior approvals for Banking & Bilateral Contracts and Allowance of Overlapping in Bilateral and Banking transactions relaxations till 31.10.2022.

3A.42 In view of the above, we request the Hon'ble Commission to take cognizance of the Force Majeure/extreme circumstances are beyond the control of BRPL.

3A.43 Further, Petitioner entered into Banking transaction- as it is assured and more reliable and never defaulted source. Whereas in other sources, like in bilateral Generating stations have option to curtail depending on market situation. The same can be validated from non-clearance of bids in power exchange. During FY 2022-23 the power exchange clearance was 55%.

Short term power sales

3A.44 During FY 2022-23, the Petitioner has accounted 1420.7 MU under short term sale through Bilateral/Banking/Intrastate mode. The source-wise details of sale of surplus power are tabulated here as follows:

Table 3A- 14: Details of Short Term Power Sales

S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	%
A	Bilateral	38.5	3.1%	0.0	0.0%	0.0	0.0%
B	Banking	810.2	65.7%	1091.6	64.3%	919.4	64.7%
C	Exchange	206.2	16.7%	499.6	29.4%	382.7	26.9%
D	Intra-State	2.9	0.2%	4.2	0.2%	0.0	0.0%
E	UI	175.4	14.2%	102.8	6.1%	118.7	8.4%
F	**Total**	**1233.4**		**1698.2**		**1420.7**	

3A.45 The Hon'ble Commission in Tariff Order dated 23.07.2014 and 29.09.2015 advised that "the Petitioner should endeavour to maximise revenue from sale of surplus power and enter into more banking, intrastate and bilateral transactions."

3A.46 Accordingly, the Petitioner has maintained majority of its share in sale of surplus power towards banking arrangement, approx. 64% which is tariff

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neutral and has sold approx. 26% of surplus power through Bilateral and Intra-State Transactions during FY 2022-23.

3A.47 In continuation to above, the total quantum purchased during FY 2022-23 and plant wise Petitioner's share is tabulated here as follows:

Table 3A- 15: Station wise details of Power Purchase Quantum for FY 2022-23 (MU)

S. No	Stations	Total Generation	Energy at Delhi Periphery	Petitioner Share (As per Bills)
		MU	MU	MU
A	**NTPC**			
1	Anta gas power project	Data to be provided by SLDC	Data to be provided by SLDC	0.4
2	Auraiya gas power station			0.3
3	Dadri gas power station			1.4
4	Feroze gandhi unchahar tps 1			49
5	Feroze gandhi unchahar tps 2			123.7
6	Feroze gandhi unchahar tps 3			84.9
7	Farakka stps			53.4
8	Kahalgaon thermal power station 1			135.8
9	National capital thermal power			0
10	Rihand thermal power station 1			465.7
11	Rihand thermal power station 2			439.4
12	Singrauli stps			207.2
13	Kahalgaon thermal power station 2			462.8
14	Dadri tps-ii			2658.9
15	Rihand thermal power station 3			580.9
16	Aravali Power Corporation Ltd.			277.8
	Sub Total			**5541.7**
B	**NHPC**			
1	Bairasiul			29.4
2	Salal			265.8
3	Chamera i			63.9
4	Tanakpur			23.3
5	Uri			129.6
6	Dhauliganga			73.6
7	Chamera - ii			76.6

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S. No	Stations	Total Generation	Energy at Delhi Periphery	Petitioner Share (As per Bills)
		MU	MU	MU
8	Dulhasti			113.2
9	Sewa-ii			30
10	Chamera - iii			55.4
11	Uri ii			89.1
12	Parbati-iii			35.2
	Sub Total			**985.1**
C	**THDC**			
1	Tehri			142.2
2	Koteshwar			83.4
	Sub Total			**225.6**
D	**DVC**			
1	Mejia Units 6			256.4
2	CTPS 7 & 8			805.4
	Sub Total			**1061.8**
E	**NPCIL**			
1	Nuclear Power Corp. of India Ltd. Narora			212.2
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP			179.7
	Sub Total			**391.9**
F	**SJVNL**			
1	Nathpa Jhakri			290.7
	Sub Total			**290.7**
G	**Others**			
1	PTC Tala HEP			30.7
2	PTC Green Infra (Wind Power)			141.7
3	Sasan UMPP			460.6
	Sub Total			**632.9**
H	**Delhi Generating Stations**			
1	Indraprastha Power Generation Co. Ltd. GT			113.5
2	Pragati Power Corp.Ltd. Pragati I			243.5
3	Pragati Power Corp.Ltd. Pragati III (Bawana)			831.3
4	Timarpur Okhla Waste Management Company Ltd.			60.6

Data to be provided by SLDC

Data to be provided by SLDC

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S. No	Stations	Total Generation	Energy at Delhi Periphery	Petitioner Share (As per Bills)
		MU	MU	MU
5	Thyagraj Solar			1.2
6	Delhi MSW Solutions Limited			57.7
7	Tekhand Waste to Electricity Projects Ltd.			13.9
	Sub Total			**1321.7**
I	**SECI Solar**			
1	ACME			44
2	EDEN			633.9
3	AZURE			218.6
4	Thar Surya/Avikiran			250.8
	Sub Total			**1147.3**
J	**SECI Wind**			
1	Alfanar			415
2	Sitac Kabini			107.5
3	Morjar Windfarms			33.7
	Sub Total			**556.3**
K	Other Payments/Net metering			**39.9**
L	**Grand Total**			**12194.8**

3A.48 In view of the above, the Hon'ble Commission is requested to kindly consider the actual gross power purchase quantum during FY 2022-23 as submitted in the above table.

Power Purchase Cost

Long Term Power Purchase

3A.49 The power purchase cost is primarily based on the Tariff determined by the Appropriate Commission under Section 62(1)(a) or adopted under Section 63 of the Electricity Act 2003 for the supply of electricity from generating

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companies to distribution licensees. In the case of a generating company owned and/or controlled by the Government of India or is supplying to more than one State, the Hon'ble CERC determines/adopts the tariff for those generating companies. In rest of the cases, the Hon'ble Commission determines/adopts the tariff of the generating companies owned and/or controlled by the GoNCT of Delhi. As stated above, the Petitioner has already submitted the monthly raised invoices before the Hon'ble Commission. The Petitioner has considered the total cost on account of long term sources during FY 2022-23 which includes fixed cost, variable cost, arrears, other charges etc. as per the power scheduled by Delhi SLDC.

3A.50 It is pertinent to mention that during FY 2022-23 Force Majeure/exceptional circumstances happened due to decline in coal supply to TPPs. The details of such circumstances are explained below:

i. Ministry of Power (MoP) in press release dated 29.08.2021 highlighted that there has been issue of severe coal shortage in Central Generating power plants supplying power to GoNCT of Delhi. This unprecedented coal shortage has adversely affected the Petitioner's power procurement position. In this regard, the Petitioner vide letter no. RA/2021-22/01/A/315 dated 06.09.2021 intimated the Hon'ble Commission of the situation and sought suitable relief.

ii. The Petitioner vide letter no. RA/2021-22/01/A/374 dated 05.10.2021 again informed the Hon'ble Commission about the persistent issue of severe coal shortage in the Central Generating power plants supplying power to the NCT of Delhi and unprecedented coal shortage that was



adversely affecting BRPL's power procurement position. Thus, the Petitioner in this letter, sought for allocation of additional coal to specially pit head plants like DVC, ER plants etc. which may help to sustain this crisis.

iii. After considering the request of the Petitioner vide aforesaid letters, the Hon'ble Commission vide letter no. F.3(598)/Tariff-Engg./DERC/2019-20/6647/1002 dated 09.10.2021 has relaxed the following directives with immediate effect till further orders as stated below:

- Additional UI Charges and Sustain Deviation Charges as a pass through in Power Purchase Cost.
- Exemption in seeking prior approvals for Banking and Bilateral Contracts.
- Exemption for non-intimation and non-consideration of the Power Procured above ₹ 5.00/kWh for computing restriction in impact of such purchase on total Short Term Power Purchase not exceeding 10 Paise/kWh for FY 2021-22 True up.
- The issue relating to PPAC shall be considered separately.

iv. Thereafter, on 26.10.2021, the Hon'ble Commission has revoked the above relaxation by observing no short term purchases from 12.10.2021 to 18.10.2021 and average exchange rates have also reduced from ₹ 20/kWh to ₹ 2.50/kWh from 04.10.2021 to 18.10.2021.

v. The Petitioner vide letter no. RA/2022-23/01/A/38 dated 22.04.2022 again informed the Hon'ble Commission about the persistent issue of severe coal shortage in the Central Generating power plants supplying

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power to the NCT of Delhi and unprecedented coal shortage that was adversely affecting BRPL's power procurement position. Thus, the Petitioner in this letter, sought the following:

- Additional UI Charges and Sustained Deviation Charges as a pass through in Power Purchase Cost;
- Exemption in seeking approval to off-take Banking and Bilateral power based on direct offers;
- To include Short term purchases in PPAC;
- Allow overlapping in Bilateral and Banking transactions;
- Exemption for non intimation and non-consideration of Power procured above ₹ 5/kWh for computing restriction in impact of such purchase on total short term power purchase not exceeding 10 paise/kWh;
- Review TOD Tariff to promote demand response;
- To consider market spot rates as energy charges for those Open Access consumers who are opting back power from Discoms.

vi. On 29.04.2022, the Hon'ble Commission had relaxed various directives till 31.07.2022 including:

- Additional UI Charges and Sustained Deviation Charges as a pass through in Power Purchase Cost;
- Exemption in seeking approval for Banking and Bilateral Contracts;



- Allowance of Overlapping in Bilateral and Banking transactions;
- Exemption for non-intimation and non-consideration of Power procured above ₹ 5/kWh for computing restriction in impact of such purchase on total short term power purchase not exceeding 10 paise/ kWh;
- "In-Principle" approval to proposal of BRPL for approval of LoI for swapping of power between BRPL and NDMC for the period April'22 to July'22, as the same will be Revenue neutral. Any unadjusted quantum still remaining by the end of banking cycle, to be settled at the Weighted-Average Rate of all Long-Term Sources considering only Variable Cost for the relevant year in the line with Commission's letter dated 16.11.2018;
- BRPL presentation for bilateral Contract linked to International Coal Cost is to be considered after receiving the proposal;
- Market Spot rates (IEX) as Energy Charges are to be considered for those Open Access Consumers who are opting back power from Discoms.

vii. The Petitioner vide its letter no. RA/2022-23/01/A/219 dated 08.07.2022 sought to extend the above exemptions till 31.03.2023 as provided by this Hon'ble Commission by communication no. F.3(598)/Tariff-Engg./DERC/201920/6647/236 dated 29.04.2022.

viii. Further, the Petitioner vide its letter no. RA/2022-23/01/A/255 dated 27.07.2022 sought the following to the Hon'ble Commission till

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31.03.2023:

- Exemption for non-Intimation and non-consideration of Power procured above ₹ 5/kWh for computing restriction in impact of such purchase on total short term power purchase not exceeding 10 paise/kWh;
- Exemption in seeking approval for Banking and Bilateral Contracts and allowance of Overlapping in Bilateral and Banking transactions;
- Additional UI Charges and Sustained Deviation Charges as a pass through in Power Purchase Cost.

ix. Afterwards, the Petitioner vide its letter no. RA/2022-23/01/A/260 dated 29.07.2022 sought the aforesaid relaxations from the Hon'ble Commission till 31.03.2023:

x. On 02.08.2022, the Hon'ble Commission extended the validity of Exemption in seeking prior approvals for Banking & Bilateral Contracts and Allowance of Overlapping in Bilateral and Banking transactions relaxations till 31.10.2022.

xi. Subsequently, the Petitioner vide its letter no. RA/2022-23/01/A/271 dated 05.08.2022 sought the following to the Hon'ble Commission till 31.03.2023:

- Exemption for non-intimation and non-consideration of the power procured above ₹ 5/kWh for computing restriction in impact of such purchase on total Short Term Power purchase not



exceeding 10 paise/kWh for True-up of FY 2022-23;

- Additional UI Charges and Sustained Deviation Charges as a pass through in Power Purchase Cost.

xii. Afterwards, the Petitioner vide its three letters no. RA/2022-23/01/A/280,313,350 dated 17.08.2022, 02.09.2022 and 22.09.2022 reiterated the above relaxation to the Hon'ble Commission as was sought in 05.08.2022 letter and sought extension it till 31.03.2023.

xiii. Therefore, in view of above the Petitioner requests the Hon'ble Commission to consider the power crisis situation during FY 2022-23 and exercise applicable Regulation 172 of Tariff Regulations, 2017 read with regulation 37 of BPR, 2019.

3A.51 In addition to above, following vital aspects may also be kindly noted with respect to actual power purchase cost.

a) In addition to the above aspect of power crisis, SLDC has intimated that scheduling of Central Generating Stations and other inter-state Generating Stations is controlled by RLDC and hence DISCOM wise scheduling is not possible.

b) The availability of Plants is beyond the control of DISCOMs and the actual availability of Plants may differ from the projections. The monthly MOD submitted by the DISCOMs is based on past Month ECR which may not be appropriate on real time basis.

c) Further, the CERC (IEGC) 4thamendment 2016 Regulation provides as follows:

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*"The CGS or ISGS may be directed by concerned RLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the beneficiaries and it is further stated that where the CGS or ISGS, whose tariff is either determined or adopted by the Commission, is directed by the concerned RLDC to operate below normative plant availability factor but at or above technical minimum, the CGS or ISGS may be **compensated** depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate, auxiliary energy consumption and secondary fuel oil consumption etc. on monthly basis duly supported by relevant data verified by RLDC or SLDC, as the case may be…*

In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

Sr. No.	*Unit loading as a % of Installed Capacity of the Unit*	*Increase in SHR (for supercritical units) (%)*	*Increase in SHR (for sub-critical units) (%)*
1.	*85-100*	*Nil*	*Nil*
2.	*75-84.99*	*1.25*	*2.25*
3.	*65-74.99*	*2*	*4*
4.	*55.64.99*	*3*	*6*

Compensation for the Station Heat Rate and Auxiliary Energy Consumption shall be worked out in terms of energy charges."

As can be inferred from above, there are multiple buyers from each generator and this part load operation may impact the MOD schedule of the buyers.

d) Further, it is submitted that operation of a Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-20% in a significant number of Plants. Since allocation of these Plants are on shared basis and its operation is on the basis of aggregation of demand



and also, keeping into account the Grid Security, the decision of actual operation/availability of plant is not under control of the DISCOMs.

e) There are various instances where forced scheduling is done to maintain Grid security and manage transmission constraints.

3A.52 Besides above uncontrollable conditions, the Petitioner strictly follows of Merit Order Dispatch (MOD) while giving request of schedules to Delhi SLDC on daily basis.

3A.53 As per Para 3.150 of the Tariff Order dated 30.09.2021 for FY 2021-22, the Hon'ble 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 (Even though, no such "islanding scheme" has ever either seen the light of day or been approved by this Hon'ble Commission) and Eastern Region Plants where there is time delay in revision of schedule.

3A.54 Further, the Petitioner also requests the Hon'ble Commission to consider forced outage/Force Majeure data while considering scheduling and other factors which are beyond control of the Petitioner. In this regard, we request the Hon'ble Commission to consider the following:

Force Scheduling while following Merit Order despatch Principle:

a) Regulation 123 &Regulation 152 of the Tariff Regulations, 2017 provides as follows:

> *"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 its area of supply;

....

152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:

……Provided that the distribution licensee shall ***submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling*** *due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in its area of supply;*

Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than ***forced scheduling of power as certified by SLDC on monthly basis*** *shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;*

Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges other than ***forced scheduling of power as certified by SLDC paid by the Distribution Licensee*** *shall not be allowed in Power Purchase Cost;*

….. "

b) Accordingly, the Petitioner has requested Delhi SLDC for certifying the Force Scheduling during FY 2022-23 vide letter no. RA/2023-24/01/A/364 dated 27.10.2023.

3A.55 The Petitioner endeavours to dispose-off its surplus power in an economic manner, which is also mandate under Regulation 123 and Regulation 165 of the Tariff Regulations 2017, relevant extract of which is produced hereunder:

"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 its area of supply;

…..

165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 ofthese 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."

3A.56 The Petitioner respectfully submits that the extant Regulations contemplate a slot-wise/time block basis for the computation of incentives and not on monthly basis. Additionally, as per the Indian Electricity Grid Code (IEGC) all the power (Long term + Short term) is scheduled/managed on a 15 minutes time block. Further, it is a settled law that Regulations made under the Electricity Act, 2003 are also binding upon the Regulatory Commissions including this Hon'ble Commission and any deviation from the same/derogation is illegitimate. Without Prejudice to the above, the Petitioner has computed Incentive on sale of surplus in line with the letter dated 16.11.2018 of the Hon'ble Commission. The summary of the incentives claimed is as follows:

Table 3A- 16: Details of Total Sale Rate Incentives

S. No	Particulars	UOM	Amount
1	Total Incentive on Sale of Surplus Power	₹ Cr.	16.7

3A.57 Hence, the Petitioner hereby requests the Hon'ble Commission to consider the above submissions while considering merit order dispatch, sale of surplus power and incentive thereon.

3A.58 In view of the above, the details of station-wise power purchase cost during FY 2022-23 is tabulated here as follows:

Table 3A- 17: Details of Power Purchase Cost Station wise for FY 2022-23

S. No	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹/kWh

S. No	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹/kWh
Central Sector Generating Stations (CSGS)							
A	**NTPC Ltd.**						
1	Anta gas power	0.4	9.9	0.7	-0.5	10.11	
2	Auraiya gas power station	0.3	14.5	0.5	-0.7	14.37	
3	Dadri gas power station	1.4	14.9	2.6	-1.2	16.35	
4	Feroze gandhi unchahar tps 1	49.0	7.3	21.5	5.1	33.85	6.90
5	Feroze gandhi unchahar tps 2	123.7	15.2	51.1	7.5	73.80	5.97
6	Feroze gandhi unchahar tps 3	84.9	10.3	37.3	3.1	50.64	5.97
7	Farakka stps	53.4	5.5	20.5	5.1	31.15	5.83
8	Kahalgaon thermal power station 1	135.8	15.9	50.3	6.4	72.62	5.35
9	National capital thermal power	0.0	0.0	0.0	-1.1	-1.07	0.00
10	Rihand thermal power station 1	465.7	40.1	70.9	3.7	114.68	2.46
11	Rihand thermal power station 2	439.4	29.7	68.6	11.6	109.88	2.50
12	Singrauli stps	207.2	13.5	30.9	5.5	49.91	2.41
13	Kahalgaon thermal power station 2	462.8	43.6	163.3	25.3	232.26	5.02
14	Dadri tps-ii	2658.9	431.0	1261.6	-15.9	1676.73	6.31
15	Rihand thermal power station 3	580.9	78.8	89.7	16.5	184.90	3.18
16	JHAJJAR Power Plant (Aravali Power)	277.8	57.4	138.3	38.1	233.77	8.41
	Sub Total	**5541.7**	**787.6**	**2007.8**	**108.5**	**2904.0**	**5.24**
B	**NHPC Ltd.**						
1	Bairasiul	29.4	3.7	3.3	3.0	10.00	3.40
2	Salal	265.8	27.8	19.9	61.1	108.80	4.09
3	Chamera I	63.9	6.6	7.1	-3.7	9.95	1.56
4	Tanakpur	23.3	5.4	3.8	4.1	13.23	5.68
5	Uri	129.6	12.6	10.7	11.6	34.85	2.69
6	Dhauliganga	73.6	10.3	9.2	10.0	29.44	4.00
7	Chamera - ii	76.6	9.4	7.7	4.5	21.64	2.83
8	Dulhasti	113.2	24.8	25.1	-14.8	35.17	3.11
9	Sewa-ii	30.0	9.2	7.9	1.7	18.84	6.29
10	Chamera - iii	55.4	13.4	10.9	3.2	27.46	4.96
11	Uri ii	89.1	18.2	16.8	11.1	46.04	5.17
12	Parbati-iii	35.2	16.7	5.4	2.9	24.99	7.11
	Sub Total	**985.1**	**157.9**	**127.8**	**94.7**	**380.4**	**3.86**

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S. No	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹/kWh
C	**Nuclear Power Corp. of India Ltd.**						
1	Nuclear Power Corp. of India Ltd. Narora	212.2	0.0	63.2	0.7	63.93	3.01
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	179.7	0.0	67.3	3.9	71.17	3.96
	Sub Total	**391.9**	**0.0**	**130.5**	**4.6**	**135.1**	**3.45**
D	**SJVN Limited**						
1	Nathpa Jhakri	290.7	38.1	34.4	0.4	72.80	2.50
	Sub Total	**290.7**	**38.1**	**34.4**	**0.4**	**72.8**	**2.50**
E	**THDC India Ltd.**						
1	Tehri	142.2	26.3	27.7	1.5	55.43	3.90
2	Koteshwar	83.4	21.5	21.9	28.6	72.01	8.63
	Sub Total	**225.6**	**47.8**	**49.6**	**30.1**	**127.4**	**5.65**
F	**PTC India Ltd.**						
1	Tala HEP	30.7	0.0	7.0	0.0	6.96	2.27
2	Green Infra (Wind Power)	141.7	0.0	50.0	0.0	50.01	3.53
	Total PTC	**172.3**	**0.0**	**57.0**	**0.0**	**57.0**	**3.31**
G	**Damodar Valley Corporation**						
1	Mejia Units 6	256.4	38.6	95.8	9.6	144.04	5.62
2	CTPS 7 & 8	805.4	136.2	295.2	26.3	457.75	5.68
	Sub Total	**1061.8**	**174.9**	**391.0**	**35.9**	**601.8**	**5.67**
H	**Power stations in Delhi**						
1	Indraprastha Power Generation Co. Ltd. IP	0.0	0.0	0.0	0.0	0.00	0.00
2	Indraprastha Power Generation Co. Ltd. RPH	0.0	0.0	0.0	0.0	0.00	0.00
3	Indraprastha Power Generation Co. Ltd. GT	113.5	22.1	163.2	-0.2	185.16	16.32
4	Pragati Power Corp.Ltd. Pragati I	243.5	43.2	391.6	-2.0	432.81	17.78
5	Pragati Power Corp.Ltd. Pragati III (Bawana)	831.3	407.8	569.4	-1.2	975.96	11.74
6	Timarpur Okhla Waste Management Company Ltd.	60.6	0.0	18.2	0.0	18.23	3.01
7	Thyagraj Solar	1.2	0.0	0.0	0.4	0.43	3.57
8	Delhi MSW Solutions Limited	57.7	0.0	40.5	0.0	40.53	7.03

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S. No	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹/kWh
9	Tekhand Waste to Electricity Projects Ltd.	13.9	0.0	6.0	0.0	5.97	4.30
	Total Other	133.4	0.0	64.7	0.4	65.16	4.88
	Power stations in Delhi	**1321.7**	**473.1**	**1188.9**	**-2.9**	**1659.1**	**12.55**
I	**Sasan Power Project**	**460.6**	**7.3**	**52.9**	**7.3**	**67.55**	**1.47**
J	**SECI Solar**						
1	Acme	44.0	0.0	24.2	0.0	24.19	5.50
2	Eden	633.9	0.0	169.3	0.0	169.26	2.67
3	Azure	218.6	0.0	57.9	0.1	57.99	2.65
4	Thar Surya/Avikiran	250.8	0.0	54.0	0.0	54.04	2.15
	SECI SOLAR	**1147.3**	**0.0**	**305.4**	**0.1**	**305.5**	**2.66**
K	**SECI Wind**						
1	Alfanar	415.0	0.0	104.6	0.0	104.58	2.52
2	Sitac Kabini	107.5	0.0	29.8	0.0	29.75	2.77
3	Morjar Windfarms	33.7	0.0	8.7	0.0	8.72	2.59
	SECI Wind	**556.3**	**0.0**	**143.1**	**0.0**	**143.06**	**2.57**
L	**Total SECI**	**1703.6**	**0.0**	**448.5**	**0.1**	**448.54**	**2.63**
	Total (A)	**12154.9**	**1686.7**	**4488.4**	**278.6**	**6453.63**	**5.31**
M	**Other Payments/Net metering**	39.9	0.0	16.7	-0.5	16.3	4.08
N	**Grand Total**	**12194.8**	**1686.7**	**4505.1**	**278.1**	**6469.9**	**5.31**

3A.59 In accordance with the above, the Petitioner prays that the Hon'ble Commission may kindly allow the aforesaid power purchase cost incurred from long term sources during FY 2022-23.

3A.60 The aforesaid Power Purchase Cost may vary as and when the CERC disposes off claims made by the Petitioner in regard to disputed bills of various Generating Companies. The Petitioner will apprise the Hon'ble Commission of the change, if any, in the Power Purchase cost post decision of the Hon'ble CERC.

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Short Term Power Purchase

3A.61 The Hon'ble Commission in its previous Tariff Orders has 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 neither possible nor practical to tie up power procurement on long term basis/ sources for the entire demand in the area of supply as the demand is dynamic and fluctuates considerably. Hence, long term sources are tied up only for the base load and for any exigencies such as shut down of any plant. Furthermore, there is a peculiar load curve due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement primarily during day time. Further the Hon'ble Commission directed the Petitioner to ensure that electricity which could not be served due to any reason whatsoever (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 Petitioner. Accordingly, during peak hours, the Petitioner is required to procure power from short term sources to meet the demand.

3A.62 The Petitioner has considered the power purchase cost through short term sources during FY 2022-23 which includes the cost on account of purchase through bilateral, banking, exchange, intra-state and UI.



Banking transactions:

a) Overlapping of Banking Transaction:

3A.63 During FY 2022-23, there is no overlapping of any Banking transactions of the Petitioner and the Petitioner is in compliance with the Regulation 152 of the Tariff Regulations 2017.

3A.64 The Hon'ble Commission in the Short Term Power Procurement Guidelines in its letter dated 20.01.2010 stated that arrangement/ disposal of power through banking transactions is to be preferred. This was reiterated in various Orders, wherein the Hon'ble Commission directed the DISCOMs to optimize power purchase cost through Banking transactions.

b) Banking power is construed as Reliable power

3A.65 Banking power is assured and never defaulted. Whereas in other sources, in bilateral have option to curtail depending on market situation. In case of exchange also power clearance ratio is not 100%, its average clearance is only 55% during FY 2022-23. In terms of Hon'ble Tribunal Order dated 23.03.2023, wherein it is held that there shall be interim suspension of the letter dated 16.11.2018. Relevant extracts of the same is reproduced below:

"118. Viewed from any angle, we are satisfied that application of the formula prescribed in the DERC letter dated 16.11.2018 falls foul of the prescription in Regulation 121(3) of the 2017 Regulations. As there are other distribution licensees falling within the jurisdiction of the DERC, and it is only the appellant which has questioned the validity of the letter dated

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16.11.2018, ***there shall be interim suspension of the letter dated 16.11.2018,*** *in so far as the Appellant is concerned, during the pendency of the present appeal before this Tribunal. Needless to state that the Order now passed by us shall be subject to the result of the main appeal. This I.A. is, accordingly, disposed of."*

3A.66 In accordance with the above, the Petitioner requests the Hon'ble Commission to allow all banking transactions as they are "revenue neutral" in nature and banking transactions ought to be considered at APPC and on contract wise basis.

Contingency Limit of 5% on UI:

3A.67 As per Regulation 28(1) of the Business Plan Regulations 2019, the Hon'ble Commission has defined a contingency limit on UI,relevant excerpt is reproduced here as follows:

> ***"28. CONTINGENCY LIMIT FOR SALE OF POWER THROUGH DEVIATION SETTLEMENT MECHANISM (UNSCHEDULED INTERCHANGE CHARGES)***
>
> *(1) The Contingency Limit for disposing off of Power through Deviation SettlementMechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month."*

3A.68 It is submitted that the Petitioner is well within the limits during the FY 2022-23 as stipulated by the Hon'ble Commission in the Business Plan Regulations, 2019.

Additional UI Chargesand Sustained Deviation Charges:

3A.69 As explained in above paragraphs, the Hon'ble Commission vide letter dated 22.04.2022 and 02.08.2022 has relaxed the directive related to Additional UI

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Charges and Sustain Deviation Charges till 31.10.2022 and directed the same to be allowed as a pass through in Power Purchase Cost.

3A.70 Further, the Hon'ble Commission in Tariff Order dated 13.07.2012 had deducted the additional UI Charges borne below 49.5 Hz frequency based on the recommendations given by Forum of Regulators (FOR). The Petitioner had challenged the issue of additional UI Charges borne on account of UI power purchased below 49.50 Hz before Hon'ble Tribunal. The Hon'ble Tribunal in Judgment dated 02.03.2015 (Appeal 177& 178 of 2012) has given its observations on the said issue against the Petitioner. However, the Petitioner has preferred a statutory appeal before the Hon'ble Supreme Court against the aforesaid Judgment of the Hon'ble Tribunal dated 02.03.2015. Without prejudice to the pendency of aforestated Appeal, and without admitting or waiving any of its contentions against the said Judgment dated 02.03.2015 or this Hon'ble Commission's order dated 13.07.2012 insofar as the decision on additional UI Charges is concerned, the Petitioner has considered the actual UI purchase while computing the power purchase cost.

3A.71 The Petitioner has filed following petitions before the Hon'ble Commission for issues related to Additional UI and sustained deviation. The Hon'ble Commission is requested to consider the same while Truing-up of FY 2022-23:

1. Petition (42 of 2017) under Section 86(1) (k) read with Section 33(4) of the Electricity Act, 2003 seeking adjudication of dispute regarding incorrect methodology adopted by SLDC while preparing intra-state deviation settlement accounts and unlawfully retaining the UI Pool Accounts.

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2. Petition (45 of 2020)seeking inter alia appropriate directions to DTL to install necessary infrastructure including technical infrastructure which would enable the Petitioner to implement the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014 (hereinafter "the 2014 Regulations"), as amended.
3. Petition (47 of 2020)under Regulation 57 of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 for direction for revision of the methodology for levying Sustained Deviation Penalty to Distribution Licensees of NCT of Delhi.
4. The Petitioner has filed a Writ Petition under Article 226 of the Constitution of India challenging the legality and validity of Clause Nos. 4.4, 4.19 and 4.20 of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 as being ultra vires the provisions of the Electricity act, 2003 and the Constitution of India bearing W.P.(C) No. 5249 of 2019 BRPL &Anr. v. CERC before Delhi High Court.

3A.72 Further, as per the proviso of Regulation 152 of the Tariff Regulations 2017, the additional/penal UI Charges is not allowed as pass through component with an exception for force scheduling,relevant extract is reproduced hereas follows:

> *"Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges* ***other than forced scheduling of power as certified by SLDC*** *paid by the Distribution Licensee shall not be allowed in Power Purchase Cost;"*

(Emphasis Added)

3A.73 In this regard, the Petitioner has requested Delhi SLDC for certifying the Force Scheduling during FY 2022-23 vide letter no. RA/2023-24/01/A/364 dated 27.10.2023.

3A.74 Accordingly, we request the Hon'ble Commission for considering the Additional UI and Sustained deviation Charges in Power Purchase cost of the Petitioner pending certification from Delhi SLDC and Force majeure events which are beyond the control of Petitioner.

3A.75 The source-wise details of short term power purchase cost during the last 4 years are tabulated here as follows:

Table 3A- 18: Details of Short Term Power Purchase for the year FY 2022-23

S. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹Cr.)
1	Bilateral	3.91	189.3	3.05	407.7	5.50	599.8
2	Banking	5.62	441.9	5.47	451.5	6.01	595.4
3	Exchange	3.72	457.0	6.17	690.2	7.61	1289.0
4	Intra-State	3.83	80.1	5.88	143.9	7.71	218.4
5	UI	4.27	8.8	-15.81	0.6	8.44	6.2
6	Add. Deviation	-	-	-	-	-	8.1
7	Sustain Deviation	-	-	-	-	-	3.2
8	**Total**	**4.31**	**1177.0**	**4.81**	**1693.7**	**6.69**	**2720.1**

3A.76 **With regard to the Banking Transactions**, Regulation 121(3) of the Tariff Regulations, 2017 states as follows:

> *"121. While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering:*
> *....*
> ***(3) Normative cost of banking transaction at the rate of average power purchase cost of the portfolio of the distribution licensee;"***

(Emphasis Added)

3A.77 However, the Hon'ble Commission vide its letter dated 16.11.2018 indicated that the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year.

3A.78 In such event of conflict between the provisions of Regulations and above mentioned letter of the Hon'ble Commission, the Petitioner has considered the average rate of banking transactions @₹ 6.25/KWh as per the applicable Tariff Regulations, 2017, because Hon'ble Commission in its Order dated 28.12.2017 in Petition No. 39 of 2017 has itself taken the view that "*if there is some conflict between the provisions of Regulations and the provisions of the Orders made there under, the law is very clear on the supremacy of the Regulations over the Orders.*"

3A.79 In view of the above, we request the Hon'ble Commission to kindly allow the power purchase cost during FY 2022-23 from short term sources including Trading Margin as submitted in the Format – F1 for FY 2022-23 of the Petition.

Sale of Surplus Energy

3A.80 The Petitioner has put in significant efforts to maximize the revenue through sale of surplus power.

3A.81 The source-wise details of revenue realized through sale of surplus energy during the last 4 years are tabulated as follows:

Table 3A- 19: Details of Short Term Power Sales for the year FY 2022-23

S. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹/ kWh)	(₹ Cr.)	(₹/ kWh)	(₹ Cr.)	(₹/ kWh)	(₹ Cr.)
A	Bilateral	2.75	10.6	0.00	0.0	0.00	0.0

S. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Rate per unit (₹/ kWh)	Amount (₹ Cr.)	Rate per unit (₹/ kWh)	Amount (₹ Cr.)	Rate per unit (₹/ kWh)	Amount (₹ Cr.)
B	Banking	5.28	428.0	5.21	568.9	5.74	527.3
C	Exchange	2.18	44.9	3.18	159.0	5.32	203.5
D	Intra-State	2.40	0.7	2.25	1.0	0.00	0.0
E	UI	1.89	33.1	2.06	21.1	3.51	41.6
F	**Total**	**4.19**	**517.3**	**4.42**	**749.9**	**5.44**	**772.4**

3A.82 As stated in above para, the Petitioner has considered the average rate of banking transactions @₹6.25/kWh as per the applicable Tariff Regulations, 2017.

3A.83 The Petitioner requests the Hon'ble Commission to kindly consider the revenue on account of sale of surplus power as submitted in the above table while approving the net power purchase cost.

Transmission Charges:

3A.84 The Petitioner has considered the Transmission charges for FY 2022-23 tabulated as follows:

Table 3A- 20: Transmission Charges for FY 2022-23(in ₹ Cr.)

S. No.	Particulars	Submission	Remarks
i	Power Grid Corp. of India Ltd./Central Transmission Utility	612.5	Accounting Statement Annexed as Annexure-3A.1
ii	Delhi Transco Ltd. (Wheeling charges)	362.2	
iii	Delhi Transco Ltd. (STOA Charges)	-128.7	
iv	Delhi Transco Ltd. (SLDC Charges)	3.4	
v	Other Transmission etc.	29.2	
vi	Open Access Charges	78.4	
vii	**Total Transmission Charges**	**957.0**	**Sum I to VI**

Gross Power Purchase Cost:

3A.85 Based on the above submissions, the Petitioner has considered the gross power purchase during FY 2022-23 which is tabulated below:

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Table 3A- 21:Gross Power Purchase Cost net of rebate during FY 2022-23

(in ₹ Cr.)

S. No.	Particulars	FY 2022-23	Remarks
A	Audited Gross Power Purchase Cost (Before Rebate)	9578.1	
i	Purchase of Energy	8519.8	Note 37 of Audited Accounts (excl. LPSC)
ii	Transmission cost	957.0	Table 3A- 20
B	**Total Gross Power Purchase Cost excluding LPSC**	**9476.8**	**Ai+Aii**

Table 3A- 22: Reconciliation with Table 3A- 21(in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Long Term Power Purchase	6469.9	Table 3A- 17
B	Short Term Power Purchase	2708.8	Table 3A- 18
C	Add: Additional Deviation	8.1	Table 3A- 18
D	Add: Sustain Deviation	3.2	Table 3A- 18
E	Less: UI Sale	41.6	Table 3A- 19
F	Less: Short Term Banking	527.3	Table 3A- 19
i	**Total**	**8621.1**	A+B+C+D-E-F
ii	Transmission cost	957.0	Table 3A- 20
G	**Total Gross Power Purchase Cost excluding LPSC and rebate**	**9578.1**	**G = Fi+Fii**
H	**Remaining Value (Rebate)**	**101.3**	**H = G – (B of *Table 3A- 21*)**

Rebate on power purchase and Transmission Charges

3A.86 The Hon'ble Commission vide letter dated 05.06.2014 specified the format for submission of details of rebate on power purchase and transmission charges. As regards the long term generating and transmission companies charges, rebate is not allowed on interest charges and other billing items which are in nature of reimbursement, such as Income Tax, Other Taxes, Cess, Duties etc. Rebate is generally allowed on all other billing items. The actual rebate on power purchase cost and Transmission Charges is tabulated here as follows:

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Table 3A- 23: Details of Rebate and Non Rebate amount during FY 2022-23

(in ₹ Cr.)

S.No.	Power Suppliers	Rebatable Amount	Non-Rebatable Amount	Total Bill Amt	Actual Rebate Amount in FY 2022-23
1	NTPC Ltd.	2611.2	58.9	2670.2	44.9
2	NHPC Ltd.	380.4	0.0	380.4	5.7
3	Nuclear Power Corporation of India Ltd.	132.1	3.0	135.1	2.6
4	SJVN Ltd.	72.8	0.0	72.8	1.1
5	THDC India Ltd.	127.4	0.0	127.4	
6	PTC India Ltd- Tala HEP	7.0	0.0	7.0	0.0
6.1	PTC India Ltd- Wind Power	50.0	0.0	50.0	1.0
7	Damodar Valley Corporation	567.2	34.6	601.8	9.2
8	Power stations in Delhi				
8.1	IP	0.0	0.0		
8.2	RPH	0.0	0.0		
8.3	GAS TURBINE	185.2	0.0	185.2	
8.4	Pragati-I	432.8	0.0	432.8	
8.5	Bawana	977.1	-1.1	976.0	
8.6	TOWMCL	18.2	0.0	18.2	0.4
8.7	Thyagraj Solar	0.4	0.0	0.4	
8.8	Delhi MSW Solutions Ltd.	40.5	0.0	40.5	0.8
8.9	Tehkhand Waste to Electricity Project Ltd.	6.0	0.0	6.0	0.1
9	ARAVALI	233.8	0.0	233.8	3.6
10	SASAN	60.5	7.0	67.6	1.4
11	SECI	424.3	24.3	448.5	8.5
12	Short term Purchases	599.8	0.0	599.8	9.8
12.1	Short term Power Purchase Thru Power Exchange	**0.0**	1289.0	1289.0	
12.2	Banking Arrangement Purchase	**0.0**	595.4	595.4	
12.3	Banking Arrangement Sale of Power	**0.0**	-527.3	-527.3	
12.4	Intra State Power Purchase	**0.0**	218.4	218.4	
12.5	Other Payments	**0.0**	16.3	16.3	
13	UI PURCHASE DTL SLDC	**0.0**	-24.0	-24.0	
	Total Power Purchase	**6926.7**	**1694.4**	**8621.1**	**89.2**
14	Transmission Charges				
14.1	Power Grid Corp.of India Ltd.	1.5	2.4	3.9	0.0
14.2	Central Transmission Utility of India Limited	608.6	0.0	608.6	12.1
14.3	Delhi Transco Ltd.	233.5	3.4	236.8	
14.4	Bhakra Beas Management Board	0.0	0.9	0.9	



S.No.	Power Suppliers	Rebatable Amount	Non-Rebatable Amount	Total Bill Amt	Actual Rebate Amount in FY 2022-23
14.5	Damodar Valley Corporation	2.2	0.0	2.2	
14.6	NTPC Ltd.	13.2	0.0	13.2	
14.7	Solar Energy Corporation of India	**0.0**	11.7	11.7	
15	Open Access Charges	**0.0**	78.4	78.4	
16	NRLDC/WRLDC/ERLDC charges billed by Power Vendors	**0.0**	1.2	1.2	
	Total Transmission Charges	**859.0**	**98.0**	**957.0**	**12.2**
	Total Power Purchase Cost	**7785.7**	**1792.4**	**9578.1**	**101.3**

3A.87 As regards to the normative rebate, it is respectfully submitted that the normative rebate ought not be applied at the time of truing-up due to the following reasons:

a) Power purchase cost being an uncontrollable parameter has to be trued up on the basis of actuals. The rebate on power purchase cost being an intrinsic and inseparable part of power purchase cost must also be trued up on actual in terms of Regulation 152 of the Tariff Regulations, 2017. In terms of Regulation 119 of the Tariff Regulations, 2017, Normative rebate is to be considered only while projecting the tariff i.e. at the time of ARR and not truing up. Considering the normative rebate in the truing up is ex facie contrary not only to the aforesaid Regulation 152 of the Tariff Regulations but also to the truing up principles held by the Hon'ble Supreme Court in its Order and judgment dated 18.10.2022.

b) The Revenue from the Tariff was not enough during FY 2022-23 to meet actual power purchase cost and other expenses. Therefore, the recovery of power purchase cost during FY 2022-23 was deferred due to delay in issuance of PPAC Orders. Also, the Hon'ble Commission

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itself directed Delhi Discoms to approach CERC for deferment of huge arrears bills of Genco/Transco.

c) A large part of the tariff of the Discomsis unrecovered in the form of Regulatory Assets. The accumulated Regulatory Assets is of no immediate value to the Petitioner in discharging contractual liabilities for carrying out its business year on year. The Petitioner has faced an acute stringency of cash flow on account of the huge accumulated Regulatory Assets. It is no consolation to the Petitioner that someday the tariff may be revised by taking into account of the Regulatory Asset. Factually, on account of cash crunch (due to accumulated Regulatory Asset) the Petitioner was unable to take the benefitof the rebate offered by Genco/Transcos.

d) A similar issue is pending before Hon'ble Tribunal inthe Tariff Appeals filed against the previous Tariff Orders.

e) The concept of normative rebate is based on assumptions that the system is perfect and business is being conducted as usual. The assumption that:

   i. There is no creation of Regulatory Asset. However, there is an accumulated figure of ₹ 4189.5 Cr. identified as Regulatory Asset as on 31.03.2020;

   ii. Various Tribunal's judgments have been implemented. However, in point of fact, that is not the case and various judgments are yet to be implemented by the Hon'ble Commission;

   iii. There is no major variation in power purchase cost, which is also

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not the case.

Pertinently, to the best of the knowledge of the Petitioner, in no other state any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

f) Without prejudice to the above, the Hon'ble Commission in the past Tariff Orders has considered rebate on entire power purchase cost incurred by the Petitioner. However, the Hon'ble Commission has made certain disallowances. Therefore, the Hon'ble Commission has considered the rebate even on disallowed power purchase cost thereby doubly penalizing the Petitioner.

g) The Petitioner has been burdened with deduction of an artificial Rebate on Power Purchase Cost @ 2%. The Hon'ble Commission cannot in law assume that the maximum normative Rebate was availed of by the Petitioner, when the same is not actually the factual position since Petitioner is not left with sufficient funds, owing to the non-cost reflective tariff and accumulation of Regulatory Asset, to be able to avail the maximum Rebate.

3A.88 If, in the true up, the two parameters that determine if and whether a licensee can avail rebate, i.e. Sales and Power Purchase, both are "uncontrollable", then even the Rebate that can be availed is "uncontrollable". Hence if ought to be trued up on actuals.

3A.89 Additionally, the Petitioner also has to pay LPSC to the generators by which is not allowed by Hon'ble Commission and where there is a difference in the rate

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of LPSC charges (upto18%) vis-a-vis rate of funding and carrying cost resulting in further adverse financial constraints to the Petitioner.

3A.90 In view of the above submissions read with Regulation 152, the Petitioner requests the Hon'ble Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2022-23.

RPO Obligation

3A.91 The Petitioner has filed a detailed representation/Petition No. 58 of 2021 dated 17.11.2021 before the Hon'ble Commission regarding RPO of FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.

3A.92 Thereafter, the Petitioner has filed an amendment application I.A no. 2 of 2023 to the aforesaid Petition seeking relaxation/ waiver of RPO targets for FY 2022-23. As this Petition is pending adjudication matter before the Hon'ble Commission and allow the Prayers in the Petition No. 58 of 2021.

3A.93 It is submitted that in view of the extensions granted by SECI to the RE Generators, the Ministry of Power (MoP) vide its letter dated 09.03.2021 to the various state regulatory commissions including this Hon'ble Commission has requested that no penalty be imposed on the discoms including the Petitioner for such shortfall in RE procurement due extension in SCOD of RE capacity tied up by the DISCOMS.

3A.94 Therefore, it is requested that the Hon'ble Commission takes cognizance ofthe pending adjudication matter before the Hon'ble Commission and allow the prayers in Petition No. 23 of 2021.

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Total Power Purchase Cost for the purpose of Truing-up

3A.95 Based on the above submissions, the actual power purchase cost claimed during FY 2022-23 is tabulated here as follows:

Table 3A- 24:Power Purchase Cost during FY 2022-23 based on Auditor's Certificate (in ₹ Cr.)

S. No.	Particulars	Submission	Reference
A	**Power Purchase Cost**		
i	Gross Power Purchase Cost	9190.0	Sum of A, B, C and D in Table 3A- 22
ii	Power sold to other sources	772.4	Table 3A- 19
iii	**Net Power Purchase Cost**	**8417.6**	i-ii
B	**Transmission Charges**		
i	Inter-state transmission charges	612.5	Table 3A- 20
ii	Intra-state transmission charges	233.5	
iii	Other Transmission charges	111.0	
iv	Total Transmission charges	**957.0**	i+ii+iii
C	**Rebate**	**101.3**	Table 3A- 23
D	**Net Power Purchase Cost including Transmission charges net of rebate claimed for True up 2022-23**	**9273.3**	**A(iii)+B(iv)-C**

3A.96 The Petitioner requests the Hon'ble Commission to approve the power purchase cost during FY 2022-23 and incentive on short term sale of surplus power as submitted in the above table.

Operation & Maintenance Expenses

3A.97 Regulation 4(3) read with Regulation 87 and 92 of the Tariff Regulations, 2017 provides that Utilities shall be allowed O&M Expenses on normative basis as specified by the Hon'ble Commission in its Business Plan

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Regulations for the respective Control Period. The relevant excerpt of aforesaid Regulations are reproduced here as follows:

> *"4. The Business Plan Regulations shall contain the following parameters applicable for aControl Period:*
> *(3) Operation and Maintenance Expenses....*
> *.....*
> *87. 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:*
>
> *....*
> *92. Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of:*
> *(a) Employee Expenses,*
> *(b) Administrative and General Expenses; and*
> *(c) Repair and Maintenance Expenses."*

3A.98 Regulation 23 of Business Plan Regulations, 2019 regarding the Operation and Maintenance Expenses for the period FY 2020-21 to FY 2022-23 states as follows:

> *"**23. Operation and Maintenance Expenses***
> *Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:*

Table 8: O&M Expenses for BRPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ Ckt. Km	3.855	4.002	**4.156**
33 kV Line	Rs. Lakh/ Ckt. Km	3.855	4.002	**4.156**
11 kV Line	Rs. Lakh/ Ckt. Km	1.150	1.194	**1.239**
LT lines system	Rs. Lakh/ Ckt. Km	6.148	6.384	**6.629**
66/11 kV Grid S/s	Rs. Lakh/ Ckt. Km	1.033	1.073	**1.114**
33/11 kV Grid S/s	Rs. Lakh/ Ckt. Km	1.033	1.073	**1.114**
11/0.415 kV DT	Rs. Lakh/ Ckt. Km	2.563	2.661	**2.763**

> *…*
> *(4) The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network*

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capacity at start of Financial year and network capacity at the end of Financial year) …."

3A.99 As evident from the above, the normative O&M expenses for FY 2022-23 is computed by multiplying the average capacity of line length and transformers during FY 2022-23 with approved per unit rates for the same year.

3A.100 The Petitioner vide its letter No. RA/2023-24/01/A/61 dated 09.05.2023 had submitted to the Hon'ble Commission the details of network capacity addition during FY 2022-23.

3A.101 Accordingly, the Petitioner has computed the average network capacity for FY 2022-23 as shown in table as follows:

Table 3A- 25:Network Capacity for FY 2022-23

Particulars	As on 01.04.2023	Addition during the year	As on 31.03.2023
66/33 kV Line (ckt. km)	1262.1	44.01	1306.1
11KV line (ckt. km)	8344.4	364.03	8708.4
LT Line System (ckt. km)	13609.2	591.04	14200.3
66/11 & 33/11 kV Grid S/s (MVA)	6638.0	174.00	6812.0
11/0.415KV DT (MVA)	6611.6	330.82	6942.4

Table 3A- 26: Average Network Capacity for FY 2022-23

Particulars	UoM	As on 01.04.2022	As on 31.03.2023	Average
66/33 kV Line	ckt. Km.	1262.1	1306.1	1284.1
11KV line	ckt. Km.	8344.4	8708.4	8526.4
LT Line System	ckt. Km.	13609.2	14200.3	13904.7
66/11 & 33/11 kV Grid S/s	MVA	6638.0	6812.0	6725.0
11/0.415KV DT	MVA	6611.6	6942.4	6777.0

3A.102 The Petitioner hasapplied the norms specified for FY 2022-23 in the Business Plan Regulations, 2019 to the respective average network capacity for FY 2022-23,details are tabulated as follows:

Table 3A- 27:O&M Expenses during FY 2022-23 (in ₹ Cr.)

Assets/ lines	Avg. Quantity	Norms	Amount (₹ Cr)
66/33 kV Line (ckt. km)	1284.1	₹ 4.156lakh/ ckt km	53.4
11 kV lines	8526.4	₹ 1.239 lakh/ ckt km	105.6
LT lines system	13904.7	₹ 6.629 lakh/ ckt km	921.7
66/11 & 33/11 kV Grid S/s (MVA)	6725.0	₹ 1.114 Lakh/ MVA	74.9
11/0.415 kV DT	6777.0	₹ 2.763 Lakh/ MVA	187.2
Total			**1342.9**

3A.103 In view of the directions of the Hon'ble Supreme Court in Order dated 18.10.2022 and Hon'ble Tribunal in Order dated 17.04.2023 as referred in Para 3A.7 above, the Petitioner requests the Hon'ble Commission to allow the normative O&M expenses of ₹ 1342.9 Cr during FY 2022-23 as submitted in the above table as per the DERC Business Plan Regulation, 2019.

Additional Expenses

3A.104 As regards additional expenses, Regulation 11 (9) of Tariff Regulations,2017 states as follows:

> *"11.*
> *...*
> *(9) Actual and expected additional expenses on account of O&M beyond the control of Distribution Licensee for the ensuing & previous year respectively;*
> *…"*

3A.105 Further, Regulation 87 of Tariff Regulations, 2017 provides that in addition to the normative expenses, additional expenses which are uncontrollable in nature will be allowed during truing-up, relevant extract of the regulation is reproduced here below:

"87.

…

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."

3A.106 Accordingly, the Petitioner is submitting its item wise claim on account of additional expenses which are uncontrollable in nature and not covered in the above-mentioned normative O&M expenses and are in line with the above regulation.

a) <u>Loss on Sale of Retired Assets</u>

3A.107 Regulation 45, 46 and 47 of Tariff Regulations, 2017 provides for the methodology for allowance of loss or gain on retired/ de-capitalised assets as under:

"45. Loss or Gain due to de-capitalisation of asset based on the directions of theCommission 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-capitalisation of asset proposed by the Utility itself for thereasons not covered under Regulation 45 of these Regulations shall be to theaccount of the Utility.

47. Loss or Gain due to de-capitalisation of asset after the completion of useful life ofasset shall be to the account of the Utility"

3A.108 Further, the Hon'ble Commission held a meeting on 06.06.2023 directing the Petitioner to claim loss on sale of retirement of assets in terms of the methodology specified in Regulation 45, 46 and 47 of Tariff Regulations, 2017.

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3A.109 In view of above, the Petitioner has computed the loss on sale of retirement of assets during FY 2022-23 as per Regulation 45, 46 and 47 of Tariff Regulations 2017. Therefore, the Petitioner requests the Hon'ble Commission to allow loss of ₹ 8.3 Cr. towards retirement of assets for FY 2022-23 based on Regulation 45, 46 and 47 of Tariff Regulations, 2017 and calculation summary sheet is attached as Annexure-3A.2 and detailed calculation is submitted to the Hon'ble Commission vide letter no. RA/2023-24/01/A/366 dated 30.10.2023.

b) Impact on account of 7th Pay Commission revision

3A.110 Regulation-23 (5) of DERC Business Plan Regulations, 2019 states as under:

> ***"23. Operation and Maintenance Expenses***
> *(5)The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check."*

3A.111 A wage Revision Committee was constituted by the GoNCT of Delhi vide office memorandum bearing No. F.11(62)/2015/Power/271 dated 25.01.2016 to examine and recommend to the Government the Pay Revision for the employees. Such recommendation became applicable on the Petitioner as per the tripartite agreement.

3A.112 The Committee had given recommendation vide order no DTL/108/04/2017-HR(Policy) /101 dated 28.07.2017 for payment of Interim Relief (IR) to the eligible employees at the rate of 2.57 times of Basic pay + Grade Pay w.e.f. 01.01.2016. Accordingly, the Petitioner has disbursed ₹144.7 Cr from FY

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2017-18 to FY 2019-20 as Special Interim Relief (IR) to the eligible employees as per aforesaid order of Wage Revision Committee.

3A.113 DTL Board vide its office order HR/CC/2020-211208 dated 15.10.2020 accepted the recommendation for payment of 7th Pay Commission to the eligible employees of the erstwhile DVB during the year.

3A.114 In compliance to the said order, the Petitioner has implemented the recommendation of Wage Revision Committee (WRC) report during financial year 2020-21 for the payment of 7th payment Commission benefits and paid the arrear to the eligible employees of erstwhile DVB employees.

3A.115 However, the Petitioner vide letter dated 20.12.2020 has apprised the Hon'ble Commission that in view of the financial constraints coupled with the then impediments created by COVID-19 pandemic, Petitioner was not able to pay provisional amount on account of 7th pay commission to its GPA Employees and was not in a position to discharge its liabilities to make such payments in the absence of sufficient cash flow.

3A.116 In this regard, the factual position of 7th Pay Commission for eligible employees is tabulated below:

Table 3A- 28:Total impact of 7th Pay Commission till FY 2022-23 (in ₹ Cr.)

Particulars	Gross Earnings	LSC & PC	Total	Actual Paid
FY 2017-18 (Including Arrear w.e.f. 01.01.2016)	55.5	48.3	103.8	55.5
FY 2018-19	40.2	21.2	61.4	40.2
FY 2019-20	49.0	20.7	69.7	49.0
FY 2020-21	122.1	59.0	181.1	122.1
FY 2021-22	1.6	0.0	1.6	120.5
FY 2022-23	0.0	0.0	0.0	28.8
Total-till FY 2022-23	**268.5**	**149.2**	**417.7**	**416.2**

3A.117 Accordingly, the Petitioner has paid Special Interim Relief to its eligible employees since FY 2017-18 based on recommendation of the WRC vide Order No DTL/108/04/2017-HR(Policy)/101 dated 28.07.2017. The total impact including amount incurred in earlier years is ₹ 417.7 Cr. The Petitioner has already paid ₹ 416.2 Cr. (including ₹ 28.8 Cr. paid in FY 2022-23) and balance liability towards arrear of Leave Salary Contribution, Pension Contribution and Employee superannuated prior to January 2021 is to be paid in due course.

3A.118 The Petitioner vide its letter dated 09.12.2020 and 22.12.2020 apprised the Hon'ble Commission regarding implementation of revised 7th Pay Commission impact in line with DTL order and requested Hon'ble Commission to consider the additional incidence on this account and allow a special additional surcharge to enable timely disbursement of 7th Pay Commission.

3A.119 However, in response to the aforesaid request, the Hon'ble Commission vide its letter dated 05.01.2021 noted that it was not in a position to accede to the request at that point in time and stated as under:

> *"…Accordingly, the proposal of distribution licensee for levy of 7thPay Commission surcharge cannot be accepted at this point of time and the actual pay-out, if any, shall be considered at the time of true up of ARR of relevant financial year subject to prudence check as per provisions of DERC (Business Plan) Regulations, 2019…"*

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3A.120 In this regard, it is submitted that the Petitioner has paid an amount of ₹ 28.8 Cr. in FY 2022-23 and balance will be paid in due course.

3A.121 Accordingly, the Petitioner hereby requests the Hon'ble Commission to allow ₹ 28.8 Cr. for FY 2022-23 as an additional O&M expense.

c) Legal Expenses

3A.122 The Petitioner has incurred ₹30.96Cr. towards legal expenses as per Audited books of Accounts during FY 2022-23. This total expense includes Ombudsman fee of ₹0.44Cr. paid by the Petitioner for FY 2022-23 which has been claimed separately in subequent paragraphs. Accordingly, the Petitioner has incurred ₹30.1Cr. towards legal fee and claims in FY 2022-23.

3A.123 Regulation 23(7) of Business Plan Regulations, 2019 states as under:

> *"23…*
>
> *(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:*
>
> *Provided that the* ***legal expenses on account of cases filed against theOrders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed."***

3A.124 In terms on above Regulation, ₹ 5.0 Cr. towards filing appeals against the Orders (including Tariff Orders) of the Hon'ble Commission out of ₹ 30.1 Cr. towards legal fee and claims in FY 2022-23.

3A.125 However, the Petitioner would like to mention that Regulation 23(7) of the Business Regulations Plan, 2019 seeks to exclude the Legal Expenses which are challenged against the Hon'ble Commission from the allowable cost of the Petitioner and impinges upon Petitioner's fundamental right to be

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represented by a lawyer before any court / forum of its choice as well as its freedom of trade guaranteed under Article 19(1)(g) of Constitution of India. This Regulation restrict and curtail the Petitioner's rights and freedom.

3A.126 In fact, Business Plan Regulations, 2019 discriminate between the Petitioner and other Power Generation and Transmission Utilities ("Delhi Power Utilities") in the NCT of Delhi, by arbitrarily: -

- Excluding Legal Expenses from O&M Expenses of the Petitioner under Regulation 23(7), whereas allowing the Legal Expenses to other Delhi Power Utilities in the NCT of Delhi as part of their O&M Expenses. Legal Expenses are incurred for the purpose of the licensed business of the Petitioner i.e., Distribution and Retail Supply of electricity, for risk mitigation, reducing financial exposure and enforcement of their legal rights.
- Discriminating between various categories of similarly situated and equivalent employees of the Petitioner and also amongst the employees of other Delhi Power Utilities under Regulation 23(5) and 23(6) while allowing Employee Expenses as part of the O&M Expenses. This adversely impacts the Petitioner's ability to retain talent to conduct its business in the most efficient manner, as it has been doing till date.

3A.127 Since, Delhi Generation and Transmission Utilities are also regulated by the Hon'ble Commission, there is no intelligible differentia for such different treatment given for costs incurred by them vis-à-vis the Petitioner. Moreover,



the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions.

3A.128 Therefore, actual legal expenses of ₹ 30.1Cr. without any distinction should be allowed as an expense in the ARR. The details of actual legal expenses are provided in Form 7(a) submitted along with this Petition.

3A.129 Accordingly, the Petitioner requests the Hon'ble Commission to allow the legal expenses amounting to ₹ 30.1Cr. over and above the normative O&M expenses in True-up of FY 2022-23.

d) Ombudsman Fees

3A.130 As per the directions of the Hon'ble Commission, the Petitioner has incurred an expenditure of ₹ 0.44 Cr. towards ombudsman fees for FY 2022-23. It is pertinent to mention that Ombudsman Fees was accounted in legal expenses (part of Administrative and General Expenses) in the Profit and Loss account of the Petitioner. Since, the entire legal expenses were excluded from the O&M expenses while determining the normative O&M expenses for the Control Period, Ombudsman expenses were not allowed as part of normative expenses for FY 2022-23 also.

3A.131 Further, Regulation 23(7) of the Business Plan Regulations, 2019 states that:

> *"23...(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence..."*

3A.132 Accordingly, the Petitioner is claiming the ombudsman fees for FY 2022-23. Also such expense is required to be spent to protect the constitutionally

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guaranteed rights of the Petitioner and hence ought to be allowed by the Hon'ble Commission.

e) License Fees Paid for Assets

3A.133 License Fee paid for land rights / distribution assets is a statutory levy and uncontrollable in the hands of the Petitioner. It is pertinent to mention that pursuant to Ind AS 116 notified by MCA on 30.03.2019, the nature of expenses has changed from lease rent in previous years to depreciation cost for the right-of-use assets (RoU), and finance cost for interest accrued on lease liability. Accordingly, from April 2019 onwards, such expenses are included in Depreciation & Finance Cost and thus, are not reflected in A&G expenses which is a part of O&M expenses since FY 2019-20 onwards.

3A.134 Accordingly, the Petitioner requests the Hon'ble Commission to allow the license fees of ₹ 13.3 Cr. paid to GoNCT of Delhi over and above the normative O&M expenses in True-up of FY 2022-23.

f) Expenses for raising loan of Working Capital

3A.135 The Hon'ble Commission has not considered aforesaid expenses while computing normative rates of O&M expenses. Further, the Hon'ble Commission in Regulation 23(6) of the Business Plan Regulations 2019 states as under:

> *"(6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:*

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Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed."

3A.136 Accordingly, the Petitioner requests the Hon'ble Commission to allow ₹4.0Cr. paid on account of raising loan for working capital under O&M expenses which is over and above the normative O&M expenses in True-up of FY 2022-23.

g) Property Tax

3A.137 The Petitioner has to pay property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001. The land owning agency which is MCD in this case, raises bills for payment of property tax against which payments are made by the Petitioner. Such Levy of Tax is beyond the control of the Petitioner and is a statutory requirement to pay such tax by the Petitioner. In this regard, the Petitioner has paid ₹ 13.6 Cr. in FY 2022-23.

3A.138 In is noteworthy that the Hon'ble Commission has not considered the aforesaid arrears as a part of the expenses considered for computation of normative O&M Expenses for the control period from FY 2020-21 to FY 2022-23.

3A.139 In view of the aforesaid facts, the incremental impact of the Petitioner is ₹ 13.6 Cr. on account of property tax paid during FY 2022-23, detailed computation is tabulated here as follows:

Table 3A- 29: Incremental Property Tax paid during FY 2022-23 (in ₹ Cr.)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
1	Actual Property Tax as per Audited Accounts	2.7	2.7	2.4				

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
2	Considered for base year FY 2017-18		2.6					
3	Escalation Rate			3.83%	3.83%	3.83%	3.83%	3.83%
4	Considered as Normative Property Tax			2.7	2.8	2.9	3.0	3.1
5	Actually Property Tax paid						5.8	16.7
6	**Incremental Impact**						**2.8**	**13.6**

3A.140 Accordingly, the Petitioner humbly requests the Hon'ble Commission to allow the above incremental expense on account of statutory requirement of the Petitioner.

h) Incremental GST Impact

3A.141 With effect from 01.07 2017, the Petitioner is mandated to pay GST (@18%) instead of service tax (12% to 15%). Further, as per the circular no. 34/8/2018 – GST, there are few services that are provided by the Petitioner to consumers which are now deemed as GST taxable services. However, the GST rate is 18% which is higher than the service tax rate.

3A.142 The Hon'ble Commission has allowed the GST charges on normative basis for FY 2021-22 by considering an escalation factor of 3.83% on the average value of FY 2017-18 to FY 2018-19. It is submitted that law is very clear towards implementation of any new tax. Time and again the impact on account of the same have been allowed by various statutory authorities as pass through. It is submitted that there are plethora of Orders approving impact of increase in tax/introduction of new taxes, change in law and such additional costs have been allowed as pass through. The said relief has also been approved by the Hon'ble CERC/ Tribunal for various competitively Bid

Projectsawarded under Section 63 of the Electricity Act, 2003 and therefore not allowing such impact to be recovered on actual basis for tariff determined under Section 62 of the Electricity Act 2003 shall be in gross violation to the statue and therefore the impact needs to be allowed on actual basis due to change in law.

3A.143 The incremental impact on account of GST charges is ₹- 13.5 Cr. paid by the Petitioner during FY 2022-23, detailed computation is tabulated here as follows:

Table 3A- 30: Incremental GST paid during FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
1	Actual GST/Service Tax as per Audited Accounts	41.2	58.6	73.2				
2	Considered for base year FY 2017-18 (equivalent to average value from FY 2017 to FY 2019)		57.7					
3	Escalation Rate			3.83%	3.83%	3.83%	3.83%	3.83%
4	Considered as Normative in FY 21			59.9	62.2	64.5	67.0	69.6
5	Actually paid in FY 21						78.7	83.1
6	**Incremental Impact**						11.7	**13.5**

3A.144 Accordingly, the Petitioner requests the Hon'ble Commission to allow the aforesaid expenses while truing up the expenses for FY 2022-23.

i) <u>Incremental SMS Charges</u>

3A.145 The Hon'ble Commission vide its letter ref no. F.17(47)/Engg/DERC/2014-15/C.F 4741/3682 dated 13.01.2016 issued the directives to send the SMS to consumer on various occasions. The Petitioner complied with the said directives and hence, incurred an amount of ₹1.3Cr. in FY 2022-23.

3A.146 The Hon'ble Commission has allowed the SMS charges on normative basis for FY 2021-22 by considering an escalation factor of 3.83% on the average value of FY 2016-17 to FY 2018-19. However, the same ought to be allowed on actual basis.

3A.147 Since, these expenses are incurred as per the directions of the Hon'ble Commission, the Petitioner requests to allow the incremental impact of SMS charges equivalent to ₹ 0.3 Cr. as a part of additional expenses as tabulated below.

Table 3A- 31: Incremental SMS Charges paid during FY 2022-23 in (in ₹ Cr.)

S. No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
1	Actual SMS Charges as per Audited Accounts	0.7	0.6	1.1				
2	Considered for base year FY 2017-18 (equivalent to average value from FY 2017 to FY 2019)		0.8					
3	Escalation Rate			3.83%	3.83%	3.83%	3.83%	3.83%
4	Considered as Normative in FY 22						0.9	1
5	Actually paid in FY 22						2.1	1.3
6	**Incremental Impact**						1.1	**0.3**

3A.148 In view of the above submissions, the additional expenses claimed as a part of truing-up requirement for FY 2022-23 are shown below:

j) Letter of Credit charges

3A.149 Hon'ble Commission vide its Order No.F.17(115)Engg./DERC/2006-07/4757 dated 31.03.2007, has allocated the capacities in Generating Stations from all the Power Purchase Agreements (PPAs)executed by DESU, DVB and

DTL to the Petitioner. Effectively, all the PPAs is inherited to the Petitioner's portfolio from erstwhile successors, which contains clause of payment security mechanism i.e. of maintaining unconditional, revolving and irrevocable letter(s) of credit (LC) from scheduled Bank(s) in favour of generating station.

3A.150 Consequently, the Petitioner has to incur the cost of making Letter of credit (LC)i.e. LC Charges to the scheduled bank(s). Despite of non-cost reflective tariffs and accumulated Regulatory Assets, the Petitioner still able to maintain LC on its ability. Accordingly, the Petitioner incurs LC Charges as and when Petitioner maintains it.

3A.151 Accordingly, the levy of LC charges cannot be considered as controllable since:

(i) LC amount depends on the Power purchase expense which itself is uncontrollable.

(ii) LC charges are fixed at the instance of the concerned bank and is not within the control of the Petitioner; and

(iii) LC is related to purchase of electricity and therefore any variation in the quantum of sale will automatically affect the amount of LC and consequential charges.

3A.152 Therefore, the LC charges should be allowed on actual basis as such charges are beyond the control of the Petitioner. Infact, the Hon'ble Tribunal vide its judgement dated 30.09.2019 in Appeal No. 246 of 2014 stated that the LC charges are uncontrollable in nature and such charges should be



allowed by the Hon'ble Commission. The relevant extract of the said Order is reproduced below:

"*16.4.1. … It is not in dispute that the Appellant has actually incurred various expenses as claimed by it in the petition which the State Commission has disallowed while truing up for FY 2012-13 giving reasoning that these expenses are controllable.* ***It is, however, seen that many of the expenses so claimed by the Appellant are in the category of uncontrollable in nature and need to be looked into by the Commission by adopting a judicious approach instead of disallowing all of them in totality****. This Tribunal in its judgment dated 10.2.2015 in Appeal no. 171 of 2012 has held that* ***enhancement in expenses due to reasons beyond the control of the utility, such as statutory obligations are uncontrollable in nature and, therefore, ought to be allowed****….."*

3A.153 Further, MoP vide its order dated 28.06.2019 has specified rules for "Opening and Maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreement by Distribution Licensee". It is pertinent to mention that under aforesaid rules, the Petitioner has to forcefully maintain a LC in order to maintain 24X7 power supply for consumers of Delhi. The relevant extract of the said rules are replicated as below:

"It is essential therefore that all the provisions mentioned above are implemented strictly. NLDC & RLDC are therefore directed as follows:

i. In accordance with Section 28 (3) (a), ***the NLDC & RLDC shall despatch power only after it is intimated by the Generating Company and /Distribution Companies that a Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned Generating Company****.*

ii. The intimation to NLDC and RLDC shall specify the period of supply.
iii. RLDC shall dispatch electricity only up to the quantity equivalent of value of Letter of Credit.
iv. The dispatch shall stop once the quantum of electricity under LC is supplied.

v. The concerned generating company shall be entitled to encash the LC after expiry of grace period, i.e. 45 to 60 days as provided in the PPA.

vi. In the event power is not dispatched for any reason given above, the Distribution licensee shall continue to pay the Fixed Charge to the Generating Company.

6.0 It shall also be ensured by the Load Despatch Centre that the regulated entity, during the period of regulation, ***has no access to procure power from the Power Exchanges and they shall not be granted Short Term Open Access (STOA).****"*

3A.154 Thereafter, MOP issued various corrigendum and clarification dated 17.07.2019, 23.07.2019 and 09.08.2019 further for strengthening the payment security mechanism.

3A.155 The Petitioner has incurred ₹ 6.3 Cr. on account of LC charges for FY 2022-23. Therefore, the Petitioner is claiming said expenses due to its uncontrollable nature and under the provisions of aforesaid MOP rules in order to maintain 24X7 continuous power supply to consumers of Delhi.

Table 3A- 32: Additional Expenses for FY 2022-23 (in ₹ Cr.)

S. No.	Particulars	FY 2022-23	Remarks
1	Loss on Sale of Retired Assets	8.3	As per Annexure-3A.2 and detailed calculation is submitted to the Hon'ble Commission vide letter RA/2023-24/01/A/366 dated 30.10.2023.
2	Impact of 7th Pay Commission	28.8	Note 38 of Audited Accounts
3	Legal Expenses	30.1	Note 41 (other expenses) of Audited Accounts
4	Ombudsman/legal Fees	0.4	Note 41 (other expenses) of Audited Accounts
5	License Fee paid on assets	13.3	Note 5 of Audited Accounts
6	Expenses for raising loan of Working Capital	4.0	Note 39 of Audited Accounts
7	Incremental Impact of Property Tax	13.6	Note 41 (Other Expenses) of Audited Accounts
8	Incremental GST Impact	13.5	Note 39 & 42 of Audited Accounts
9	Incremental SMS Charges	0.3	Note 41 of Audited Accounts
10	Letter of Credit Charges	6.3	Note 39 of Audited Accounts
11	**Total**	**118.5**	**Sum of 1 to 10**

3A.156 The Petitioner requests the Hon'ble Commission to allow the aforesaid amount as proposed in the table above while truing up the expenses for FY 2022-23.

Capital Expenditure and Capitalisation

3A.157 The Petitioner has considered the capital expenditure and capitalisation for FY 2022-23 as per the audited accounts.

3A.158 The opening Gross Fixed Assets (GFA) for FY 2022-23 has been considered in terms of the Hon'ble Supreme Court Order dated 01.12.2021. Hence, the Closing balance of GFA for FY 2021-22 as filed in the True-up Petition dated 22.11.202, has been considered as the Opening GFA for FY 2022-23.

3A.159 De-capitalisation of assets up to FY 2022-23has been considered as per the audited accounts provided that the Hon'ble Commission also allows the loss on sale of retired assetsfor the respective years in line Tariff Regulations 2017.

3A.160 Accordingly, the actual capitalisation and de-capitalisation for FY 2022-23 has been considered to derive the closing balance of GFA as follows:

Table 3A- 33: Gross Fixed Assets for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Opening GFA	8718.3	Closing value from Table 3A- 36 of True Up Petition for FY 2021-22
B	Capitalisation during the year	743.1	Note 3 & 4 of the Audited Accounts
C	De-capitalisation	33.7	Schedule 5 of the Audited Accounts
D	Closing GFA	9427.7	A+B-C
E	Average GFA	9073.0	(A+D)/2

Provisions capitalised towards 7th Pay Commission

3A.161 As already explained in Para 3A.104 to 3A.121, it is evident that all the provisions which were made till FY 2021-22 has now been completely paid

by the Petitioner except some amount still remains and will be paid in subsequent year. The year wise movement of the provision created on account of 7th pay commission and actual amount paid by the Petitioner out of those provisions till FY 2022-23 is tabulated below:

Table 3A- 34: Movement of provisions on accounts of 7th pay commission for FY 2022-23 (in ₹ Cr)

Particulars	Provisions on account of 7th Pay commission	Actual Payment out of provisions	Payment Remaining
FY 2017-18 (Including Arrear w.e.f. 01.01.2016)	48.3	0.0	0.0
FY 2018-19	21.2	0.0	0.0
FY 2019-20	20.7	0.0	0.0
FY 2020-21	59.0	0.0	0.0
FY 2021-22	0.0	120.5	0.0
FY 2022-23	0.0	28.8	0.0
Total-till FY 2022-23	**149.2**	**149.3**	**0.2**

3A.162 In this regard, it is pertinent to note that the Hon'ble Commission has reduced the provision capitalised on account of 7th pay commission from FY 2017-18 to FY 2019-20 reproduced as below:

Table 3A- 35: Capitalisation to be approved by Hon'ble Commission (in ₹ Cr)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Total
A	Assets Capitalised	583.9	633.2	635.6	**1852.8**
B	Less: Reduction of capitalisation by provision capitalised on a/c of 7th pay	5.6	2.6	2.6	**10.7**
	Reference	*Table 3.101 of TO FY 2019-20*	*Table 3.56 of TO FY 2020-21*	*Table 3. 67 of TO FY 2021-22*	
C	Net Assets capitalised approved by DERC [A-B]	578.4	630.6	633.1	**1842.1**

3A.163 The above table clearly depicts that the Hon'ble Commission has reduced ₹10.7Cr towards the provisions capitalised from the total capitalisation on

account of 7th pay commission from FY 2017-18 to FY 2019-20 by merely stating the reason that such amount has not been paid by the Petitioner. The relevant extract of the Tariff Order dated 31.07.2019 is reproduced below:

"…..3.394 …..However, the Commission observed that the Petitioner has also capitalised the Employee expenses amounting to Rs. 5.67 Cr. out of the provision for leave salary and Pension for FY 2017-18 on account of 7th pay Commission. ***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." [Emphasis Added]***

3A.164 Since, the provision of 7th pay commission has now been full paid in FY 2021-22 and 2022-23, the Petitioner requests the Hon'ble Commission to allow the actual capitalisation amount from FY 2017-18 to FY 2019-20 based on the audited accounts of the Petitioner by reversing the amount of ₹ 10.7 Cr disallowed by the Hon'ble Commission.

Consumer Contribution

3A.165 The actual consumer contribution and grants capitalised till FY 2006-07 is ₹39.53Cr. and ₹ 18.63 Cr. respectively. However, the Hon'ble Commission has considered consumer contribution received instead of actual consumer contribution capitalised from FY 2002-03 to FY 2006-07.

3A.166 Also, in terms of Tariff Regulations 2007, the actual data pertaining to capital expenditure and capitalization is required to be considered while truing-up Return on Capital Employed ("RoCE") and depreciation at the end of the Control Period. The relevant extracts are as below:

"5.6 The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the original cost of assets and

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working capital, less the accumulated depreciation. Capital work in progress (CWIP) shall not form part of the RRB. Consumer Contribution, capital subsidies / grants shall be deducted in arriving at the RRB."

3A.167 In contrary to the above, the Hon'ble Commission has allowed lower RoCE and Depreciation for subsequent years by considering an incorrect figure of Consumer Contribution assets capitalised from FY 2002-03 to FY 2006-07by invalidly relying on Petitioner's letter 12.03.2010 and not as per actuals.

3A.168 It is pertinent to note that the Hon'ble Commission vide e-mail dated 24.03.2015 directed the Petitioner to submit the consumer contribution data duly audited in a specified format. The Petitioner vide letter dated 18.05.2015 submitted the data duly certified by Auditor with respect to consumer contribution. Accordingly, the Petitioner requests the Hon'ble Commission to consider the actual data for opening balance of Consumer Contribution from FY 2007-08 onwards.

3A.169 Based on the above submissions, the average Consumer Contribution including grants for FY 2022-23 is tabulated below:

Table 3A- 36: Consumer Contribution including grants for FY 2022-23

(in ₹ Cr)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance	1060.8	Closing Balance of Table 3A- 38 of True Up Petition for FY 2021-22
B	Additions during the year	73.4	Note-25 (Consumer Contribution for Capital Works) of the Audited Accounts
C	Closing Balance	1134.1	A+B
D	**Average Consumer Contribution including grants**	**1097.5**	**(A+C)/2**

Details of Grants

3A.170 The average Grants for FY 2022-23 is tabulated below:

Table 3A- 37: Grants for FY 2022-23 (in ₹ Cr)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance	18.63	
B	Additions during the year	-	
C	Closing Balance	18.63	A+B
D	**Average Grants**	**18.63**	**(A+C)/2**

Funding of Capitalisation

3A.171 During FY 2022-23, the Petitioner has capitalised ₹ 743.1 Cr. which includes ₹33.7Cr. and ₹ 73.4 Cr. on account of De-capitalisation and Consumer Contribution capitalised respectively.The Petitioner has sought financing of Capitalisation (net of de-capitalisation and Consumer Contribution) through debt and equity in the ratio of 70:30as shown in the table as follows:

Table 3A- 38: Funding of Capitalisation for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Total Capitalisation	743.1	Table 3A- 33
B	De-capitalisation	33.7	Table 3A- 33
C	Consumer Contribution	73.4	Note 25 of Audited Accounts
D	**Balance Capitalisation**	**636.1**	**A-B-C**
E	Debt	445.2	70% of D
F	Equity	190.8	30% of D

Depreciation

3A.172 The Petitioner has considered the average rate of Depreciation based on the Audited Accounts which is then applied on the average GFA net of Consumer Contribution and Grants for the purpose of True-up of

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depreciation for FY 2022-23 in line with the provisions of the Tariff Regulations, 2017 and the computation methodology being adopted by the Hon'ble Commission for the true-up of past years.

3A.173 The average rate of Depreciation computed for FY 2022-23 based on the Audited Accounts of the Petitioner is tabulated here as follows:

Table 3A- 39: Depreciation Rate for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	Actual	Remarks/ Ref.
A	Opening GFA as per audited accounts	8693.4	Note 3& 4 of Audited Accounts
B	Closing GFA as per audited accounts	9402.8	
C	Average of GFA	9048.1	(A+B)/2
D	Depreciation as per Audited Accounts	414.0	Note 40 of Audited Accounts
E	**Average depreciation rate**	**4.58%**	**(D/C)x100**

3A.174 As per the Companies Act, the depreciation rate in case of a regulated entity has to be adopted as prescribed by the Hon'ble Commission. Accordingly, the depreciation has been considered in the annual accounts of the Petitioner based on the schedule of depreciation (specifying the rates and useful life) provided in the Tariff Regulations, 2017 and the industry practise.

3A.175 It is pertinent to mention that the Petitioner vide its various communications has taken up with the Hon'ble Commission on the issue of rationalization of useful life of Distribution assets particularly consumer meters. In December'21 Forum of Regulators (FoR) has also published a report on the "Evolving Principles of Depreciation for Distribution Assets and Operating and Financial Norms for Distribution Sector" with the following key recommendations:

3A.176 Depreciation rates based on the useful life of the asset: Such useful life determination may be periodically reviewed especially in the cases where

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there are technological developments in the asset that impact their usage. Such periodic determination of the useful life must be done keeping in mind the following factors as per the Accounting Standards:

1. Expected usage of the asset
2. Expected physical wear and tear including the expected repair and maintenance.
3. Technical or commercial obsolescence.
4. Legal or similar limits on the use of the asset.

3A.177 To the extent possible, the depreciation rates by all State Electricity Regulatory Commissions may be standardized. This would help in normalizing the distribution tariffs across all States.

3A.178 The percentage of salvage value (normally at 10%) may also be reviewed considering that costs of removal/disposal of assets and the realization of scrap for these assets is not so significant.

3A.179 In view of the representations made by the Petitioner, Hon'ble Commission is requested to revisit the useful life of various asset classes in the Depreciation Schedule 1 of the Tariff Regulations, 2017 so as to accommodate the suggestions of the FOR study. This will also help in ensuring 24x7 Power to consumer by timely replacement of old assets post completion of useful life.

3A.180 Further, the Petitioner has computed depreciation for FY 2022-23 after excluding consumer contribution and Grants from the Gross Fixed Assets, tabulated here as follows:

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Table 3A- 40: Depreciation for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Average GFA	9073.0	Table 3A- 33
B	Average Consumer Contribution and Grants	1097.5	Table 3A- 36
C	Average assets net of consumer contribution & Grants	7975.6	C = A-B
D	Average rate of depreciation	4.58%	Table 3A- 39
E	**Depreciation**	**364.9**	E = CxD

3A.181 Further, cumulative depreciation on fixed assets at the end of FY 2022-23 is tabulated here as follows:

Table 3A- 41: Cumulative Depreciation on fixed assets upto FY 2022-23

(in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Opening balance of cumulative depreciation	4005.5	Table 3A- 41 of True Up Petition for FY 2021-22
B	Additions during the year	364.9	Table 3A- 40
C	Closing balance of cumulative depreciation	4370.5	C = A+B
D	Accumulated Depreciation on De-capitalised Assets at the beginning of FY	392.0	Table 3A- 41 of True Up Petition for FY 2021-22
E	Depreciation on De-capitalized Assets during the FY	23.0	Table 3A- 45
F	Accumulated Depreciation on De-capitalised Assets at the end of FY	415.0	F = D+E

3A.182 It is pertinent to mention here that the Petitioner has utilised aforesaid depreciation during the year for normative debt repayment as under:

Table 3A- 42: Utilisation of Depreciation for FY 2022-23

(in ₹ Cr.)

S. No	Particulars	FY 2022-23
A	Depreciation	364.9
B	Debt repayment	364.9



Working Capital

3A.183 Regulation 84 (4) of the Tariff Regulations 2017 provides as under:

(4) …..
(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;

3A.184 Accordingly, the Petitioner has computed Working Capital requirement during FY 2022-23 as under:

Table 3A- 43: Working Capital Requirement for FY 2022-23

(in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Ref
A	Annual Revenues from Tariff & Charges	12115.8	Table 3A- 55
A1	Receivables equivalent to two months average	2019.3	A/6
B	Power Purchase Expenses	9273.3	Table 3A- 24
B1	Less: 1/12th of power purchase expenses	772.8	B/12
C	Working Capital	1246.5	A1-B1
D	Opening Working Capital	1104.1	Table 3A-43 of True Up Petition upto FY 2021-22
E	**Change in Working Capital**	**142.4**	**E = C - D**

3A.185 The Working capital as shown above has been considered for calculation of Regulated Rate Base for FY 2022-23.

Debt and Equity

3A.186 Debt and Equity has been considered as per the directions and principles laid down by the Hon'ble Supreme Court in Order and Judgment dated

01.12.2021 and 18.10.2021 passed in case of the Petitioner. Accordingly, the average debt and equity for FY 2022-23 is tabulated below:

3A.187 The average debt and equity for FY 2022-23 is tabulated here as follows:

Table 3A- 44: Average Debt and Equity for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	Debt	Equity	Remarks
A	Opening	2692.8	2358.9	Table 3A- 44 of True Up Petition for FY 2021-22
B	Additions during the year	587.7	190.8	B = Bi + Bii
i	*Capitalisation*	*445.2*	*190.8*	Table 3A- 38
ii	*Working capital*	*142.4*	-	Table 3A- 43
C	Less: Repayment	269.3	-	*A/10*
D	Closing	3011.2	2549.8	A+B-C
E	**Average**	**2852.0**	**2454.3**	**Average(A,D)**

3A.188 The Petitioner has considered the aforesaid average debt and equity for the purpose of computation of RoCE.

Regulated Rate Base (RRB)

3A.189 Based on the above submissions, the Regulated Rate Base (RRB) for FY 2022-23 has been computed detailed here as follows:

Table 3A- 45:Regulated Rate Base for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Ref
A	RRB Opening	5148.0	Table 3A- 45 of True Up Petition for FY 2021-22
B	ΔAB (Change in Capital Investments)	294.1	C-D+E-F
C	Investments Capitalized	709.4	Table 3A- 38
D	Depreciation	364.9	Table 3A- 40
E	Add: Depreciation on De-capitalised Assets	23.0	Note 3 of Audited Accounts
F	Consumer Contribution	73.4	Table 3A- 36
G	Change in WC	142.4	Table 3A- 43
H	RRB Closing	5584.6	A+B+G
I	**RRB (i)**	**5437.5**	**A+(B/2)+G**

Rate of Interest on Loan

3A.190 The rate of interest applicable to a Capital Expenditure (CAPEX) loan would necessarily have to be the allowable interest as per the Regulation applicable on the date of capitalisation/COD. This is clear from harmonious reading of Regulation 1(2) proviso read with Regulation 74 to 77 of DERC Tariff Regulations, 2017. There is nothing in Regulation 74 to 77, either express or implied, which provides that where the interest on a CAPEX loan taken in a previous year has been allowed by the Commission for that year, that such interest now needs to be reworked for every subsequent year. Therefore, the interest on loan is worked out with reference to the date of commissioning/capitalisation of the assets in accordance with the Regulations.

3A.191 Further, with regard to the cost of debt on working capital loans, the Regulation 85 of the Tariff Regulations, 2017 states that:

> *"**INTEREST ON WORKING CAPITAL***
> *85. Rate of Interest On Working Capital shall be considered as the bank rate as on 1stApril of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year:*
> *Provided that the rate of interest availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall not be trued up.*
>
> *86. Interest on working capital shall be payable on normative basis notwithstanding that the Utility has availed any loan for the working capital."*

3A.192 Further, Regulation 22 of Business Plan Regulations, 2019 specifies capping of 3.50% on margin for FY 2022-23. Accordingly, the margin for computation

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of interest on working capital considered in the instant petition is tabulated here as follows:

Table 3A- 46: Rate of Interest on Loan (%)

S. No.	Particulars	Rate	Remarks/Reference
A	Rate of Interest on Capex Loan	12.60%	Para 3A. 179 of True Up Petition for FY 2021-22
B	Rate of Interest on Working Capital	10.50%	Para 3A.193 of this True Up Petition for FY 2022-23
C	SBI MCLR as on 01.04.2022*	7.00%	C
D	Normative Margin	3.50%	Regulation 22 of BPR, 2019
E	**Margin for Working Capital Loan for FY 2022-23**	**3.50%**	**E = Min(B-C,D)**

SBI MCLR Rate enclosed as **Annexure-3A.3*

3A.193 The rate of interest on term loan and working capital is equivalent to minimum of (i) approved base rate of RoE of 14.00%, (ii) rate of interest w.r.t actual loan and working capital portfolio during FY 2022-23 and (iii) Bank Rate of 7.00% as on 01.04.2021 plus margin for rate of interest on loan as per Business Plan Regulations, 2019 subject to the proviso of Regulation 77 of the Tariff Regulations, 2017. Thus, the rate of interest on loan and working capital is 12.60% and 10.50% respectively. Further, the blended interest rate on loan accumulates to 11.73%, computation of which is tabulated here as follows:

Table 3A- 47: Weighted Average Interest Rate on Loan (%) for FY 2022-23

S. No.	Particulars	FY 2022-23	Remarks/ Reference
A	Closing Balance of Debt	3011.2	Table 3A- 44
B	Closing Debt at 100% Working Capital	1246.5	-
C	Closing Balance of CAPEX Loan	1764.6	C=A-B
D	Rate of Interest on Loan	12.60%	Para 3A.193
E	Rate of Interest on Working Capital	10.50%	Para 3A.193
F	**Blended Rate of Interest on Loan**	**11.73%**	**((BxE)+(CxD))/A**

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3A.194 Accordingly, the Petitioner hereby requests the Hon'ble Commission to approve the rate of interest on loan (rd) as 11.73% for FY 2022-23.

3A.195 Further, in order to comply with the Directives issued by the Hon'ble Commission, the Petitioner vide its letter No. RA/2023-24/01/A/102 dated 31.05.2023, RA/2022-23/01/A/163 dated 17.06.2022and letter No. RA/2021-22/01/A/574 dated 17.01.2022has submitted the statement of interest on all type of loans availed from various Banks/Financial Institutions for FY 2022-23, FY 2021-22 and FY 2020-21 respectively.

Weighted Average Cost of Capital (WACC)

3A.196 The Petitioner has considered the rate of interest of loans during 2022-23 i.e. 11.73% and RoE at 16%. Further, as per Regulation 21 of the DERC Business Plan Regulations, 2019 states as follows:

> *"**21. TAX ON RETURN ON EQUITY***
>
> *The base rate of return on equity as allowed by the Commission under Regulation 20(1) and Regulation 20(2) of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:*
>
> *Rate of Return on Equity= 16/[(100-Tax Rate)/100]*
> *where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be."*

3A.197 It is pertinent to mention that Hon'ble Tribunal in its various judgements has laid down the ratio that the income tax assessment of the licensee must be done on standalone basis. Further, in Appeal No.173 of 2011 the Tribunal has provided the methodology for assessing the income tax liability of the licensee.

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3A.198 Therefore, if a computation of actual income tax is to be done, a conjoint reading of the above Regulations of the Hon'ble Commission in the light of the ratio laid down by the Hon'ble Tribunal would clearly establish that:-

(a) The Distribution Business must be treated as if in a watertight compartment;

(b)The RoE is not only the income of the Distribution Business;

(c)A 16% return on equity has been assured to the distribution business and must be given to the entity meaning thereby all other taxes payable by the distribution business computed on a normative basis must be allowed as a pass through.

3A.199 In addition to above, it is pertinent to mention that w.e.f. FY 2019-20, the Petitioner has opted for the new tax regime u/s 115BAA. A detailed in this regard has already been made by the Petitioner vide its letter no. RA/2022-23/01/A/ 371 dated 11.10.2022 to the Hon'ble Commission.

3A.200 Without prejudice to above, it is highlighted that the Hon'ble Supreme Court in its Order and Judgment dated 18.10.2022 has also laid down the principle of Truing up i.e. *'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at 'true up' stage.*

3A.201 In line with the above submission, the grossed-up return on equity is 21.38% considering effective tax rate of 25.17% and WACC accumulates to 16.19% for FY 2022-23. The detailed computation of WACC is tabulated here as follows:

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Table 3A- 48: Weighted Average Cost of Capital (WACC)

S. No.	Particulars	FY 2022-23	Remarks/ Ref
A	Average Equity (₹ Cr.)	2454.3	Table 3A- 44
B	Average Debt (₹ Cr.)	2852.0	Table 3A- 44
C	Return on Equity	16.00%	BPR, 2019
D	Income Tax Rate	25.17%	Audited Accounts for FY 2022-23
E	Grossed up Return on Equity	21.38%	E = C/(1-D)
F	Rate of Interest	11.73%	Table 3A- 47
G	**Weighted average cost of Capital**	**16.19%**	**G = ((AxE)+(BxF))/(A+B)**

Return on Capital Employed (RoCE)

3A.202 Based on the aforesaid submissions, the allowable RoCE for FY 2022-23 accumulates to ₹ 880.6 Cr., detailed computation is tabulated here as follows:

Table 3A- 49:Return on capital employed (ROCE) (in ₹ Cr.)

S. No.	Particulars	FY 2022-23	Remarks/ Ref
A	Weighted Average Cost of Capital (WACC)	16.19%	Table 3A- 48
B	RRB (i)	5437.5	Table 3A- 45
C	**RoCE**	**880.6**	**C = A x B**

3A.203 Accordingly, the Petitioner hereby requests the Hon'ble Commission to allow RoCE for FY 2022-23 based on the above tabulated computation.

Non-Tariff Income (NTI)

3A.204 The items included in NTI apart from the income covered in Other Income and Other Operating income shown inthe Audited Accounts for FY 2022-23 are as follows:

Interest on Consumer Security Deposit (CSD)

3A.205 In line with the treatment followed by the Hon'ble Commission in the previous Tariff Orders, the difference of normative interest on CSD and the

actual interest booked as expense in the Audited Accounts has been added in NTI as under:

Table 3A- 50: Interest on CSD (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance of CSD	943.5	Note 22 of Audited Accounts
B	Closing Balance of CSD	1053.8	
C	Average Balance	998.6	C = (A+B)/2
D	Normative Interest Rate	10.50%	Para 3A.193
E	Interest on CSD	104.9	E = C x D
F	Interest booked as expense in Audited Accounts	68.4	Note 39 of Audited Accounts
G	**Net Interest to be considered**	**36.5**	G = E-F

Difference on account of Service Line Development (SLD) Charges:

3A.206 The Hon'ble Commission in the Tariff Order dated 29.09.2015 ruled as under:

> *3.373 The Commission has considered the service line charges as income for a period of three years for true-up up to FY 2011-12. The service line charges up to FY 2012-13 have been considered as part of revenue gap up to FY 2012-13 as discussed in earlier paragraphs. For FY 2013-14, service line charges of Rs. 43.37 Crore as per audited financial statement of FY 2013-14 are being considered as part of the non tariff income of the Petitioner."*

3A.207 The Petitioner has challenged the aforesaid issue before the Hon'ble Tribunal in Appeal No. 297 of 2015 which is pending adjudication. Without prejudice to the contentions in the said Appeal, the Petitioner has added the difference between the SLD Charges received during FY 2022-23 and that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income,detailed as follows:

Table 3A- 51:Difference on account of SLD (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
1	Received during the year	66.2	Note 26 Service

S. No	Particulars	FY 2022-23	Remarks
2	SLD Appearing in Other Income	48.3	Line Deposits
3	**Difference Considered**	**17.9**	3 = 1 - 2

3A.208 Accordingly, the Petitioner has added the impact of ₹17.9 Cr.during FY 2022-23 as a part of Non-Tariff Income.

3A.209 The explanation for each of the item not to be considered as Non-Tariff Income is as under:

Income from Other Business

Street Light Maintenance Charges

3A.210 Apart from distribution licensee's business, the Petitioner is also generating revenue from other business. These other businesses are being operated in parallel by the Petitioner along with the Distribution Business. The Petitioner is exercising its fundamental right to carry out these unrelated businesses.

3A.211 Section 51 of the Electricity Act 2003 entitles the Distribution Licensee such as the Petitioner to engage in any other business for optimum utilization of its assets. Section 51 also requires that a certain proportion of "the revenues" derived from such business be utilized for reducing the wheeling charges. Section 51 of the Electricity Act 2003 is an enabling provision contained in the legislation with some purpose. Disallowance of the legitimate expenses relating to other business would be ex facie contrary to Section 51 of the Electricity Act 2003and would lead to discouraging the distribution licensee such as the Petitioner from generating income from other business, which is otherwise undertaken considering the interest of consumers at large and optimum utilization of assets of distribution business.

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The Petitioner has engaged in the businesses (as described in subsequent paragraphs) which are within the scope of Section 51 of the Electricity Act 2003 and has hereinafter provided reasons for this Hon'ble Commission to consider: (1) The Income by deducting the expenditure from the Revenue; and (2) Reworking of the proportion of the Revenues to be retained by the Petitioner in excess of the 20% which was stipulated in the 2005 Regulations as "a general principle" and entitling the Petitioner to "approach the Commission for change of the aforesaid sharing formula with proper justification, for approval of the Commission".

3A.212 It is submitted that the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCDs to maintain Street lighting system which is reproduced below:

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

3A.213 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner as matter of course, though as distribution licensee the maintenance of public lighting was not their function. In fact, the Petitioner vide letter dated 24.03.2004

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intimated the Hon'ble Commission that maintenance of street lighting is the responsibility of MCDs under DMC Act and not of the Petitioner. Also the Hon'ble Commission in Order dated 03.09.2003 ruled as under:

> *"10. Having heard the submission of the parties, the Commission observed that it was the prerogative of the MCD, either to get the work done themselves or through the DISCOMs, in the latter alternative, scope of works, as also the commercial terms and conditions, shall need to be proposed by MCD. Thereafter, the Commission shall determine the maintenance charges, etc. after having considered the responses of the DISCOMs."*

3A.214 Therefore, it is clear that maintenance of street lighting is an activity assigned to the Petitioner by MCDs under DMC Act and does not fall under Regulated Business.

3A.215 However, there was a dispute between the Delhi DISCOMs and erstwhile MCDs on scope of work of the activities and charges at which the maintenance is to be undertaken by Delhi DISCOMs. During FY 2003-04, the Hon'ble Commission received number of complaints on the poor conditions of street light prevailing in respect of Public Lighting in Delhi. Consequently in order to settle the matter, the Hon'ble Commission vide letter dated 15.10.2003, identified the scope of works as maintenance of existing streetlights, addition of new streetlights, installing of high mast lights, transformers, etc. Further, the Hon'ble Commission vide Order dated 5.03.2004 determined the rates for maintenance of street lights. These rates were further amended by the Order issued by the Hon'ble Commission on 24.09.2009.

3A.216 It is further submitted that the determination of rates and scope of work by the Hon'ble Commission does not mean that maintenance of streetlights fall

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under Licensed Activity and is a part of regulated business. The scope of work and determination of rates by the Hon'ble Commission, in which this Hon'ble Commission acted almost as a Mediator or a Conciliator rather than an adjudicator has helped MCD and the Petitioner to reach at a consensus.

3A.217 Therefore, the Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. South DMC, North DMC, East DMC, NHAI, PWD in the areas comprising South and West Delhi.

3A.218 For carrying out the maintenance services the Petitioner optimally engages its existing manpower, Technicians, Electricians, Electric Men, Line Engineers and also outsources further manpower.

3A.219 Since the activity of maintenance of Street Lights is neither a licensed activity nor an activity related to licensed business so no part of the cost of such activity nor the revenue accrued therefrom should form part of the ARR of the licensed business. Aforesaid principle of demarcation has been well recognized by Hon'ble Appellate Tribunal in a catena of Judgments specifically in Income Tax starting from **Judgment dated 04.04.2007 in Appeal No. 251 of 2006 titled 'Reliance Energy Limited v. MERC & Ors.' [Para. 25 - 32],** which is carried forth all the way up to the **Judgment dated 28.11.2013 in Appeal No.138 of 2012, [Para. 13 - 15].**

3A.220 In these Judgments, it has been categorically held that the licensed business must be treated as a watertight compartment and only the expenses and revenue of that business as form a part of business activity and statement of affairs of the licensed business could be attributed to that business. Hence,

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no part of an unlicensed and / or an unrelated activity could form either a cost component or a revenue component in the ARR. The streetlights do not part of the assets of the Distribution Business, no part of income from the maintenance of streetlight can form part of the ARR of the distribution business.

3A.221 In point of fact, this cost of street light maintenance is not part of the O&M cost in the ARR, since the O&M costs is permitted by the Hon'ble Commission on normative base which has no reference to the actual expenses of the Petitioner on this account. For instance, R&M expenses are given as a percentage of grossed fixed assets. Since streetlights are not part of the assets passed on to the Petitioner, no R&M is given qua such property.

3A.222 In view of the aforesaid submissions, the Petitioner prays that entire income on account of maintenance of Street Lights may be allowed to be retained by the Petitioner as it is neither a non-tariff income nor an income within the scope of Section 51 of the 2003 Act.

3A.223 Accordingly, the Petitioner has claimed ₹ 18.6 Cr. towards streetlight maintenance business during FY 2022-23.

Interest on Inter-Company Loans

3A.224 The Hon'ble Commission in its Tariff Order dated 28.03.2018 has ruled as under:

> *"3.129 The Commission has considered the submission of the petitioner that the fund used for funding the loan to sister concern is not utilized for the regulated business and the petitioner is not entitled for any return or interest on these funds from ARR. Therefore, the interest on intercompany loan is allowed to be reduced from Non-Tariff Income."*

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3A.225 The Petitioner offered loan to BYPL which otherwise would have been borrowed by BYPL from some other bank/financial institution. The Petitioner has not claimed the cost of such a loan in its ARR and the interest earned should not be deducted from its ARR as a non-tariff income. Such interest earned is on account of inter-company transfer and is not incidental to electricity business. Usage of the funds available to the Petitioner in the form of equity is in terms of Regulation 94 and Regulation-5.35 proviso of Tariff Regulations, 2017 and DERC MYT Regulations, 2011 respectively is specifically excluded from Non-Tariff Income. Under those circumstances, the interest earned on the loan given by the Petitioner from its equity cannot be shared by regulated business of the Petitioner. The aforesaid principle of demarcation is well recognized by the Hon'ble Tribunal in a catena of Judgments specifically starting from Judgment dated 04.04.2007 in Appeal No.251 of 2006 which is carried forward all the way upto the Judgment dated 28.11.2013 in Appeal No.138 of 2012.

3A.226 In all these Judgments, it has been categorically stated that the licensed business must be treated as a water tight compartment and only the expenses and revenue of the business form as a business activity and statement of affairs of the licensed business. Hence, no part of an unlicensed and an unrelated activity could form either a cost component or a revenue component in the ARR.

3A.227 Moreover, such an interest is not non-tariff income. In case the Petitioner would not have given the loan to BYPL, the funds available with the Petitioner would have been invested elsewhere and the interest/ income



earned on the same would have been retained by the Petitioner. Such an interest is akin to earning moneys on investments from shareholders' funds which are specifically exempted from deduction from ARR.

3A.228 Therefore, the Petitioner requests the Hon'ble Commission to allow the Petitioner to retain the interest ₹ 8.4 Cr.earned on inter-company loansduring FY 2022-23.

Late Payment Surcharge:

3A.229 As regards LPSC, it is submitted that the Petitioner levied LPSC @ 1.5% per month on flat basis till FY 2012-13. The Hon'ble Commission was therefore allowing only financing cost of LPSC to the Petitioner by computing the principal amount (LPSC divided by 18% (12 x 1.5%) and allowing carrying cost on the principal amount. The difference between the amount of LPSC and the interest on principal amount was passed on the consumers by way of NTI.

3A.230 Based on the representation of Foundation of Rubber & Polymer Manufacturers, the Hon'ble Commission vide letter dated 13.12.2012 communicated that LPSC should be charged proportional to the number of days of delay in receiving payment from the consumers by the Petitioner. The Hon'ble Commission in Tariff Order dated 29.09.2015 again directed the Petitioner to charge LPSC proportionate to the number of days of delay in receiving the payment from the consumers of the DISCOMs.

3A.231 The Petitioner in this Petition requests the Hon'ble Commission to allow the entire LPSC instead of financing cost of LPSC during FY 2021-22 as the Petitioner charged LPSC proportionate to the number of days of delay and

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not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However, the Hon'ble Commission without referring to its direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.

3A.232 It is further submitted that the concept of financing cost of LPSC was introduced by the Hon'ble Commission in the Tariff Order dated 26.08.2011 as LPSC was considered as a part of revenue realisation for the purpose of computation of AT&C Loss as per Clause-4.7 (c) of DERC Tariff Regulations, 2007. Further, as per DERC Tariff Regulations 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.

3A.233 Further, the financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking

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process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties:

a) **Penalty on account of under-achievement of Distribution Loss and Collection Efficiency:** In case of any under-achievement of Distribution Loss and Collection Efficiency, the Hon'ble Commission levies penalty on the Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.

b) **Penalty in repayment of Loans:** In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result, the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.

c) **Penalty by Generators:** Generators levy penalty of 1.5% per month in case of non-payment of dues within time.

3A.234 It is most respectfully submitted that the Hon'ble Commission's treatment tantamount to discrimination between Gencos, Transcos and DISCOMs which is depicted in the table below:

Table 3A- 52:Treatment of LPSC to various utilities in Delhi

S. No	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
1	Before FY	LPSC @ 1.5% per month;	LPSC @ 1.5% per month;

S. No	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
	2013-14	LPSC collected allowed to Gencos and Transcos irrespective of actual cost of financing delay in payment; Therefore, LPSC not considered as Non-Tariff Income.	Only financing cost of delayed payment by computing principal amount, i.e., LPSC Collected/ 18% allowed to DISCOMs; Difference between LPSC collected and financing cost of delayed payment considered as NTI.
2	From FY 2013-14	Same treatment continued.	LPSC @ 1.5% proportional to number of days of delay; Same formulae for computing principal amount despite of change in treatment;

3A.235 As per the aforesaid submissions, the Petitioner requests the Hon'ble Commission to allow entire LPSC of ₹ 19.3 Cr. during FY 2022-23 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

Write-back of Miscellaneous Provisions:

3A.236 The Hon'ble Commission in Para 3.26 of the Tariff Order dated 30.09.2021 has allowed the excess provisions written back pertaining to O&M expenses related to reversal on provisions of O&M expenses and retirement of assets. Relevant extract reproduced as under:

> *"…3.25 There was hardly any time left for the Commission to examine and verify the authenticity of the data furnished by the DISCOMs, as the Commission was committed to issue the Tariff Order for FY2021-22 before 30/09/2021*
>
> *3.26 Until the final disposal of the issue by the Commission based on the additional submissions made by the Petitioner, the Commission has provisionally considered the write back of miscellaneous provisions pertaining to O&M Expense provisions relating to reversal on provisions on O&M expenses and retirement of assets."*

3A.237 In this regard, it is submitted that the amount of ₹0.04Cr.appearing as Excess provisions written back in Note - 36 of the Audited Accounts is an

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accounting entry reversing the amount of Provisions pertaining to Obsolete / Non Moving / Slow Moving Inventories (shown as "Provisions" in the Audited Accounts) created in previous years.Also, if such provisions pertaining to Obsolete / Non Moving / Slow Moving Inventories does not part of the O&M expenses, the write back of such provisions cannot form a part of Non-Tariff income for the purpose of ARR. Hence, the amount of ₹ 0.04 Cr. ought not to be considered as part of Non-Tariff Income for FY 2022-23.

Short term gain:

3A.238 The Hon'ble Commission in the Tariff Order dated 31.08.2017 has ruled as under:

> *"3.593 The Petitioner has submitted that short term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins kept with the funding agency for loans availed. Therefore, the Commission is of the view that interest on these fixed deposits should be allowed to be reduced from the Non-Tariff Income as Rs. 10.12 Cr. and Rs. 3.00 Cr. for FY 2014-15 and FY 2015-16 respectively."*

3A.239 Further, the Hon'ble Commission in the last Tariff Order has ruled as under:

> *"3.288Regulation 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;*
> *..."*

3A.240 Accordingly, the Petitioner requests the Hon'ble Commission to allow the Petitioner to retain the income of ₹ 34.3 Cr. on account of interest received on fixed deposits during FY 2022-23 and reduce the same from the Non-Tariff Income.

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Transfer from Consumer Contribution and Capital works:

3A.241 The Hon'ble Commission in previous has allowed transfer from consumer contribution for capital works to be reduced from NTI for FY 2017-18 on the ground 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 the cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

3A.242 Accordingly, the Petitioner requests the Hon'ble Commission to reduce the amount of ₹ 55.4 Cr. from the Non-Tariff Income during FY 2022-23.

Income on account of bad debts recovered:

3A.243 The Hon'ble Commission in in the previous Tariff Orders while dealing with this issue has held that since the amount of bad debt recovered is already considered as part of Revenue realised during the year and utilised towards meeting the ARR, the same ought to be excluded from Non-Tariff Income to avoid double accounting.

3A.244 Accordingly, the Petitioner requests the Hon'ble Commission to exclude ₹2.5Cr. of income recovered on account of bad debts (shown in Note 35 of Audited Accounts) from Non-Tariff Income during FY 2022-23.

Collection charges on Electricity Duty:

3A.245 The Petitioner, as an agent on behalf of Municipal Corporation of Delhi (MCD), collects and pays to the MCD the Electricity Duty in terms of the 'By laws'. For undertaking this activity, there is incidence of use of assets and facilities of the licensed business towards collection of the Electricity Duty.

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As such this collection activity is a separate business and optimally utilizes the assets of the Petitioner. Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 permit the Petitioner to engage in any other business for optimal utilization of its assets.

3A.246 It is submitted that MCD pays commission/ collection charges to the Petitioner for collecting Electricity Duty on its behalf. These charges paid by MCD is purely Other Business within Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and accordingly the same would apply to the aforesaid amount earned by the Petitioner as the commission paid by MCD. For undertaking the activity of collection of Electricity Duty, the Petitioner has expended certain expenses towards incentivizing the existing manpower, engaging additional and external collection agencies which are included in the actual employee expenses.

3A.247 Further, the Petitioner has to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, paid to GoNCT of Delhi etc., cash-handling activities, interaction with GoNCT of Delhi etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged



various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Hon'ble Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner's efforts in collecting and accounting and other services rendered by the Petitioner to GoNCT of Delhi. It is submitted that if GoNCT of Delhi were to perform such similar activity, it would have involved costs. The Petitioner has reduced the efforts on behalf of GoNCT of Delhi, required for collection of Electricity Duty in terms of manpower and other Expenses. It is submitted that the income earned as commission on collection of Electricity Duty ought to be utilized to defray the additional expenses incurred by the Petitioner while undertaking such activities.

3A.248 Since these expenses incurred are not being separately allowed by the Hon'ble Commission, the entire income earned through this activity ought not to be reduced from the ARR by treating it as non-tariff income. However, the Hon'ble Commission in previous Tariff Orders has treated the entire income earned on the aforesaid activity as part of non-tariff income and reduced the ARR of the Petitioner in contravention of its very own 2005 Regulations.

3A.249 It is submitted that simply because the Electricity Duty is collected along with the electricity bills, that does not mean that the activity of collecting, managing and accounting for the electricity duty, do not attract the incidence of any expenses. For example, if in future, the Petitioner were to engage in



another business i.e., to collect water supply bills or telephone bills or gas utility bills, it cannot be said that because the Petitioner collects these amounts along with its electricity bills, these other businesses are distribution functions of the Petitioner or no separate expenses are required for carrying out these other businesses.

3A.250 The collection of electricity duty by the Petitioner is not a licensed activity. The responsibility for collection of Electricity Duty does not fall upon the licensee either under Section 12 of EA, 2003, nor under the license granted to the Petitioner by the Hon'ble Commission. It is an activity carried out by the Petitioner as a part of the legacy inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962 ("Bye Laws").

3A.251 Delhi Municipal Corporation (Assessment & Collection of tax on the consumption, sale or supply of electricity) Bye-Laws, 1962 enacted in terms of the provisions of the DMC Act provide for collection of Electricity Tax. Clause 3 of DMC Bye-Laws provides for 'Collection of Electricity Tax' on consumption, sale or supply of electricity, by the Licensee within its area of supply on behalf of DMC, as under: -

> ***"3. Collection of Electricity Tax. -*** *(1) Where within the limits of the Corporation:*
> *(a) Electricity is supplied by the Delhi Electricity Supply Undertaking, a tax on the consumption, sale or supply of electricity (hereinafter in these by-laws referred to as the electricity tax) payable under the provisions of the Act, shall be collected by the General Manager (Electricity); and*

(b) Electricity is supplied by any licensee other than the Delhi Electricity Supply Undertaking, the electricity tax shall be collected by that licensee on behalf of the Corporation."

[Emphasis Supplied]

3A.252 As evident from the above, the Petitioner is obligated to collect Electricity Tax on behalf of DMC under Clause 3 (1) (b) of DMC Bye- Laws, which cast a statutory obligation upon the Licensee / Petitioner. Thus, collection of Electricity Tax / Duty is not a licensed activity and the responsibility for collection of the said Tax / Duty neither arises from the Electricity Act, 2003 nor from the license granted to the Petitioner by the Hon'ble Commission.

3A.253 The income/commission which is earned by the Petitioner has no connection whatsoever to the ARR of the Petitioner or to the licensed business. As such, this income/commission can never be categorised as non-tariff income. This is particularly so when Regulation 4.7(c) of the MYT Regulations, 2011 clearly provides that the collection of Electricity Duty will not be taken into account in computing the Collection Efficiency. If the revenue realisation from the collection of Electricity Duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

3A.254 Therefore, the commission/collection charges received by the Petitioner on account of collection charges of Electricity Duty i.e., ₹ 14.1 Cr. ought to be deducted from Non-Tariff Income in FY 2022-23.

MNRE Incentive

3A.255 Phase – II of Grid Connected Rooftop Solar Programme was launched by the MNRE vide order dated 08.03.2019 for achieving 40 GW capacity from

RTS by the year 2022. The detailed operational guidelines issued by the MNRE on 20.08.2019 and amendment thereof issued on incentive calculation by MNRE dated 29.06.2021 and 05.12.2022. The scheme consists of two components:

Component A: Central Financial Assistance (CFA) for setting-up of 4GW RTS in residential sector.

Component B: Incentive to DISCOMs based on achievement for installing additional grid connected rooftop capacity over and above the capacity installed till FY 2018-19.

3A.256 Component B of the aforesaid scheme includes the incentive mechanism as stated below:

- Incentives to be provided to DISCOMs for each MWp capacity of solar rooftop, added by them in their distribution area over and above 10% of base capacity installed at the end of previous year.
- The incentive pattern is a progressive one with higher incentive rates for higher levels of achievement as under:

S.No.	Parameter	Incentive to be Provided
1.	For installed capacity achieved above 10 % and up to 15 % over and above of the installed base capacity within a financial year	5% of the applicable cost for capacity achieved above 10% of the installed base capacity
2.	For installed capacity achieved beyond 15% over and above of the installed base capacity within one financial year	5% of the applicable cost for capacity achieved above 10% and up to 15% of the installed base capacity PLUS 10% of the applicable cost for capacity achieved beyond 15% of the installed base capacity

3A.257 As per the scheme, the incentives based on the incremental RTS capacity installed in the license area of the Petitioner from the installed base capacity (at the end of previous FY). Accordingly, the Petitioner has received the

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incentive amounting to ₹ 1.4Cr. for FY 2022-23 which has been included in the Note 36 of the audited account.

3A.258 As per MNRE Guidelines on implementation of Phase – II of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022 dated 20.08.2019 the incentive under the guidelines is to the account of Discoms. The relevant extracts of guidelines is reproduced below:

> *"5.2.7 As the incentives are proposed for various reasons mentioned in 5.2.1 and 5.2.2, the above incentives proposed may not be a part of Tariff Determination & Tariff Rationalisation process of SERC /JERC."*

3A.259 Therefore, the petitioner hereby requests the Hon'ble Commission to kindly allow the aforesaid amount of ₹ 1.4 Cr. received towards incentive from MNRE to be retained by the Petitioner.

Interest on Income tax refund

3A.260 The Hon'ble Commission has been considering Other Income in the audited accounts of a financial year as part of the Non-Tariff Income while truing up of the relevant financial year.

3A.261 The Petitioner has paid income tax amounting to ₹ 19.1 Cr. & ₹ 8.0 Cr. (₹ 27.1 Cr.) for FY 2020-21 and FY 2021-22 respectively and received refund of Income Tax in FY 2022-23 along with interest of ₹ 2.6 Cr. as per Note 36 of Financial Statements.

3A.262 Accordingly, the Petitioner hereby requests the Hon'ble Commission to kindly allow the aforesaid amount of ₹ 2.6 Cr. received towards interest on Income Tax refund to be retained by the Petitioner.

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Pole rental income

3A.263 The Hon'ble Commission in its Order dated 06.10.2006 in Petition No. 4 of 2005 filed by NDPL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

> *"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee.* ***Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other Business.*** *"* **[Emphasis added]**

3A.264 Regulation 5(5) of DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) (First Amendment) Regulations, 2017 is as follows:

> *"5(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."*

3A.265 The Petitioner had earned total income of ₹ 22.6 Cr. during FY 2022-23 on account of rent from the cable operators for using BRPL LT poles for laying their cables/set up. It is further clarified that Proper agreements have been

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executed between Petitioner and the operator for such usage in terms of the above Order of the Hon'ble Commission.

3A.266 Accordingly, the Petitioner has proposed to share the pole rental income earned during FY 2022-24 tabulated as follows:

Table 3A- 53:Sharing of Pole Rental Income of FY 2022-23 (in ₹ Cr.)

S. No	Particulars	Total Income	Petitioner Share @40%	Consumers' Share @60%
A	Pole Rental Income	22.6	9.0	13.6

3A.267 Therefore, the Petitioner requests the Hon'ble Commission to allow the above tabulated amount of ₹ 9.0 Cr. to be retained by the Petitioner against its pole rental income during FY 2022-23.

Income from Sale of Scrap

3A.268 As per Regulation 80 of the Tariff Regulations 2017, depreciation of any asset funded through equity and debt is allowed up to 90% of the capital cost and balance 10% is to be considered as salvage value, relevant excerpt is reproduced here as follows:

> *"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 be recovered at a later stage during the useful life and the extended life."*

3A.269 The residual value/salvage value, i.e., 10% of the invested capital cost of asset is not recovered by the Petitioner through Depreciation throughout the

useful life of the Asset. The Petitioner recovers its investment against this salvage value through sale of scrap.

3A.270 The Petitioner has earned ₹ 4.5 Cr. through Sale of Scrap during FY 2022-23.

3A.271 It is submitted that Terms and Conditions for the determination of Tariff under Section 61 of the Electricity Act 2003 are to be defined by the Hon'ble Commission based on Commercial Principles which allows recovery of the cost of supply of electricity in a reasonable manner.

3A.272 In view of the fact that Commercial Principle allows the Petitioner to recover the cost against residual value. Therefore, the Petitioner hereby requests the Hon'ble Commission to allow the aforesaid amount of ₹ 4.5 Cr. received as income from sale of scrap to be retained by the Petitioner.

Gain on Retirement of Assets

3A.273 As per Regulation 45, 46 and 47 of the Tariff Regulations 2017, any gain on account of sale of assets retired before or after useful life is to be retained by the utility except for the assets retired due to reasons covered under regulation 45, relevant extract is reproduced here as follows:

> *"45. Loss or Gain due to de-capitalisation 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-capitalisation 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-capitalisation of asset after the completion of useful life of asset shall be to the account of the Utility."*

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3A.274 The Petitioner has earned ₹ 4.0 Cr. on account of gain from sale of retired assets during FY 2022-23.

3A.275 Accordingly, the Petitioner hereby requests the Hon'ble Commission to kindly allow the aforesaid amount of ₹ 4.0 Cr. on account of gain from sale of retired assets to be retained by the Petitioner.

3A.276 Based on the above submissions, the Non-Tariff Income during FY 2022-23 is tabulated as follows:

Table 3A- 54:Non-Tariff Income for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	Amount	Reference
A	Other Operating Income	151.6	Note 35 of Audited Accounts
B	Other Income	109.6	Note 36 of Audited Accounts
I	**Total Income as per Accounts**	**261.2**	**(A+B)**
C	Add: Interest on CSD	36.5	Table 3A- 50
D	Add: Differential in SLD	17.9	Table 3A- 51
II	**Total Other Income**	**315.6**	**(I+C+D)**
	Less: Income from other business		
E	Street Light Maintenance Charges	18.6	Note 36 of Audited Accounts
III	**Net Income to be considered**	**297.0**	**(II-E)**
F	Less: LPSC	19.3	Note 35 of Audited Accounts
G	Less: Write-back of misc. provisions	0.04	Note 35 of Audited Accounts
H	Less: Short term gain	34.3	Note 36 of Audited Accounts
I	Less: Transfer from Consumer contribution for capital works	55.4	Note 35 of Audited Accounts
J	Less: Bad debts recovered	2.5	Note 35 of Audited Accounts
K	Less: Interest on Inter-company Loans	8.4	Note 36 of Audited Accounts
L	Less: Collection charges of Electricity Duty	14.1	Note 35 of Audited Accounts
M	Less: Interest on Income tax refund	2.6	Note 36 of Audited Accounts
N	Less: MNRE Incentive	1.4	Note 36 of Audited Accounts
O	Less: Pole rental income	9.0	Table 3A- 53
P	Less: Income from Sale of Scrap	4.5	Note 36 of Audited Accounts
Q	Less: Gain on Retirement of Assets	4.0	Annexure-3A.2 and detailed calculation is submitted to the Hon'ble Commission vide letter RA/2023-24/01/A/366 dtd 30.10.2023.
	Net Non-Tariff Income	**141.5**	**(III-sum F to Q)**

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3A.277 The Petitioner requests the Hon'ble Commission to allow the NTI amounting to ₹ 141.5 Cr. during FY 2022-23 as submitted in the above table.

Income from Open Access Sales

3A.278 In addition to the Income derived from Other Business, the income of ₹89.2Cr.(Note 35 of the Audited Accounts) recovered as Open Access Charges during FY 2022-23 has been considered for offsetting the revenue (gap)/surplus for the year.

Aggregate Revenue Requirement for Truing-up of FY 2022-23

3A.279 Based on the above submissions, the Aggregate Revenue Requirement for FY 2022-23 sought for True-up is tabulated here as follows:

Table 3A- 55:Aggregate Revenue Requirement for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remarks
A	Power Purchase Cost (including Transmission Charges)	9273.3	Table 3A- 24
B	O&M Expenses	1342.9	Table 3A- 27
C	Additional O&M expenses/ statutory levies	118.5	Table 3A- 32
D	Depreciation	364.9	Table 3A- 40
E	Return on Capital Employed	880.6	Table 3A- 49
F	Less: Non-Tariff Income	141.5	Table 3A- 54
G	Less: Income from Open Access	89.2	Note-35 of Audited Account
H	**Aggregate Revenue Requirement**	**11749.6**	**Sum (A to E)-F-G**
I	Carrying Cost	366.1	Table 4.56 of Tariff Order dtd 30.09.2021
J	**Gross ARR**	**12115.8**	**H+I**

Revenue available towards ARR

3A.280 The revenue available towards ARR during FY 2022-23 is tabulated here as follows:

Table 3A- 56: Revenue available towards ARR for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remark

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S. No	Particulars	FY 2022-23	Remark
A	Total Revenue Collected	10585.1	Net of LPSC, E-tax, 5% Pension Surcharge and 8% RA Surcharge
B	Less: Amount to be retained by Petitioner on account of over achievement of T&D Loss Targets	44.4	Table 3A- 5
C	Less: Amount to be retained by Petitioner on account of Over achievement of Collection Efficiency Targets	104.6	Table 3A- 9
D	Less: Incentive on Sale of Surplus Power	16.7	Table 3A- 16
E	**Total Revenue**	**10419.4**	**A-B-C-D**

Revenue (Gap)/ Surplus

3A.281 Based on above submissions, the revenue gap for FY 2022-23 is tabulated here as follows:

Table 3A- 57:Revenue (Gap) for FY 2022-23 (in ₹ Cr.)

S. No	Particulars	FY 2022-23	Remark
A	Gross ARR for FY 2022-23	12115.8	Table 3A- 55
B	PPAC cost subsumed		
C	Total Revenue	10419.4	Table 3A- 56
D	**Revenue (Gap)/Surplus**	**(1696.4)**	**C-B-A**

3A.282 The Petitioner hereby requests the Hon'ble Commission to true up the expenses and revenue for FY 2022-23 as submitted above.

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Chapter 3B
Past Period Claims

Past Period Claims:

3B.1 The present Chapter deals with the issues and tariff entitlements of the Petitioner pertaining to the period upto FY 2021-22, in terms of the applicable Regulations, Orders passed by the Hon'ble Tribunal, the Hon'ble Supreme Court as well as this Hon'ble Commission. Such entitlements are over and above the amount approved by the Hon'ble Commission in the last Tariff Order dated 30.09.2021.

3B.2 It is respectfully submitted that for almost 14 years, this Hon'ble Commission did not implement Judgments of the Hon'ble Tribunal passed in the years 2009 and 2011 on the pretext of pendency of Civil Appeals filed by the Hon'ble Commission before the Hon'ble Supreme Court. The issue stands resolved in terms of: -

(a) Judgment dated 01.12.2021 passed by the Hon'ble Supreme Court in this Hon'ble Commission's Civil Appeal Nos. 884 and 980 of 2010, 9003-04 of 2011 and 1854-55 of 2014 *inter alia* holding that the Civil Appeals do not raise any substantial questions of law. Hon'ble Commission was directed to implement the issues decided by Hon'ble Tribunal in favour of the Petitioner, within a period of three (3) months from date of the Judgment if not already complied with and file a compliance report before the Hon'ble Supreme Court within two (2) weeks thereafter; read with

(b) Order dated 15.12.2022 passed by the Hon'ble Supreme Court in MA Nos. 633-634, 918-919 and 1261-1262 of 2022 *inter alia* re-affirming the

Judgment dated 01.12.2021 and directing the Hon'ble Commission to implement the Judgments of the Hon'ble Tribunal.

3B.3 The Hon'ble Commission has also not allowed the tariff entitlements of the Petitioner arising from the following: -

(a) Hon'ble Supreme Court's Judgment dated 01.12.2021 in Civil Appeal Nos. 884 and 980 of 2010, 9003-04 of 2011 read with Order dated 15.12.2022 in MA Nos. 633-634, 918-919 and 1261-1262 of 2022.

(b) Hon'ble Supreme Court's Judgment dated 01.12.2021 in Civil Appeal Nos. 1854-55 of 2014.

(c) Hon'ble Supreme Court's Judgment dated 18.10.2022 in Civil Appeal 4323-4324 of 2015titled ***BRPL v. DERC, 2023 4 SCC 788*** (arising from Hon'ble Tribunal's Judgment dated 28.11.2014 in Appeal No. 61 &62 of 2012) as also the impact of the principles decided in the said Judgment on other issues.

(d) Issues allowed by the Hon'ble Tribunal in various Orders passed in favour of the Petitioner as well as other Distribution Licensee (M/s TPDDL).

(e) Issues allowed by the Hon'ble Commission in various Review Orders, Miscellaneous Orders as well as Tariff Orders.

(f) Hon'ble Tribunal's Judgement in favour of similarly placed Distribution Utilities, Regulations, arbitrary disallowances which are pending for adjudication before the Hon'ble Tribunal.

3B.4 In addition to non-implementation of orders and judgments of superior courts, the Hon'ble Commission has continued to determine a non-cost reflective tariff year on year leading to creation and non-amortization of the accumulated Regulatory Asset against the prescription of Sections 61 and 62 of the Electricity Act, 2003 and the statutory Tariff Policy (2006 and revised in 2016) notified by the Central Government. This has been admitted by the Hon'ble Commission in its Statutory Advice dated 15.12.2010 and 01.02.2013 given to the GoNCTD under Section 86(2)(iv) of the Electricity Act as also in the communication to the Ministry of Power, Government of India sent on 20.12.2021.

3B.5 This is in spite of the fact that: -

(a) ***Prior to privatization in 2002***, during the Delhi Vidyut Board ***("DVB")*** period, there were frequent power cuts / power disruptions and voltage fluctuations. In addition, DVB was facing acute financial crisis and the GoNCTD had to regularly infuse substantial funds to meet shortfall in payment obligations towards power suppliers as also for operational and capital expenditures in the form of budgetary support.

(b) ***Since privatization in 2002***:

(i) The Petitioner has been able to bring down AT&C loss levels below 7% in 2023 from 51.5% in 2002 at the time of privatization.

(ii) AT&C loss levels of the Petitioner are now comparable to that of many developed Countries.

(iii) This improvement in reduction of AT&C loss level to below 7% has

supported to ensure 24x7 reliable and quality power supply by strengthening and creating a strong distribution network and providing enhanced consumer friendly services to 30 lakh consumers in Petitioner's area. In fact, inverters and generators have become virtually redundant in Delhi.

(iv) The Petitioner is also providing direct employment to a large number of people.

(v) The Petitioner has invested in capital expenditure of ~ ₹ 9,400 Cr. to achieve the aforesaid operational efficiencies and for improving the quality of power supply in Delhi and strengthening the distribution network to cater to nearly threefold rise in demand.

(c) The Petitioner is amongst the best performing Discoms in the Country and has been consistently rated as one of the top performing Discom in studies conducted by REC Ltd.in relation to services provided to the consumers.

3B.6 Despite all the above improvements in operational efficiencies ushered by the Petitioner to provide 24x7 reliable power, the Petitioner is being faced with *inter alia* non-fixation of tariff that reflects the cost of the Petitioner. This violates Section 61 of the Electricity Act contrary to numerous orders and judgments of superior courts, including the Hon'ble Supreme Court, leading to creation of substantial Revenue Gap / Regulatory Asset.

3B.7 Since privatization (2002), the ARR of the Petitioner for each Financial Year as approved by this Hon'ble Commission has not been sufficient to sometimes

meet even the actual Power Purchase Cost which would ordinarily constitute about 75-80% of the total ARR.In its Statutory Advice dated 15.12.2010 and 01.02.2013 issued to GoNCTD under Section 86(2), the Hon'ble Commission has admitted to artificially suppressing tariff in Delhi. Further, Hon'ble Commission in its communication dated 20.12.2021 has also admitted to belated implementation of some Judgments of Hon'ble Tribunal due to mere pendency of Civil Appeals filed by the Hon'ble Commission before Hon'ble Supreme Court against the said Judgments even when there isno stay operational.

3B.8 It is also noteworthy that: -

(a) The Hon'ble Commission has been constantly re-opening and re-writing the Tariff Orders of the past in "truing-up" proceedings, contrary to law. The Hon'ble Supreme Court has in its Judgment dated 18.10.2022 in Civil Appeal Nos. 4323and 4324of 2015 titled ***BRPL v. DERC, 2023 4 SCC 788 [Para. 51]***, *inter alia* upheld and re-affirmed the legal principle laid down by the Hon'ble Tribunal that, at the stage of 'truing up', the Hon'ble Commission cannot change the rules / methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR.

(b) Recently, the Hon'ble Supreme Court by Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v.Western Electricity Supply Company of Orissa Ltd. &Ors.'* and batch has *inter alia* held that there is serious doubt about the propriety and legality of the act of the

Hon'ble Orissa Electricity Regulatory Commission (Appellant therein) of preferring appeals against the orders of the Hon'ble Tribunal in appeal by which its own orders have been corrected.

3B.9 It is submitted that, from FY 2014-15, there has been virtually no increase in tariff though amount of all components of ARR have increased. In spite of noting the shortfall in ARR to even meet the cost of supply since 2010, the issue still remains unresolved. This is primarily because the Hon'ble Commission has assumed projections of surplus revenues in the Tariff Orders which, upon true up based on actuals, caused deficit year-on-year.

3B.10 The Hon'ble Commission has also: -

(a) Not implemented Judgments of the Hon'ble Tribunal passed in favor of the Petitioner without there being any stay in operation.

(b) Not allowed legitimate claims of the Petitioner ignoring the judgments of the Hon'ble Supreme Court and the Hon'ble Tribunal and acting contrary to its statutory Regulations as also own Orders.

3B.11 Owing to the above:

(a) Appeal against Tariff Orders for FY 2013-14 to FY 2021-22 are pending before the Hon'ble Tribunal involving substantial claims.

(b) In February 2014, the Petitioner was constrained to approach the Hon'ble Supreme Court by Writ Petition bearing W.P. (C) No. 104 of 2014, having suffered due to inadequate tariff to make timely payments to Generating

and Transmission Utilities and consequent threat of regulation of power supply.

3B.12 While adjudicating upon W.P. (C) No. 104 of 2014, the Hon'ble Supreme Court took cognizance of this chronic regulatory haemorrhage to issue its Order dated 26.03.2014 *inter alia* directing the Hon'ble Commission to submit a roadmap for liquidation of Regulatory Asset. In terms of Order dated 26.03.2014, the Hon'ble Commission had proposed a roadmap on 01.05.2014 for recovery of accumulated Revenue Gap upto FY 2012-13 of the Petitioner in 6 years i.e., by FY 2019-20.

3B.13 Admittedly, the road map for the liquidation of Regulatory Asset proposed by the Hon'ble Commission before the Hon'ble Supreme Court on 01.05.2014 has been completely inadequate. The 8% surcharge proposed and applied by the Hon'ble Commission for recovery of Regulatory Asset has been and continues to be inadequate to recover the build-up of Regulatory Asset.

3B.14 Regulatory Asset has not only remained unliquidated but has actually increased. The Hon'ble Commission had proposed recovery of the Regulatory Asset of ₹ 5,206 Cr. within a period of 6 years, and by the end of FY 2019-20 projected a surplus of ₹ 85 Cr. Whereas in reality, the Regulatory Asset approved by the Hon'ble Commission upto 31.03.2020 is ₹ 4,190 Cr. This shortfall is over and above the Petitioner's claims pending before this Hon'ble Commission, Hon'ble Tribunal and the Hon'ble Supreme Court.

3B.15 Notably, by the Judgment dated 14.11.2013 in OP No. 1 & 2 of 2012 – *BRPL vs. DERC &Ors., 2013 SCC Online APTEL 137*, the Hon'ble Tribunal had *inter alia* directed this Hon'ble Commission to maintain judicial decorum and implement the decisions of the Hon'ble Tribunal in letter and spirit based on its own undertaking. The said judgment was upheld by the Hon'ble Supreme Court by Final Order and Judgment dated 01.12.2021, while dismissing this Hon'ble Commission's Civil Appeal Nos. 1854-55 of 2014.

3B.16 The recognized Regulatory Asset of the Petitioner as per the Hon'ble Commission's own Tariff Orders has ballooned from ~ ₹ 404 Cr. upto FY 2006-07 to ~ ₹ 4,190 Cr. upto FY 2019-20 as per Tariff Order dated 30.09.2021 – an increase of ~ 937%. This is despite the fact that: -

(a) Tariff Policy, notified under Section 3 of the Electricity Act requires: -

(i) Regulatory Asset to be created **"only as exception"** including only in **"natural causes or force majeure conditions"**.

(ii) Recovery of Regulatory Asset **"should be time-bound and within a period not exceeding three years at the most and preferably within control period"*[Clause 8.2.2 of Tariff Policy, 2006]***. The period for amortization was increased to seven (7) years by the Tariff Policy, 2016 ***[Clause 8.2.2 of Tariff Policy, 2016]***.

(b) Hon'ble Supreme Court has time and again held that the Tariff Policies are **statutory and binding** including in: -

(i) Energy Watchdog v. CERC, (2017) 14 SCC 80 [Para. 57]

(ii) Reliance Infrastructure Limited v. State of Maharashtra, (2019) 3 SCC 352[Para. 29 & 32]

(iii) Tata Power Co. Ltd. Transmission v. MERC, 2022 SCC OnLine SC 1615 [Para. 123, 124, 129 and 131].

(iv) GRIDCO Ltd. vs. Western Electricity Supply Company of Orissa Ltd. &Ors., etc. 2023 SCC OnLine SC 1249 [Para. 40 and 53]

3B.17 Notably, Regulations 154 to 156 of this Hon'ble Commission's Tariff Regulations, 2017 do not provide for the period for amortization of Regulatory Asset, but merely provide that accumulated revenue gap, if approved by the Hon'ble Commission in the relevant Tariff Order, shall be treated as Regulatory Asset. Further, in such a case when no time frame for amortization of Regulatory Asset has been specified under the Tariff Regulations, the Tariff Policy, 2016 must be relied upon in terms of which *"8.2.2. (b) … Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years."*

3B.18 Notably, this Hon'ble Commission in its Tariff Orders including the last Tariff Order dated 30.09.2021 has itself stated that recovery of accumulated Regulatory Asset is to be as per Clause 8.2.2 of the Tariff Policy as under: -

"COMMISSION'S VIEW

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

'Carrying cost of Regulatory Assets should be allowed to the utilities. Recovery of Regulatory Assets to be time-bound and within a period not exceeding three years at the most, preferably within the control period.

The use of the facility of Regulatory Assets should not be retrospective.

In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of a licensee to borrow is not adversely affected.'

…

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

2.250 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been fixing Tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi. ***Desired level of dedication could not take place due to petitioner burden on account of implementation of Hon'ble APTEL Judgment and Review Orders. It will be reviewed in future Tariff Orders****." [Emphasis Added]*

3B.19 It is respectfully submitted that in spite of the aforesaid statutory / regulatory framework, the continued determination of a non-cost reflective tariff, non-implementation of judgments of superior courts, creation and non-amortization of Regulatory Asset: -

(a) continues to burden the future consumers with the past period cost.

(b) has a cascading effect on the entire electricity sector in Delhi.

(c) involves the Petitioner in a vicious cycle of claim, success, non-implementation, and repeated rounds of appeal to correct such non-implementation. This would be against the letter and spirit of time-bound design under Electricity Act.

3B.20 Without prejudice to the proceedings pending before the Hon'ble Supreme Court and Hon'ble Tribunal, the Petitioner has claimed its tariff entitlements in Petition No. 71 of 2022 filed on 30.11.2022 (True Up upto FY 2021-22) under the following broad categories:

1. Category-1: Implementation of Hon'ble Supreme Court's judgments:

1A. Impact of Hon'ble Tribunal's Judgements which have attained finality vide Hon'ble Supreme Court's Order dated 01.12.2021

i. Impact of issues decided in Civil Appeal Nos. 884-980 of 2010(arising from Hon'ble Tribunal's Judgment dated 06.10.2009& 30.10.2009 in Appeal No. 36& 37 of 2008)

ii. Impact of issues decided in Civil Appeal Nos. 9003-9004 of 2011 (arising from Hon'ble Tribunal Judgment dated 12.07.2011 in Appeal No. 142 & 147 of 2009)

iii. Impact of Principles laid down in the judgment in Civil Appeal Nos. 1854-1855 of 2014 (arising from Hon'ble Tribunal Judgment dated 14.11.2013 in O.P. 1 and 2 of 2012)

1B. Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022

i. Impact of issues decided in Civil Appeal Nos. 4323-4324 of 2015 (arising from Tribunal Judgment dated 28.11.2014 in Appeal Nos. 61 &62 of 2012)

ii. Impact of the Principles decided in the Judgment on other issues.

2. **Category-2: Impact of issues pending before Hon'ble Commission for implementation.**

3. **Category-3: Impact of issues challenged in Appeal and pending adjudication before the Hon'ble Tribunal.**

3B.21 The total tariff entitlements of the Petitioner as claimed in Para 3B.68 (Table 3B 15) of the Petition No. 71 of 2022 along with carrying cost upto FY 2021-22 is reproduced here as under:

"3B.68 The Petitioner requests the Hon'ble Commission to allow the total unrecognised Regulatory Assets as per the claims submitted in Category – 1 to 3 above along with carrying cost as summarized below:

Table 3B 15: Total unrecognised Regulatory Assets including carrying cost upto FY 2021-22(₹Cr.)

S. No.	Particulars	Principle	Carrying Cost	Total
1	***Implementation of Hon'ble Supreme Court (SC) judgments***			
1A	*Impact of Tribunal Judgements which have attained finality vide Hon'ble SC Order dated 01.12.2021*			
i	*Impact of issues decided in Civil Appeal No. 884-980 of 2010*	*1943*	*6454*	*8398*
ii	*Impact of issues decided in Civil Appeal No. 9003-9004 of 2011*	*3150*	*1471*	*4621*
iii	*Impact of Principles laid down in the judgment in Civil Appeal No. 1854-1855 of 2013*	*1084*	*2386*	*3471*
	Total (1A)	***6178***	***10312***	***16489***
1B	*Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022*			
i	*Impact of issues decided in Civil Appeal 4323-4324 of 2015*	*400*	*1144*	*1545*
ii	*Impact of the Principles decided*	*909*	*716*	*1624*

S. No.	Particulars	Principle	Carrying Cost	Total
	in the Judgment on other issues			
	Total (1B)	***1309***	***1860***	***3169***
2	*Impact of issues pending before Hon'ble Commission for Implementation*	*501*	*1425*	*1926*
3	*Impact of issues challenged in Appeal and pending adjudication before the Hon'ble Tribunal*	*3630*	*6966*	*10596*
	Total (1A+1B+2+3)	***11617***	***20563***	***32180***

…"

Relevant extracts of Petition No. 71 of 2022 is annexed herewith and marked as **Annexure-3B.1.**

3B.22 The total impact of the above issues including carrying cost upto FY 2022-23 is ₹ 36,057 Cr. as tabulated below:

Table 3B-1: Total impact of past period issues including carrying cost upto FY 2022-23 (₹Cr.)

S. No.	Particulars	Total impact (Principle + Carrying Cost upto 31.03.2023)
1	**Implementation of Hon'ble Supreme Court (SC) judgments**	
1A	Impact of Tribunal Judgements which have attained finality vide Hon'ble SC Order dated 01.12.2021	
i	*Impact of issues decided in Civil Appeal No. 884-980 of 2010*	*8150*
ii	*Impact of issues decided in Civil Appeal No. 9003-9004 of 2011*	*5154*
iii	*Impact of Principles laid down in the judgment in Civil Appeal No. 1854-1855 of 2013*	*3872*
	Total (1A)	**17176**

S. No.	Particulars	Total impact (Principle + Carrying Cost upto 31.03.2023)
1B	Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022	
i	*Impact of issues decided in Civil Appeal 4323-4324 of 2015*	*1723*
ii	*Impact of the Principles decided in the Judgment on other issues*	*1812*
	Total (1B)	**3535**
2	Impact of issues pending before Hon'ble Commission for Implementation	2477
3	Impact of issues challenged in Appeal and pending adjudication before the Hon'ble Tribunal	12869
	Total (1A+1B+2+3)	**36057**

3B.23 It is noteworthy that above issues pertain to past period and each year delay in recognition and allowance of the claims not only violates principles of tariff determination under Section 61, 62 and 64 of 2003Act but also attract substantial amount of carrying cost to be borne by the consumer which can be avoided if the claims are allowed in a timely manner.

3B.24 It is further submitted that Petition No. 71 of 2022 filed by the Petitioner before this Hon'ble Commission on 30.11.2022 and was admitted by Order dated 24.01.2023 and is under consideration. Further, the Hon'ble Commission in the Orders dated 10.07.2023 has held that the statutory process for issuance of Tariff Order has already begun and the financial impact claimed by the Petitioner will be provided in the Tariff Order. Further, there has been certain developments post filing of the said Petition viz.: -

(a) Post Judgment dated 01.12.2021 of the Hon'ble Supreme Court, the Hon'ble Commission had filed Compliance Affidavits stating that Hon'ble Tribunal's Judgments stand implemented. This purported compliance was contested by the Petitioner before the Hon'ble Supreme Court in MA Nos. 633-64 of 2022 and 1262 of 2022 ("**MA"**), wherein the Petitioner has sought implementation of the Hon'ble Tribunal's Judgments in letter and spirit. The MAs were allowed / partially allowed in favour of the Petitioner by the Hon'ble Supreme Court by Order dated 15.12.2022.

(b) Applications for Modification and Clarification and thereafter Review Petition was also filed by the Hon'ble Commission against the MA Order dated 15.12.2022, which were dismissed by the Hon'ble Supreme Court on 02.05.2023 and 03.08.2023 respectively.

(c) On 14.05.2023 and 10.07.2023, the Hon'ble Commission has passed 3 separate Compliance Orders to show compliance of the Hon'ble Supreme Court Judgments and Order. However, the said Compliance Orders are not in compliance with the Hon'ble Supreme Court's direction in letter and spirit.

(d) Owing the above, the Petitioner was constrained to file Contempt Petitions and Miscellaneous Application before the Hon'ble Supreme Court against non-compliance of Judgment dated 01.12.2021 and Order dated 15.12.2022 by the Hon'ble Commission, which are pending adjudication before the Hon'ble Supreme Court.

(e) The Hon'ble Tribunal on 17.04.2023 passed an Order in IA 1262 and 1263 of 2022 in Appeal Nos. 246 and 247 of 2021 directing the Hon'ble Commission to abide by the statutory Regulations and allow O&M expenses strictly in terms of Regulation 87, 92 and 93 of Tariff Regulations, 2017 and Regulation 23 of Business Plan Regulation, 2019.

(f) The Hon'ble Commission's directions dated 06.06.2023 regarding submission of claims with respect to loss on sale of retirement of assetsfor the period from FY 2004-05 to FY 2021-22 in terms of the methodology specified in Regulation 45, 46 and 47 of DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017. In compliance of the same, the Petitioner vide its letter dated 26.07.2023 has submitted the claims along with asset wise and year wise detailed working on loss on sale of retirement of assets.

3B.25 Owing to the pendency of Petition No. 71 of 2022 before the Hon'ble Commission and subject to outcome of matters pending before the Hon'ble Supreme Court and the Hon'ble Tribunal, the Petitioner craves leave of the Hon'ble Commission to approach this Hon'ble Commission, if necessary, in the present Petition.

3B.26 We request the Hon'ble Commission to provide tariff entitlements of the Petitioner, accruing out of implementation of the Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022,

Judgments / Orders of Hon'ble Tribunal as well as own Orders of the Hon'ble Commission, to be allowed to be recovered in 7 years on the analogy for amortization of Regulatory Asset under the Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect.



Chapter 4
ARR for FY 2024–25

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ARR of FY 2024-25

Background

4.1 On 31.01.2017, the Hon'ble Commission notified the Tariff Regulations, 2017 applicable from 01.02.2017 and will remain in force till amended or repealed by the Hon'ble Commission.

4.2 As per Regulation11 of the Tariff Regulations, 2017 the Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial year which shall contain the following information for the ensuing year:

1. Sales forecast;
2. Expected revenue to be billed;
3. Power Procurement Quantum and Cost proposal taking into account revenues from Short term sale of Surplus Power, maximum normative rebate available from each entity and Renewable Purchase Obligation as per the DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time;
4. Expected intra- State & inter-State Transmission Loss and Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity;
5. Proposed Wheeling Charges in case the distribution network of other Distribution Licensee is used for procurement of power for the Retail Supply Business;
6. Expected amount on account of Cross-Subsidy Surcharge and

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Additional Surcharge to be received by the Petitioner, as approved by the Hon'ble Commission from time to time in accordance with the DERC (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time;

7. Monthly Energy Balance;
8. Expected additional Expenses on account of O&M beyond the Control of Distribution Licensee;
9. Expected Capitalisation and Depreciation Schedule;
10. Expected Non-Tariff Income including Other Business Income.

4.3 As per Regulation 3 of the Tariff Regulations, 2017, the Hon'ble Commission notified the Business Plan Regulations containing the following parameters and norms applicable for a Control Period:

"*Rate of Return on Equity,*
1. *Margin for rate of interest on loan,*
2. *Operation and Maintenance Expenses,*
3. *Capital Investment Plan,*
4. *Mechanism for sharing of incentive-disincentive mechanism,*
5. *Allocation of overhead expenses incurred on account of Administrative expenditure out of Operation and Maintenance Expenses for creation of Capital Assets,*

   ……..
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."*

4.4 Accordingly, the Hon'ble Commission on 27.12.2019 has notified the Business Plan Regulations, 2019 applicable for a period of 3 years i.e., FY 2020-21, FY 2021-22 and FY 2022-23. Further, on 29.03.2023, the Hon'ble

Commission notified the Business Plan Regulations, 2023 applicable for a period of 3 years, i.e., FY 2023-24, FY 2024-25 and FY 2025-26.

4.5 The Petitioner has challenged the Business Plan Regulations, 2023 and Regulation 23(7) of the Business Plan Regulations, 2019, before the Hon'ble High Court of Delhi in Writ Petition No. 6618 of 2023 which is currently pending.

4.6 The ARR for FY 2024-25 is being filed under the Business Plan Regulations, 2023 without prejudice to the Petitioner's rights and contentions as regards the challenge to the legality, validity and vires of the Business Plan Regulations, 2023 pending adjudication before the Hon'ble High Court of Delhi. However, subject to pendency /outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in the present Petition has also submitted its claims for approval of ARR for FY 2024-25 in terms of the norms and parameters as laid down under the Business Plan Regulations, 2019 to seek legitimate allowances/ entitlements of the Petitioner and demonstrate the financial and operational prejudice being caused to the Petitioner.

Principles of Tariff Fixation

4.7 The principles of Tariff Fixation are stated as follows:

1. Section 61(1) of the Electricity Act, 2003 Act lays down the principles for tariff determination which essentially requires that the Commission shall be guided by the following:
   (a) Principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;



(b) Tariff to reflect the cost of supply of electricity and also reduces and eliminates cross subsidies within a specified period;

(c) Generation, Transmission, Distribution and supply to be conducted on commercial principles;

(d) Promotion of co-generation and generation of electricity from renewable sources of energy;

(e) Factors which would encourage competition, efficiency, economical use of resources, good performance and optimum investments;

(f) Safeguarding of consumer's interest at the same time recovery of the cost of electricity in a reasonable manner;

(g) National Electricity Policy and tariff policy; and

(h) Multi-year tariff principles.

2. Section 62(4) of 2003 Act mandates revision of tariffs under fuel surcharge formula.

3. Section 64(3) of 2003 Act mandates ERCs to issue tariff order within 120 days from receipt of application

4. Section 65 2003 Act mandates the State Government to pay the subsidy in advance to the distribution licensees.

5. Revised Tariff Policy, 2016 notified by the Central Government under Section 3 of the 2003 Act, inter-alia, provides that the Regulatory Asset can be created only as an exception subject to the following guidelines:

i. Only natural calamity or force majeure conditions can be circumstances for creation of regulatory asset;

ii. Under business as usual conditions, no creation of Regulatory

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Asset shall be allowed;

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

iv. Recovery of outstanding Regulatory Asset along with its carrying cost should be time bound and within a period not exceeding seven years;

v. State Commission may specify the trajectory for recovery of outstanding Regulatory Asset along with its carrying cost;

4.8 Furthermore, the Revised Tariff Policy, 2016 also mandates approval of the capital expenditure necessary to meet the minimum service standards. It further deals with the sector specific aspects which are reproduced below:

"a) Return on Investment
Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.
..

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.
….

At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. The gap should be fully met through tariff charges and through

alternative means that could inter-alia include financial restructuring and transition financing.

….

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.
Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

….

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 a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

a. *Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
b. *Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."*

[Emphasis supplied]

4.9 It is therefore respectfully submitted that the Hon'ble Commission to consider the mandates of the 2003 Act, the revised Tariff Policy, 2016 and the Statutory Rules and Regulations while deciding the present ARR Petition.

4.10 Accordingly, the Projections for ensuing year (FY 2024-25) are done on the basis of certain assumptions which are outlined below

a) **Energy Sales** to various consumer categories is projected on the basis of Past Year Compounded Annual Growth Rate (CAGR) and/ or on the basis of likely future projections based on the recent developments.

b) **Distribution Loss and Collection Efficiency** are projected in accordance with the Tariff Regulations, 2017 and the targets specified by the Hon'ble Commission in Regulations 25 and 26 of the Business Plan Regulations, 2023.

c) **Power Quantum** to be purchased is projected on the basis of projected Energy Sales and Distribution Loss target as approved in the Business plan Regulations, 2023 for the ensuing year. Various Power Purchase Agreements/ Short term and long term Contracts are taken into consideration while projecting power purchase quantum.

d) **Power Purchase Cost** is projected on the basis of bills raised by the Generating & Transmission companies in terms of the Orders issued by the Hon'ble CERC, various Petitions filed by the Generating & Transmission companies before Hon'ble CERC and/or this Hon'ble Commission.

e) **Operation and Maintenance Expenses** are projected on the basis of applicable provisions of the Tariff Regulations, 2017, Business Plan Regulations, 2019 and Business Plan Regulations, 2023.

f) **Capital expenditure related expenses** are projected on the basis of capitalisation approved by the Hon'ble Commission in Regulation 24 of the Business Plan Regulations, 2023 and in terms of the methodology specified by the Hon'ble Commission in the Tariff Regulations, 2017.

g) **Return on Capital Employed (RoCE)** is projected in terms of the methodology specified in the Tariff Regulations, 2017 and on the basis of the norms specified by the Hon'ble Commission in the Business Plan Regulations, 2019 and Business Plan Regulations, 2023.

h) Each of the claims made by the Petitioner in the ARR for FY 2024-25 is discussed in detail herein below:

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Energy Sales

4.11 The Petitioner has considered the Adjusted Trend Analysis Method for projection of energy sales for FY 2024-25. This method assumes the underlying factors which drive the demand for electricity and are expected to follow the same trend as in the past. However, this approach also discounts any outliers (relative to the trend) observed in the growth rates over the period of 5 years and excludes them while projecting energy sales for each year of the control period. By adopting such a method the Petitioner is enabled to further tune the projection by eliminating any abnormal pattern observed under any category.

4.12 The Adjusted Trend Analysis Method makes use of a statistical tool, namely the Compound Annual Growth Rate (CAGR) and, accordingly, Compound Annual Growth Rates (CAGRs) have been calculated from the past figures for each consumer category, corresponding to different lengths of time in the past six years, along with the year-on-year growth rates from FY 2017-18 to FY 2022-23. Similarly, the Hon'ble Commission and the State Commission of other states like Himachal Pradesh, Jharkhand, Assam, Gujarat, Chattisgarh etc. also followed the same approach of CAGR for projection of Energy sales.

4.13 Since, the actual energy sales for FY 2020-21 and FY 2021-22 have been significantly affected by the Pandemic as both the years witnessed lockdowns thereby resulting in reduced energy sales. Therefore, such years are excluded while projecting the energy sales for various consumer categories during FY 2024-25.

4.14 The Energy Sales to electricity consumers served by the Petitioner has been projected under the following consumer categories as specified by the Hon'ble Commission in the last Tariff Order dated 30.09.2021:

1. Domestic (including Group Housing Societies)
2. Non-Domestic
3. Industrial
4. Agriculture
5. Mushroom Cultivation
6. Public Utilities (including Public Lighting, DJB, DMRC)
7. Delhi International Airport Limited (DIAL)
8. Advertisement & Hoardings
9. Charging Stations for E-Rikshaw/E-Vehicle on Single Point Delivery
10. Own Consumption
11. Others

4.15 The actual consumer category wise energy sales for FY 2017-18 to FY 2022-23 are as shown in the Table below:

Table 4- 1: Actual Energy Sales for FY 2017-18 to FY 2022-23 (MU)

S. No.	Particulars	Energy Sales (MU)					
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
1	Domestic	6,924	7,214	7,694	7,667	7,628	8,447
1.1	*Domestic*	*6,689*	*6,973*	*7,445*	*7,434*	*7,403*	*8,205*
1.2	*CGHS*	*180*	*187*	*196*	*188*	*180*	*193*
1.3	*DVB Staff*	*22*	*21*	*20*	*20*	*18*	*17*
1.4	*11 KV (Worship/ Hospitals)*	*34*	*33*	*33*	*25*	*28*	*34*
2	Non Domestic	3,141	3,161	3,164	2,200	2,478	3,161
3	Industrial	500	529	535	420	461	547
4	Agriculture & Mushroom cultivation	19	19	21	23	20	23
4.1	*Agriculture*	*19*	*19*	*21*	*23*	*19*	*23*
4.2	*Mushroom*	*0*	*0*	*0*	*0*	*0*	*0*
5	Public utilities	732	864	791	561	646	660

S. No.	Particulars	Energy Sales (MU)					
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
5.1	*Public Lighting*	*153*	*150*	*153*	*139*	*130*	*118*
5.2	*DJB 11 KV*	*154*	*151*	*154*	*153*	*142*	*151*
5.3	*DJB (LT)*	*72*	*70*	*72*	*82*	*86*	*87*
5.4	*Railway Traction*	*22*	*1*	*-*	*-*	*-*	*-*
5.5	*DMRC*	*331*	*491*	*412*	*187*	*288*	*303*
6	DIAL	199	204	146	15	26	47
7	Advertisement/Hoarding	2	1	1	1	1	1
8	Temporary	92	100	108	109	115	125
9	E-Rickshaw/E-Vehicle	3	16	25	19	25	48
10	Theft	58	62	47	46	61	66
11	Own Consumption	15	16	17	16	16	23
12	Others	3	7				
	Total	**11,688**	**12,194**	**12,549**	**11,077**	**11,478**	**13,149**
	Y-Y Increase (%)		**4.33%**	**2.91%**	**-11.73%**	**3.62%**	**14.56%**
	CAGR with Base FY 2022-23		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**
	CAGR (%)		2.38%	1.90%	1.57%	8.95%	14.56%

4.16 The actual category wise number of consumers from FY 2017-18 to FY 2022-23 is as shown in Table below:

Table 4- 2: Actual no. of consumers for FY 2017-18 to FY 2022-23 (No.)

S. No.	Particulars	No. of Consumers					
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
1	Domestic	21,11,536	21,94,427	22,84,256	23,67,648	24,92,655	26,04,605
1.1	*Domestic*	*21,06,590*	*21,89,602*	*22,79,583*	*23,63,140*	*24,88,841*	*26,00,884*
1.2	*CGHS*	*219*	*212*	*203*	*204*	*200*	*192*
1.3	*DVB Staff*	*4,709*	*4,593*	*4,450*	*4,285*	*3,595*	*3,509*
1.4	*11 KV (Worship/ Hospitals)*	*18*	*20*	*20*	*19*	*19*	*20*
2	Non Domestic	3,32,578	3,39,056	3,47,925	3,47,357	3,50,653	3,57,841
3	Industrial	6,031	5,583	5,384	5,332	5,354	5,413
4	Agriculture & Mushroom cultivation	5,420	5,806	5,843	5,973	6,128	6,326
4.1	*Agriculture*	*5,409*	*5,792*	*5,829*	*5,953*	*6,099*	*6,299*
4.2	*Mushroom*	*11*	*14*	*14*	*20*	*29*	*27*
5	Public utilities	8,820	9,345	9,100	10,678	10,945	11,340
5.1	*Public Lighting*	*5,542*	*5,872*	*5,719*	*6,858*	*7,012*	*7,182*
5.2	*DJB 11 KV*	*75*	*79*	*77*	*77*	*77*	*81*
5.3	*DJB (LT)*	*3,193*	*3,383*	*3,295*	*3,734*	*3,847*	*4,068*
5.4	*Railway Traction*	*1*	*1*	*-*	*-*	*-*	*-*
5.5	*DMRC*	*9*	*9*	*9*	*9*	*9*	*9*
6	DIAL	1	1	1	1	1	2
7	Advertisement/Hoarding	863	886	853	814	777	803
8	Temporary	-	-	-	-	-	-
9	E-Rickshaw/E-Vehicle	370	738	1,016	1,083	1,187	1,548

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S. No.	Particulars	No. of Consumers					
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
10	Theft	-	-	-	-	-	-
11	Own Consumption	5	4	320	474	691	803
	Total	**24,65,624**	**25,55,846**	**26,54,698**	**27,39,360**	**28,68,391**	**29,88,681**
	Y-Y Increase (%)		3.66%	3.87%	3.19%	4.71%	4.19%
	CAGR with Base FY 2022-23		5 years	4 years	3 years	2 years	1 year
	CAGR (%)		3.92%	3.99%	4.03%	4.45%	4.19%

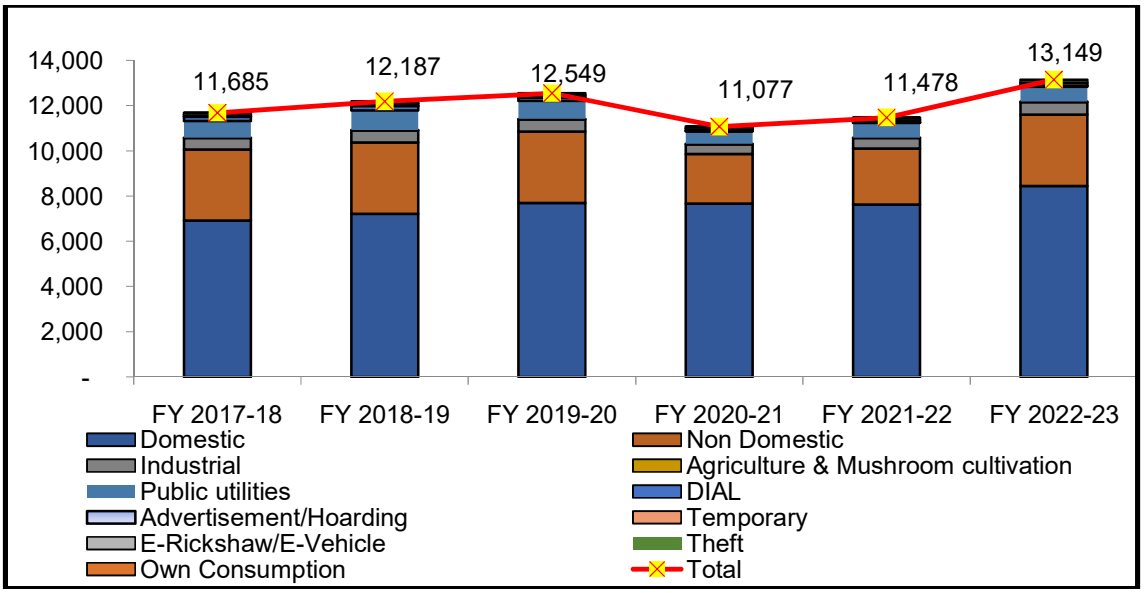
4.17 The actual category wise sanctioned load for FY 2017-18 to FY 2022-23 is as shown in Table below:

Table 4- 3: Actual sanctioned load for FY 2017-18 to FY 2022-23 (MW)

S. No.	Particulars	Sanctioned Load (MW)					
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
1	Domestic	5,658	5,734	5,987	6,147	6,322	6,575
1.1	*Domestic*	*5,415*	*5,602*	*5,865*	*6,025*	*6,204*	*6,458*
1.2	*CGHS*	*209*	*98*	*89*	*87*	*85*	*82*
1.3	*DVB Staff*	*19*	*17*	*17*	*16*	*13*	*13*
1.4	*11 KV (Hospitals)*	*13*	*14*	*14*	*18*	*18*	*20*
1.5	*11 KV (Worship)*	*2*	*2*	*2*	*2*	*2*	*2*
2	Non Domestic	2,541	2,538	2,543	2,484	2,451	2,505
3	Industrial	266	313	298	290	283	283
4	Agriculture & Mushroom cultivation	21	26	31	31	33	34
4.1	*Agriculture*	*21*	*26*	*31*	*31*	*33*	*34*
4.2	*Mushroom*	*0*	*0*	*0*	*0*	*0*	*0*
5	Public utilities	231	244	335	315	320	324
5.1	*Public Lighting*	*48*	*51*	*54*	*48*	*52*	*51*
5.2	*DJB*	*120*	*128*	*136*	*122*	*123*	*128*
5.4	*Railway Traction*	*13*	*14*	*-*	*-*	*-*	*-*
5.5	*DMRC*	*51*	*52*	*146*	*146*	*146*	*146*
6	DIAL	51	51	51	51	51	51
7	Advertisement/Hoarding	2	2	2	2	2	2
8	Temporary	-	-	-	-	-	-
9	E-Rickshaw/E-Vehicle	1	4	9	10	18	27
10	Theft	-	-	-	-	-	-
11	Own Consumption	0	0	11	13	12	12
12	Others	-	-	-	-	-	-
	Total	**8,771**	**8,914**	**9,267**	**9,343**	**9,492**	**9,813**
	Y-Y Increase (%)		1.62%	3.97%	0.82%	1.59%	3.38%
	CAGR with Base FY 2022-23		5 years	4 years	3 years	2 years	1 year
	CAGR (%)		2.27%	2.43%	1.92%	2.48%	3.38%

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Table 4- 4: Actual Category wise Energy sales for FY 2017-18 to FY 2022-23 (in MU)



4.18 As depicted from the above graph, energy sales in FY 2020-21 and FY 2021-22 were severely affected due to COVID-19 pandemic and lockdown imposed by the Govt. of India and Govt. of NCT of Delhi. The restrictions of lockdown were eased out gradually in phased manner. Due to this, in FY 2022-23, the power demand have revived to pre-pandemic levels, with energy sales of 13,149 MU.

4.19 The Energy Sales forecast for FY 2024-25 has been carried out considering the Adjusted Trend Analysis Method ,i.e. Compound Annual Growth Rate (CAGR). The energy sales for FY 2020-21 and FY 2021-22 have been badly affected by pandemic, therefore, the sales of these years is not considered while computing CAGR for those categories that have been affected by Pandemic. Further, FY 2022-23 has witnessed revival of consumption at pre-pandemic level Therefore, while projecting energy sales for the FY 2024-25, growth rate (CAGR/YOY) is computed on the basis of FY 2022-23 as it suggests the business-as-usual condition.

4.20 For forecasting the category wise Energy Sales, consumer number and sanctioned load for FY 2024-25, the actual energy sales, number of consumers and sanctioned load for FY 2022-23 have been considered as the base.

4.21 In view of the above, following approach is adopted for projection of category wise energy sales for FY 2024-25:

1. Domestic

4.22 The consumption of energy by domestic consumers constitutes substantial part of total energy sales of the Petitioner. The domestic category comprises of Domestic Consumers, Single Point Delivery Supply for GHS (CGHS), Places of Worship / Hospitals being billed on Domestic Tariff and DVB Staff connections.

4.23 The actual energy sales, number of consumers and sanctioned load under the Domestic category for last 6 years is as shown in table below:

Table 4-5: Actual energy sales, number of consumers and sanctioned load under Domestic category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	6,924	7,214	7,694	7,667	7,628	8,447
YOY % change	%		*4.19%*	*6.65%*	*-0.35%*	*-0.51%*	*10.74%*
No. of Consumers	No.	21,11,536	21,94,427	22,84,256	23,67,648	24,92,655	26,04,605
YOY % change	%		*3.93%*	*4.09%*	*3.65%*	*5.28%*	*4.49%*
Sanctioned Load	MW	5,658	5,734	5,987	6,147	6,322	6,575
YOY % change	%		*1.34%*	*4.41%*	*2.68%*	*2.84%*	*4.00%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	4.06%	4.02%	3.16%	4.97%	10.74%	
No. of Consumers	%	4.29%	4.38%	4.47%	4.88%	4.49%	
Sanctioned Load	%	3.05%	3.48%	3.17%	3.42%	4.00%	

4.24 The domestic category comprises of Domestic Consumers (including Residential consumers & those specified in above paras of other terms & conditions of tariff approved by the Hon'ble Commission in its Tariff Order dated 30.09.2021), Single Point Delivery Supply for GHS (CGHS), Places of Worship / Hospitals and DVB Staff connections being billed on Domestic Tariff.

4.25 The Petitioner has carried out separate projections for the above sub-categories to cater to the specificity associated with these sub-categories.

a) Domestic other thanCGHS, DVB Staff and 11 kV (Worship/hospitals)

4.26 The actual energy sales, number of consumers and sanctioned load under the sub-category is as shown in table below:

Table 4- 6: Actual energy sales, number of consumers and sanctioned load under Domestic category excluding GHS, DVB Staff and 11 kV (Worship/hospitals)

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	6,689	6,973	7,445	7,434	7,403	8,205
YOY % change	*%*		*4.25%*	*6.77%*	*-0.16%*	*-0.41%*	*10.83%*
No. of Consumers	No.	21,06,590	21,89,602	22,79,583	23,63,140	24,88,841	26,00,884
YOY % change	*%*		*3.94%*	*4.11%*	*3.67%*	*5.32%*	*4.50%*
Sanctioned Load	MW	5,415	5,602	5,865	6,025	6,204	6,458
YOY % change	*%*		*3.45%*	*4.69%*	*2.72%*	*2.99%*	*4.09%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	4.17%	4.15%	3.29%	5.06%	10.83%	
No. of Consumers	%	4.31%	4.40%	4.49%	4.91%	4.50%	
Sanctioned Load	%	3.58%	3.62%	3.26%	3.53%	4.09%	

4.27 It is depicted from the above table that the CAGR of energy sales under this sub-category after considering FY 2022-23 as base level varies within the

range of 3.29% (3 Years CAGR) of 10.83% (1 Year CAGR). The sub-category have witnessed consistent growth in sales even during the COVID-pandemic, and therefore, the growth trend during the last 5 years have been considered in projection. Therefore, a moderate growth rate equivalent to 5 year CAGR of 4.17% is considered for projecting energy sales for FY 2024-25.

4.28 As regards to number of consumers, it is observed that the sub-category have witnessed consistent growth in number of consumers similar to what was witnessed before pandemic, and therefore, the growth trend during the last COVID-pandemic years have also been considered in projection. For projecting number of consumers for FY 2024-25, growth rate equivalent to5 year CAGR of 4.31% has been considered over FY 2022-23 level.

4.29 Sanctioned Load has been computed on the basis of ratio of sanctioned load and number of consumers for FY 2022-23 and multiplied by number of consumers projected for FY 2024-25.

4.30 Accordingly, the energy sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is stated below:

Table 4- 7: Energy Sales, number of consumers and sanctioned load Forecast for Domestic category excluding GHS, DVB Staff and 11 kV (Worship/hospitals) for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy Sales	MU	7,403	8,205	8,903
YOY % change	*%*		*10.83%*	*4.17%*
No. of Consumers	No.	24,88,841	26,00,884	28,29,680
YOY % change	*%*		*4.50%*	*4.31%*
Sanctioned Load	MW	6,204	6,458	7,026
YOY % change	*%*		*4.09%*	*4.31%*

b) Single point delivery supply for CGHS

4.31 The actual energy sales, number of consumers and sanctioned load under this sub-category is as shown in table below:

Table 4- 8: Actual energy sales, number of consumers and sanctioned load under CGHS sub-category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy Sales	MU	180	187	196	188	180	193
YOY % change	%		*4.31%*	*4.46%*	*-3.79%*	*-4.46%*	*7.10%*
No. of Consumers	No.	219	212	203	204	200	192
YOY % change	%		*-3.20%*	*-4.25%*	*0.49%*	*-1.96%*	*-4.00%*
Sanctioned Load	MW	209	98	89	87	85	82
YOY % change	%		*-53.17%*	*-9.33%*	*-1.50%*	*-2.91%*	*-3.72%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	1.41%	0.70%	-0.52%	1.16%	7.10%	
/No. of Consumers	%	-2.60%	-2.45%	-1.84%	-2.99%	-4.00%	
Sanctioned Load	%	-17.13%	-4.41%	-2.72%	-3.32%	-3.72%	

4.32 For CGHS, the energy sales under this sub-category has increased by 7.10% (Y-o-Y) in FY 2022-23. Thus, considering business as usual growth, we have considered the 5 year CAGR growth rate of 1.41% (based on FY 2022-23 levels).

4.33 For projecting number of consumers, it is observed that this sub-category has witnessed continuous decline in trend since FY 2017-18. Hence, 5 year CAGR (-2.60%) based on FY 2022-23 levels has been considered.

4.34 In sanctioned load, continuous decline is observed since FY 2017-18. In view of constant reducing trend, no growth rate has been considered for projecting sanctioned load for FY 2024-25.

4.35 Accordingly, the energy sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in table below:

Table 4- 9: Energy Sales, number of consumers and sanctioned load Forecast for CGHS Sub-Category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy Sales	MU	180	193	198
YOY % change	*%*		*7.10%*	*1.41%*
No. of Consumers	No.	200	192	182
YOY % change	*%*		*-4.00%*	*-2.60%*
Sanctioned Load	MW	85	82	82
YOY % change	*%*		*-3.72%*	-

c) DVB Staff

4.36 The actual energy sales, number of consumers and sanctioned load under the sub-category is as shown in table below:

Table 4- 10: Actual energy sales, number of consumers and sanctioned load under DVB Staff sub-category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy Sales	MU	22	21	20	20	18	17
YOY % change	*%*		*-4.98%*	*-0.19%*	*-1.79%*	*-12.35%*	*-5.90%*
No. of Consumers	No.	4,709	4,593	4,450	4,285	3,595	3,509
YOY % change	*%*		*-2.46%*	*-3.11%*	*-3.71%*	*-16.10%*	*-2.39%*
Sanctioned Load	MW	19	17	17	16	13	13
YOY % change	*%*		*-8.21%*	*-4.97%*	*-4.55%*	*-15.92%*	*-2.49%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-5.14%	-5.18%	-6.78%	-9.18%	-5.90%	
No. of Consumers	%	-5.71%	-6.51%	-7.61%	-9.51%	-2.39%	
Sanctioned Load	%	-7.35%	-7.14%	-7.85%	-9.45%	-2.49%	

4.37 For DVB Staff, consumers, consumer number and load trend have been consistently reducing since FY 2017-18. In view of consistent reducing trend, no growth has been considered for energy sales, number of consumers and load.

4.38 Accordingly, the energy sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in table below:

Table 4- 11: Energy Sales, number of consumers and sanctioned load Forecast for DVB Staff Sub-Category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy Sales	MU	18	17	17
YOY % change	%		*-5.90%*	-
No. of Consumers	No.	3,595	3,509	3,509
YOY % change	%		*-2.39%*	-
Sanctioned Load	MW	13	13	13
YOY % change	%		*-2.49%*	-

d) 11 KV (Hospitals)

4.39 The actual energy sales, number of consumers and sanctioned load under the sub-category is as shown in Table below:

Table 4- 12: Actual energy sales, number of consumers and sanctioned load under 11 kV (Hospitals) sub-category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy Sales	MU	30	29	29	24	26	31
YOY % change	%		*-1.76%*	*0.19%*	*-19.73%*	*10.55%*	*18.78%*
No. of Consumers	No.	11	13	13	14	14	14
YOY % change	%		*18.18%*	-	*7.69%*	-	-
Sanctioned Load	MW	13	14	14	18	18	20
YOY % change	%		*11.00%*	*0.09%*	*25.47%*	*0.01%*	*14.38%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	0.74%	1.37%	1.77%	14.59%	18.78%	
No. of Consumers	%	4.94%	1.87%	2.50%	-	-	
Sanctioned Load	%	9.78%	9.48%	12.80%	6.95%	14.38%	

4.40 During the pandemic, the energy sales dipped significantly in FY 2020-21 and recovered marginally in FY 2022-23, reaching to pre-pandemic levels. Thus, considering business as usual growth, we have considered the 5 year CAGR growth rate of 0.74% (based on FY 2022-23 levels) for projecting energy

sales for FY 2024-25. Similarly, 5 year CAGR growth rate of 4.94% is considered for projecting number of consumers for FY 2024-25.

4.41 No growth rate has been considered for sanctioned load as no specific trend is observed.

4.42 Accordingly, the energy sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in table below:

Table 4- 13: Energy sales, number of consumers and sanctioned load Forecast for 11 KV (Worship/ Hospitals) Sub-Category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	26	31	31
YOY % change	*%*		*18.78%*	*0.74%*
No. of Consumers	No.	14	14	15
YOY % change	*%*		-	*4.94%*
Sanctioned Load	MW	18	20	20
YOY % /change	*%*		*14.38%*	-

d) 11 KV (Worship)

4.43 The actual energy sales, number of consumers and sanctioned load under the sub-category is as shown in table below:

Table 4- 14: Actual energy sales, number of consumers and sanctioned load under 11 kV (Worship) sub-category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	4	4	4	2	2	3
YOY % change	*%*		*-8.73%*	*-5.36%*	*-52.53%*	*-9.10%*	*78.69%*
No. of Consumers	No.	7	7	7	5	5	6
YOY % change	*%*		-	-	*-28.57%*	-	*20.00%*
Sanctioned Load	MW	2	2	2	2	2	2
YOY % change	*%*		*0.60%*	*0.09%*	*-12.78%*	*0.02%*	*12.21%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-7.81%	-7.58%	-8.30%	27.45%	78.69%	

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
No. of Consumers	%	-3.04%	-3.78%	-5.01%	9.54%	20.00%	
Sanctioned Load	%	-0.29%	-0.51%	-0.71%	5.94%	12.21%	

4.44 No specific trend is observed on analysing the data of energy sales, number of consumers and sanctioned load during FY 2017-18 to FY 2022-23. Hence, no growth rate has been considered for projecting energy sales, number of consumers and sanctioned load for FY 2024-25.

4.45 Accordingly, the energy sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in table below:

Table 4- 15: Energy Sales, number of consumers and sanctioned load Forecast for 11 KV (Worship) Sub-Category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy Sales	MU	2	3	3
YOY % change	*%*		*78.69%*	-
No. of Consumers	No.	5	6	6
YOY % change	*%*		*20.00%*	-
Sanctioned Load	MW	2	2	2
YOY % change	*%*		*12.21%*	-

4.46 Based on the above projections of sub-categories of Domestic category, the energy sales, number of consumers and sanctioned load projected under Domestic category for FY 2024-25 is as shown as under:

Table 4- 16: Energy sales, number of consumers and sanctioned load Forecast for Domestic category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	7,628	8,447	9,152
YOY % change	*%*		*10.74%*	*4.09%*
No. of Consumers	No.	24,92,655	26,04,605	28,33,392
YOY % change	*%*		*4.49%*	*4.30%*

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Sanctioned Load	MW	6,322	6,575	7,143
YOY % change	*%*		*4.00%*	*4.23%*

2. Non-Domestic

4.47 The actual energy sales, number of consumers and sanctioned load under the Non-Domestic category is as tabulated here as below:

Table 4- 17: Actual energy sales, number of consumers and sanctioned load under Non-Domestic category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	3,141	3,161	3,164	2,200	2,478	3,161
YOY % change	*%*		*0.65%*	*0.10%*	*-30.46%*	*12.61%*	*27.55%*
No. of Consumers	No.	3,32,578	3,39,056	3,47,925	3,47,357	3,50,653	3,57,841
YOY % change	*%*		*1.95%*	*2.62%*	*-0.16%*	*0.95%*	*2.05%*
Sanctioned Load	MW	2,541	2,538	2,543	2,484	2,451	2,505
YOY % change	*%*		*-0.10%*	*0.19%*	*-2.32%*	*-1.33%*	*2.19%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	0.13%	0.00%	-0.04%	19.85%	27.55%	
No. of Consumers	%	1.48%	1.36%	0.94%	1.50%	2.05%	
Sanctioned Load	%	-0.29%	-0.33%	-0.51%	0.41%	2.19%	

4.48 It is observed that the sale for Non-Domestic category was almost consistent for FY 2018-19 to FY 2019-20 with minor variations. It is evident that no growth is there in this category as the energy sales during FY 2022-23 (3161 MU) is almost at the same level of FY 2018-19 (3161 MU) and FY 2019-20 (3164 MU). Hence, no growth rate is observed in this category from past 6 years. However, the energy sales during FY 2020-21 was dipped significantly by over 30% due to COVID pandemic, however partially recovered in FY 2021-22 and witnessed YOY growth of 12.61%. The sector recovered fully with a growth rate of 27.55% to reach almost equivalent to the pre-pandemic

level of 3161 MU. Accordingly, a significant annual growth rate of 0.60% is considered for projecting energy sales for FY 2024-25.

4.49 Unlike the declining trend in energy sales under this category, the number of consumers did not reduce by much in FY 2020-21 and has witnessed slight uptick of 1% in FY 2021-22 vis-à-vis FY 2020-21.

4.50 Non Domestic category includes various activities other than commercial offices. New demand in case of small & medium shops, showrooms, shopping malls, banks and many other activities may increase. In However, no major increase in consumption is envisaged due to shift towards remote working and more encouragement to cloud based applications and online shopping. Hence 5 year CAGR growth rate of 1.48% (Base FY 2022-23) is considered.

4.51 The sanctioned load under Non-Domestic category has also been reducing due to slow down in commercial activities during the FY 2020-21 and FY 2021-22. However, a Y-O-Y growth rate of 2.19% is observed in FY 2022-23. Hence, for projecting sanctioned load for FY 2024-25, a growth is envisaged in line with number of consumers and accordingly load is projected to grow by around 1.48% as well.

4.52 Accordingly, the energy sales, number of consumers and sanctioned load projected under Non-Domestic category for FY 2024-25 is as shown in table below:

Table 4- 18: Energy sales, number of consumers and sanctioned load Forecast for Non-Domestic category for FY 2024-25

Particulars	UOM	FY 2022	FY 2023	FY 2025
		(Actual)	(Actual)	(Projected)
Energy sales	MU	2,478	3,161	3,199
YOY % change	*%*		*27.55%*	*0.60%*
No. of Consumers	No.	3,50,653	3,57,841	3,68,476

Particulars	UOM	FY 2022	FY 2023	FY 2025
		(Actual)	(Actual)	(Projected)
YOY % change	*%*		*2.05%*	*1.48%*
Sanctioned Load	MW	2,451	2,505	2,579
YOY % change	*%*		*2.19%*	*1.48%*

3. Industrial

4.53 The actual energy sales, number of consumers and sanctioned load under the Industrial category is as shown in table below:

Table 4- 19: Actual energy sales, number of consumers and sanctioned load under Industrial category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	500	529	535	420	461	547
YOY % change	*%*		*5.94%*	*0.98%*	*-21.35%*	*9.64%*	*18.74%*
No. of Consumers	No.	6,031	5,583	5,384	5,332	5,354	5,413
YOY % change	*%*		*-7.43%*	*-3.56%*	*-0.97%*	*0.41%*	*1.10%*
Sanctioned Load	MW	266	313	298	290	283	283
YOY % change	*%*		*17.75%*	*-4.84%*	*-2.67%*	*-2.45%*	*-0.02%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	1.84%	0.84%	0.79%	14.10%	18.74%	
No. of Consumers	%	-2.14%	-0.77%	0.18%	0.76%	1.10%	
Sanctioned Load	%	1.24%	-2.51%	-1.72%	-1.24%	-0.02%	

4.54 As depicted from above, consumption under industrial category dipped in FY 2020-21 but witnessed y-o-y revival in consumption by 9.64% in FY 2021-22 and 18.74% in FY 2022-23.

4.55 In FY 2022-23, energy sales under this category is 547 MU, which is only 2.39% higher in comparison to energy sales of 535 MU in FY 2019-20 (pre-pandemic). The number of consumers and sanctioned load under the Industrial category have been assumed to observe no growth as increased restrictions are being imposed on account of environmental concerns. Thus, considering business as usual growth, the Petitioner has considered the 5 Yr. CAGR growth rate of 1.84% (base FY 2022-23).

4.56 No growth is observed in sanctioned load under the Industrial category due to increasing restrictions imposed on account of environmental concerns. Thus, the petitioner has considered no growth in sanctioned load projections for FY 2024-25.

4.57 The number of consumers has shown a slow growth. Hence, considering increasing restrictions on industrial category, no growth is considered in projecting number of consumers for FY 2024-25.

4.58 Accordingly, the energy sales, number of consumers and sanctioned load projected under Industrial category for FY 2024-25 is as shown in table below:

Table 4- 20: Energy sales, number of consumers and sanctioned load Forecast for Industrial category for FY 2024-25

Particulars	UOM	FY 2022	FY 2023	FY 2025
		(Actual)	(Actual)	(Projected)
Energy sales	MU	461	547	568
YOY % change	%		*18.74%*	*1.84%*
No. of Consumers	No.	5,354	5,413	5,413
YOY % change	%		*1.10%*	-
Sanctioned Load	MW	283	283	283
YOY % change	%		*-0.02%*	-

4. Agriculture category

4.59 The actual energy sales, number of consumers and sanctioned load under the agriculture category is as shown in table below:

Table 4- 21: Actual energy sales, number of consumers and sanctioned load under Agriculture category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	19	19	21	23	19	23
YOY % change	%		*0.56%*	*10.20%*	*7.54%*	*-14.42%*	*19.33%*
No. of Consumers	No.	5,409	5,792	5,829	5,953	6,099	6,299
YOY % change	%		*7.08%*	*0.64%*	*2.13%*	*2.45%*	*3.28%*
Sanctioned Load	MW	21	26	31	31	33	34
YOY % change	%		*26.75%*	*16.88%*	*1.58%*	*4.67%*	*3.19%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	%	4.01%	4.89%	3.17%	1.06%	19.33%	
No. of Consumers	%	3.09%	2.12%	2.62%	2.87%	3.28%	
Sanctioned Load	%	10.20%	6.42%	3.14%	3.93%	3.19%	

4.60 It is observed that energy sales has decreased in FY 2021-22 as against FY 2020-21 by 14.42%, thereafter, in FY 2022-23, energy sales has increased by 19.33%. Accordingly, considering business as usual growth, 5 year CAGR (base FY 2022-23) of 4.01% is considered for projection of energy sales for FY 2024-25.

4.61 It is depicted from the above table that there is consistent growth in number of consumers. Therefore, considering business as usual growth, 5 year CAGR (base FY 2022-23) of 3.09% is considered for projection number of consumers for FY 2024-25. The Y-o-Y growth rate in number of consumers (3.28%) and connected load (3.19%) in FY 2022-23 is almost similar. Therefore, load is projected equal to the growth rate of 3.09% considered for no of consumers.

4.62 Accordingly, the energy sales, number of consumers and sanctioned load projected under Agriculture category for FY 2024-25 is as shown in table below:

Table 4- 22: Energy sales Forecast for Agriculture category

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2024 (Projected)
Energy sales	MU	19	23	25
YOY % change	*%*		*19.33%*	*4.01%*
No. of Consumers	No.	6,099	6,299	6,695
YOY % change	*%*		*3.28%*	*3.09%*
Sanctioned Load	MW	33	34	36
YOY % change	*%*		*3.19%*	*3.09%*

5. Mushroom cultivation category

4.63 The actual energy sales, number of consumers and sanctioned load under the Mushroom cultivation category is as shown in table below:

Table 4- 23: Actual energy sales, number of consumers and sanctioned load under Mushroom Cultivation category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	0.2	0.2	0.2	0.2	0.3	0.4
YOY % change	%		*7.72%*	*3.19%*	*-9.08%*	*88.54%*	*52.84%*
No. of Consumers	No.	11	14	14	20	29	27
YOY % change	%		*27.27%*	-	*42.86%*	*45.00%*	*-6.90%*
Sanctioned Load	MW	0.1	0.1	0.1	0.2	0.2	0.3
YOY % change	%		*47.73%*	*3.85%*	*25.19%*	*32.54%*	*25.00%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	23.84%	28.23%	37.86%	69.75%	52.84%	
No. of Consumers	%	19.67%	17.84%	24.47%	16.19%	-6.90%	
Sanctioned Load	%	26.05%	21.14%	27.53%	28.72%	25.00%	

4.64 Future growth in energy sales has been considered as 5-year CAGR (base FY 2022-23) of 23.84%. Similarly, 5-year CAGR of 19.67% and 26.05% is considered for projection of number of consumers and sanction load for FY 2024-25.

4.65 Accordingly, the energy sales, number of consumers and sanctioned load projected under Mushroom cultivation category for FY 2024-25 is as shown in table below:

Table 4- 24: Energy sales, number of consumers and sanctioned load Forecast for Mushroom cultivation category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	0.3	0.4	0.7
YOY % change	%		*52.84%*	*23.84%*
No. of Consumers	No.	29	27	39
YOY % change	%		*-6.90%*	*19.67%*
Sanctioned Load	MW	0.2	0.3	0.4
YOY % change	%		*25.00%*	*26.05%*

6. Public Utilities category

4.66 The actual energy sales, number of consumers and sanctioned load under the Public Utilities category is as shown in table below:

Table 4- 25: Actual energy sales, number of consumers and sanctioned load under Public utilities

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	732	864	791	561	646	660
YOY % change	%		*18.00%*	*-8.50%*	*-29.01%*	*15.16%*	*2.06%*
No. of Consumers	No.	8,820	9,345	9,100	10,678	10,945	11,340
YOY % change	%		*5.95%*	*-2.62%*	*17.34%*	*2.50%*	*3.61%*
Sanctioned Load	MW	231	244	335	315	320	324
YOY % change	%		*5.76%*	*37.23%*	*-5.98%*	*1.44%*	*1.35%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-2.07%	-6.53%	-5.86%	8.41%	2.06%	
No. of Consumers	%	5.15%	4.96%	7.61%	3.05%	3.61%	
Sanctioned Load	%	7.00%	7.32%	-1.13%	1.39%	1.35%	

4.67 The sub-category of consumers falling under Public Utilities category are as follows.

a) Public Lighting

4.68 The actual energy sales, number of consumers and sanctioned load under the Public Lighting category is as shown in table below:

Table 4- 26: Actual energy sales, number of consumers and sanctioned load under Public Lighting Sub-Category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	153	150	153	139	130	118
YOY % change	%		*-2.05%*	*1.87%*	*-9.02%*	*-6.54%*	*-9.04%*
No. of Consumers	No.	5,542	5,872	5,719	6,858	7,012	7,182
YOY % change	%		*5.96%*	*-2.61%*	*19.92%*	*2.25%*	*2.42%*
Sanctioned Load	MW	48	51	54	48	52	51
YOY % change	%		*6.66%*	*6.14%*	*-10.97%*	*7.41%*	*-0.86%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-5.05%	-5.79%	-8.21%	-7.80%	-9.04%	
No. of Consumers	%	5.32%	5.16%	7.89%	2.33%	2.42%	
Sanctioned Load	%	1.42%	0.15%	-1.77%	3.19%	-0.86%	

4.69 As depicted above, the energy sales under this sub-category have been reducing since FY 2017-18. This was due to shift to energy efficient lighting and implementation of the Delhi Mukhyamantri Street Light Yojana, 2023. Under such Yojana, building owners can volunteer to set up LED streetlights on the edge of the premises through a simple process. It is submitted that under Delhi Mukhyamatri Street Light Yojana, the Delhi government has installed over 117,000 LED streetlights across the city until August 2021. Delhi Distribution Companies are required to provide technical and knowledge support for the implementation of the Scheme with the eventual goal of installing 2,10,000 streetlights covering all the dark spots of Delhi.

4.70 In view of the above, and due to absence of any reference growth rates, a nominal energy sales growth rate of 2% (over FY 2022-23 level) has been considered for FY 2024-25.

4.71 Further, the number of consumers has witnessed abrupt increase in FY 2020-21, however, the same is mostly on account of metering of existing connections. Therefore, in line with energy sales growth rate and considering Y-o-Y growth of 2.42% in FY 2022-23, the number of consumers has been projected considering growth rate of 2.42%.

4.72 Similarly, the sanctioned load is projected in line with the growth rate of 2.42% considered for number of consumers.

4.73 Accordingly, the energy sales, number of consumers and sanctioned load projected under Public Lighting category for FY 2024-25 is as shown in table below:

Table 4- 27: Energy sales, number of consumers and sanctioned load Forecast for Public Lighting Sub-category

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	130	118	123
YOY % change	*%*		*-9.04%*	*2.00%*
No. of Consumers	No.	7,012	7,182	7,534
YOY % change	*%*		*2.42%*	*2.42%*
Sanctioned Load	MW	52	51	54
YOY % change	*%*		*-0.86%*	*2.42%*

b) DJB

4.74 The actual energy sales, number of consumers and sanctioned load under the DJB category is as shown in table below:

Table 4- 28: Actual energy sales, number of consumers and sanctioned load under DJB Sub-Category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	226	222	226	235	228	238
YOY % change	*%*		*-2.05%*	*1.87%*	*3.99%*	*-2.93%*	*4.53%*
No. of Consumers	No.	3,268	3,463	3,372	3,811	3,924	4,149
YOY % change	*%*		*5.96%*	*-2.61%*	*13.01%*	*2.97%*	*5.73%*
Sanctioned Load	MW	120	128	136	122	123	128
YOY % change	*%*		*6.65%*	*6.14%*	*-10.39%*	*0.80%*	*3.87%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	1.04%	1.83%	1.81%	0.74%	4.53%	
No. of Consumers	%	4.89%	4.62%	7.15%	4.34%	5.73%	
Sanctioned Load	%	1.21%	-0.10%	-2.10%	2.32%	3.87%	

4.75 Considering the business as usual growth, the Petitioner has considered 5 year CAGR growth of 1.04% in energy sales, 4.89% in number of consumers and 1.21% in sanctioned load for projections for FY 2024-25.

4.76 Accordingly, the energy sales, number of consumers and sanctioned load projected under DJB sub-category for FY 2024-25 is as shown in table below:

Table 4- 29: Energy sales, number of consumers and sanctioned load Forecast for DJB Sub-category for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	228	238	243
YOY % change	*%*		*4.53%*	*1.04%*
No. of Consumers	No.	3,924	4,149	4,565
YOY % change	*%*		*5.73%*	*4.89%*
Sanctioned Load	MW	123	128	131
YOY % change	*%*		*3.87%*	*1.21%*

c) Delhi Metro Rail Corporation (DMRC)

4.77 The actual energy sales, number of consumers and sanctioned load under the DMRC category is as shown in table below:

Table 4- 30: Actual energy sales, number of consumers and sanctioned load under DMRC Sub-Category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	331	491	412	187	288	303
YOY % change	*%*		*48.45%*	*-16.14%*	*-54.53%*	*53.98%*	*5.11%*
No. of Consumers	No.	9	9	9	9	9	9
YOY % change	*%*		-	-	-	-	-
Sanctioned Load	MW	51	52	146	146	146	146
YOY % change	*%*		*2.55%*	*180.40%*	-	-	-
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-1.74%	-11.37%	-9.72%	27.22%	5.11%	
No. of Consumers	%	-	-	-	-	-	
Sanctioned Load	%	23.52%	29.40%	-	-	-	

4.78 The energy sales under this category have been projected based on the estimates for FY 2024-25 received from DMRC vide its email dated 27.09.2023.

4.79 It is observed that no. of consumers and sanctioned load do not follow any past trajectory and depends upon the expansion plan of DMRC, the same has been kept constant as the Petitioner is not in receipt of any such applications seeking additional load.

4.80 Accordingly, the energy sales, number of consumers and sanctioned load projected under DMRC category for FY 2024-25 is as shown in table below:

Table 4- 31: Energy sales, number of consumers and sanctioned load Forecast for DMRC Sub-category

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	288	303	329
No. of Consumers	No.	9	9	9
Sanctioned Load	MW	146	146	146

4.81 Based on projections done for categories of Public Lighting, DJB and DMRC, the energy sales, number of consumers and sanctioned load projected under Public Utilities category for FY 2024-25 is as shown in table below:

Table 4- 32: Energy sales, number of consumers and sanctioned load Forecast for Public Utilities category

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	646	660	695
No. of Consumers	No.	10,945	11,340	12,108
Sanctioned Load	MW	320	324	330

7. Delhi International Airport Limited (DIAL)

4.82 The actual energy sales, number of consumers and sanctioned load under DIAL category is as shown in table below:

Table 4- 33: Actual energy sales, number of consumers and sanctioned load under DIAL category

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales	MU	199	204	146	15	26	47
YOY % change	*%*		*2.52%*	*-28.28%*	*-89.54%*	*70.39%*	*80.99%*
No. of Consumers	No.	1	1	1	1	1	2
YOY % change	*%*		-	-	-	-	*100.00%*
Sanctioned Load	MW	51	51	51	51	51	51
YOY % change	*%*		-	*0.01%*	-	*0.00%*	-
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	-25.01%	-30.65%	-31.43%	75.61%	80.99%	

Particulars	UOM	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
No. of Consumers	%	14.87%	18.92%	25.99%	41.42%	100.00%	
Sanctioned Load	%	0.00%	0.00%	0.00%	0.00%	-	

4.83 The energy sales under DIAL category have been projected considering the estimates for FY 2024-25 shared by DIAL vide its email dated 28.09.2023.

4.84 DIAL is a single consumer. Based on the applicability of wheeling charges, the Petitioner has bifurcated the supply to DIAL into 33kV and 66 kV. Hence, the number of consumers are split into two (2) in FY 2022-23.

4.85 The Petitioner is not in receipt of any applications seeking load enhancement, and therefore, sanctioned load have been kept constant. Hence, the number of consumers are considered constant as 2 Nos for FY 2024-25.

4.86 Accordingly, the energy sales, number of consumers and sanctioned load projected under DIAL category for FY 2024-25 is as shown in Table below:

Table 4- 34: Energy sales, number of consumers and sanctioned load Forecast for DIAL category

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	26	47	55
No. of Consumers	No.	1	2	2
Sanctioned Load	MW	51	51	51

8. Advertising & Hoardings

4.87 The actual energy sales under Advertisement & Hoardings category in FY 2022-23 is 0.88 MU. The energy sales under this category for FY 2024-25 have been projected to be at the same level of FY 2022-23.

Table 4- 35: Energy sales, number of consumers and sanctioned load Forecast for Advertising & Hoardings

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)



Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	0.9	0.9	0.9
No. of Consumers	No.	777	803	803
Sanctioned Load	MW	2	2	2

9. Charging Stations for E-Rickshaw/E-Vehicle on Single Point Delivery

4.88 The actual energy sales, number of consumers and sanctioned load under E-Rikshaw/ E-Vehicle on Single Point Delivery category is as shown in Table below:

Table 4- 36: Actual Energy sales, Consumers and Sanctioned Load of E-Vehicle Category

Particulars	Units	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Energy sales (LT)	MU	3	16	25	19	25	39
Energy sales (HT)	MU	-	-	-	0	1	9
Energy sales (Total)	MU	3	16	25	19	25	48
YOY % change	*%*	-	*412.09%*	*53.53%*	*-22.49%*	*30.76%*	*89.70%*
No. of Consumers (LT)	No.	370	738	1,016	1,082	1,185	1,544
No. of Consumers (HT)	No.	-	-	-	1	2	4
No. of Consumers (Total)	No.	370	738	1,016	1,083	1,187	1,548
YOY % change	*%*	-	*99.46%*	*37.67%*	*6.59%*	*9.60%*	*30.41%*
Sanctioned Load (LT)	MW	1	4	9	9	13	21
Sanctioned Load (HT)	MW	-	-	-	0	5	6
Sanctioned Load (Total)	MW	1	4	9	10	18	27
YOY % change	*%*	-	*214.57%*	*111.12%*	*9.21%*	*82.43%*	*51.10%*
CAGR		**5 years**	**4 years**	**3 years**	**2 years**	**1 year**	
Energy sales	%	72.14%	31.07%	24.34%	57.49%	89.70%	
No. of Consumers	%	33.14%	20.35%	15.07%	19.56%	30.41%	
Sanctioned Load	%	82.04%	58.78%	44.39%	66.03%	51.10%	

4.89 The actual energy sales under this category is 39.2 MU during FY 2022-23. The energy sales under this category are projected to increase exponentially.

4.90 Energy Efficiency Services Ltd. has finalized the tender for 1600 electric buses in Delhi to be manufactured by Tata Motors. As per the recent news articles, Delhi Govt. has added 400 electric buses in Sept'2023, thereby, totalling to approx. 800 electric buses, which are now operational in Delhi.

4.91 Currently, the Petitioner has only 3 DTC-Depots with 14 MW load energized. 3 New DTC-Depots are to be energised by year 2023-end and 7 more DTC-Depots by FY 2024-25. Therefore, 25 MW load against new 3 DTC-Depots is proposed to be added in FY 2023-24 and around 50 MW load against 7 DTC-Depots is proposed to be added in FY 2024-25. Thus, the energy sales of 150 MU is proposed against load of DTC-Depots in FY 2024-25.

4.92 In non-DTC HT category, 6 EV connections of approx. 5 MW load are energized till date. There are approx. 1900 LT category connections with load of 35 MW. In Non-DTC category, considering huge initiatives/ promotion towards EV fleet and applications received by the Petitioner, growth rate of 10% is proposed in EV energy sales (MU), 25% for load (MW) and 20% for number of consumers (applications).

4.93 Total EV energy sales projected for FY 2024-25 is as shown in Table below:

Table 4- 37: Energy sales, number of consumers and sanctioned load Forecast for E-Vehicles (MU) for FY 2024-25

Particulars	E-Rickshaw/E-Vehicle	Energy sales (MU)	Sanctioned Load (MW)	No of consumers
Non-DTC	Supply at LT	46	93	3,019
	Supply at HT	5	11	17
DTC	Supply at LT	-	-	-
	Supply at HT	150	86	13
Total		**201**	**190**	**3,049**

Particulars	Units	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	25	48	201
YOY % change	*%*		*89.70%*	*104.22%*
No. of Consumers	No.	1,187	1,548	3,049
YOY % change	*%*		*30.41%*	*40.34%*
Sanctioned Load	MW	18	27	190
YOY % change	*%*		*51.10%*	*165.74%*

10. Others

4.94 The actual energy sales under others in FY 2022-23 is 191 MU. Since there is no specific trend in consumption under this category, the energy sales under this category for FY 2024-25 have been projected equal to 181 MU as tabulated below:

Table 4- 38: Energy sales Forecast for Others Supply for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023 (Actual)	FY 2025 (Projected)
Energy sales	MU	177	191	181

11. Own-Consumption

4.95 The energy sales under this category for FY 2024-25 hasbeen considered as 0.25 % of the total estimated energy sales as per Regulation 23 (2) of the Business Plan Regulation, 2023.

Table 4- 39: Energy sales, number of consumers and sanctioned load Forecast for Own Consumption (MU) for FY 2024-25

Particulars	UOM	FY 2022 (Actual)	FY 2023	FY 2025
Energy sales	MU	16	23	35
No. of Consumers	No.	691	803	803
Sanctioned Load	MW	12	12	12

4.96 Regulation 23(2) and (3) Business Plan Regulations, 2023 provides as follows:

> *"(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including E-vehicle charging stations installed at*

Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:
(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year." ***[Emphasis supplied]***

4.97 It is however submitted that for faster adoption of e-vehicles the above provision should be increased to at least 0.30% as with higher adoption of e-vehicles the above limit shall not be enough which will act as a disincentive for the Petitioner thus affecting sustainability goals. Hence, the Hon'ble Commission is requested to review the norms for own consumption.

4.98 It is pertinent to note that the energy sales projected above is exclusive of consumption of various consumers under Open Access. Based on the consumer category wise analysis discussed above, the energy sales forecast for FY 2024-25is tabulated below:

Table 4- 40: Energy sales Forecast for FY 2024-25 (MU)

S. No.	Particulars	Energy sales (MU)
		FY 2025
1	Domestic	9,151.7
2	Non Domestic	3,198.6
3	Industrial	567.8
4	Agriculture & Mushroom cultivation	25.6
4.1	*Agriculture*	*24.9*
4.2	*Mushroom Cultivation*	*0.7*
5	Public utilities	695.4
5.1	*Public Lighting*	*123.2*
5.2	*DJB*	*243.1*
5.3	*DMRC*	*329.0*
6	DIAL	55.0
7	Advertisement/Hoarding	0.9
8	E-Rickshaw/E-Vehicle	201.2
9	Others	181.5
10	Own Consumption	35.3
	Total	**14,112.9**

Estimated Consumers and Sanctioned Load for FY 2024-25

4.99 As already discussed in the above paragraphs, the Projected number of consumers and connected load and energy energy sales during FY 2024-25 is tabulated below:

Table 4- 41: Projected number of consumers, sanctioned load and energy sales for FY 2024-25

S. No.	Particulars	Sanctioned Load (MW)	Consumers (No.)	Energy sales (MU)
1	Domestic	7,142.9	28,33,392.0	9,151.7
1.1	*Domestic*	*7,026.0*	*28,29,680.0*	*8,903.0*
1.2	*CGHS*	*81.6*	*182.0*	*198.1*
1.3	*DVB Staff*	*13.0*	*3,509.0*	*16.6*
1.4	*11 KV (Hospitals)*	*20.0*	*15.0*	*31.3*
1.5	*11 KV (Worship)*	*2.3*	*6.0*	*2.8*
2	Non Domestic	2,579.1	3,68,476.0	3,198.6
3	Industrial	283.0	5,413.0	567.8
4	Agriculture & Mushroom cultivation	36.3	6,734.0	25.6
4.1	*Agriculture*	*35.8*	*6,695.0*	*24.9*
4.2	*Mushroom*	*0.4*	*39.0*	*0.7*
5	Public utilities	329.9	12,108.0	695.4
5.1	*Public Lighting*	*53.7*	*7,534.0*	*123.2*
5.2	*DJB*	*130.7*	*4,565.0*	*243.1*
5.3	*DMRC*	*145.5*	*9.0*	*329.0*
6	DIAL	51.3	2.0	55.0
7	Advertisement/Hoarding	1.5	803.0	0.9
8	E-Rickshaw/E-Vehicle	190.1	3,049.0	201.2
9	Others	-	-	181.5
10	Own Consumption	12.1	803.0	35.3
	Total	**10,626.2**	**32,30,780.0**	**14,112.9**

4.100 The Petitioner requests the Hon'ble Commission to consider the above submissions for estimation of energy sales, connected load and number of consumers during FY 2024-25.

Revenue in FY 2024-25 at Existing Tariff

4.101 The methodology adopted for projection of Revenue from existing Tariff is as follows

a) Energy sales have been divided among sub-categories and slabs (wherever applicable) on monthly basis based on actuals of FY 2022-23.

b) Number of Consumers and Sanctioned Load (MW) for various sub-categories has been divided in the ratio of actual sanctioned load and actual number of consumers during FY 2022-23.

c) The fixed charges and energy charges as approved by the Hon'ble Commission in Tariff Order dated 30.09.2021 has been considered for calculation of revenue from existing tariff.

d) No revenue from PPAC has been considered during FY 2024-25 in terms of the Hon'ble Commission Orders dated 22.06.2023 and 21.07.2023.

e) For the sub-categories where the energy charges have been specified in ₹/kVAh, the Petitioner has considered actual monthly power factor as per actuals of FY 2022-23.

f) The above methodology in general has been utilised for estimation of revenue from existing tariff for all consumer categories.

Revenue estimated for FY 2024-25

4.102 The revenue estimated on account of energy sales to various consumer categories during FY 2024-25 is tabulated below:

Table 4- 42: Revenue estimated during FY 2024-25

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)
1	**Domestic**	**546.6**	**3,800.1**	**-**	**4,346.7**
1.1	Domestic Consumer	525.5	3,682.3	-	4,207.7
1.2	SPD supply for GHS (CGHS)	14.7	86.5	-	101.2
1.3	Worship / Hospital	6.1	26.4	-	32.5
1.4	DVB Staff	0.3	5.0	-	5.3
2	**Non-Domestic**	**784.1**	**2,714.4**	**16.6**	**3,515.1**

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)
2.1	Non-Domestic LT (up to 3KVA)	119.6	235.0	0.0	354.7
2.2	Non-Domestic LT (above 3KVA)	437.8	1,505.3	10.0	1,953.1
2.3	Non-Domestic HT	226.7	974.1	6.6	1,207.4
3	**Industrial**	**83.6**	**447.5**	**3.0**	**534.0**
3.1	Industrial LT	57.1	273.7	2.4	333.2
3.2	Industrial HT	26.5	173.8	0.5	200.9
4	**Agriculture**	**5.3**	**3.7**	**-**	**9.0**
5	**Mushroom Cultivation**	**0.1**	**0.2**	**-**	**0.3**
6	**Public Utilities**	**97.0**	**451.4**	**0.9**	**549.2**
6.1	Delhi Metro Rail Corporation	43.8	197.6	1.4	242.8
6.2	Delhi Jal Board	37.8	168.6	(0.7)	205.7
6.3	Public Lighting	15.4	85.2	0.2	100.7
7	**Delhi International Airport Limited**	**15.4**	**41.1**	**0.0**	**56.5**
8	**EV Charging**	**-**	**80.9**	**1.7**	**82.6**
9	**Advertisement & Hoardings**	**0.4**	**-**	**-**	**0.4**
10	**Others**	**25.0**	**189.7**	**0.2**	**214.9**
11	**Total**	**1,557.5**	**7,729.0**	**22.3**	**9,308.9**
	Revenue Realised @ 99.5% Collection Efficiency				**9,262.3**

Distribution Loss and Collection Efficiency Target

4.103 Regulation25 (1) of the Business Plan Regulations, 2023 specifies the Distribution Loss Target from FY 2023-24 to FY 2025-26 as under:

*"**25. TARGET FOR DISTRIBUTION LOSS***
(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Table 13: Target for Distribution Loss for the Control Period

S. No	*Distribution Licensee*	*FY 2023-24*	*FY 2024-25*	*FY 2025-26*
1	*BSES Rajdhani Power Limited*	***7.30%***	***7.14%***	***6.96%***
2	*BSES Yamuna Power Limited*	*7.72%*	*7.54%*	*7.33%*
3	*Tata Power Delhi distribution Limited*	*6.91%*	*6.83%*	*6.74%*
4	*New Delhi Municipal Council*	*7.72%*	*7.54%*	*7.33%*

"

4.104 Regulation26 (1) of the Business Plan Regulations, 2023 specifies targets for Collection Efficiency from FY 2023-24 to FY 2025-26 of 99.80%. Since there is no penalty for Collection Efficiency in range of 99.50% to 99.80%, the Petitioner has considered the collection efficiency of 99.50%.

4.105 Based on energy sales projected for FY 2024-25 and Distribution loss as specified for FY 2024-25 in the Business Plan Regulations, 2023, the energy requirement has been estimated as tabulated below:

Table 4- 43: Energy Requirement for FY 2024-25

S. No.	Category	UOM	FY 2024-25	Remarks
A	Energy Energy sales	MU	14,112.9	Table 4- 41
B	Distribution Loss	%	7.14%	Para 4.103
C	Energy Requirement	MU	15,198.0	C = A/(1-B)
D	Distribution Loss	MU	1,085.1	D = C-A

Power Purchase

4.106 The Petitioner sources its power requirement through mix of long term and short-term sources to meet the demand in its licensed area. The power procured under long term PPAs from thermal, hydro and Renewable power plants forms the bulk of the power purchase by the Petitioner.

4.107 The power procurement through Long term sources include Central Generating Stations which are owned by Central Government, State Generating Stations which are owned by State Government, IPP and JVs. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Banking, Power Exchange and other sources. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Hon'ble Commission.

4.108 The forecast of Power Availability has been done based on existing long-term sources and from new sources for which the Petitioner has entered into the PPAs and which are expected to be commercially operational during FY 2024-25. The Petitioner has also considered solar energy available from the existing Rooftop sources as well as forecasted to be installed in the Petitioner's licensed area.

4.109 The energy from various existing and upcoming generating stations has been estimated by applying Merit Order Dispatch Scheduling principle in the following manner:

i. NCTPS (Dadri – I)

- Since 30.11.2020, the Petitioner is not considering the Dadri-I Station of NTPC, as part of its power purchase costs after expiry of the PPA. However, NTPC took a contrary stand and continued to raise bills for fixed charges towards Dadri-I. Petitioner approached CERC against the actions of NTPC and NRLDC. CERC by Order dated July 01, 2021 allowed all issues, however directed the Petitioner to approach the MoP for Regulation 17(2) to come into effect.
- The aforesaid direction of the CERC was challenged by the Petitioner before the Hon'ble Tribunal. Further, Hon'ble Tribunal on 08.02.2022, pronounced the final Judgment in favour of the Petitioner, thereby setting aside the CERC Order dated July 01, 2021. In the said judgment, Hon'ble Tribunal directed NTPC to not raise any invoices with respect to any charges qua Dadri – I Station

w.e.f. 01.12.2020 and immediately refund the payment made by the Appellants (the Petitioner herein) under protest along with interest as specified in the PPA/ SPPA. Contrary to the above direction, NTPC on 26.02.2022 has challenged the Hon'ble Tribunal's Judgment dated 08.02.2022 before Hon'ble Supreme Court, and the same is sub-judice.

- Subject to the outcome of the aforesaid proceedings pending before various fora, the Petitioner reserves its rights to make further submissions and file appropriate intimation/information/ pleadings in this regard if there are any developments on this issue in the near future, which may have bearing on the power purchase costs of the Petitioner for FY 2024-25.

ii. BTPS:

- No procurement has been considered due to phasing out of plant.

iii. **All other NTPC Stations, Sasan, NPCIL, DVC and SGS stations.**

- No Power has been scheduled from Anta, Auraiya and Dadri Gas Power Stations following Merit Order principle.
- Purchase from Dadri TPS-II has been limited to generation on technical minimum of 55% PLF.
- Energy has been projected considering actual generation of remaining each generating stations during the last financial year FY 2022-23.
- Allocation of various generating stations is considered as per last Tariff Order dated 30.09.2021 issued by the Hon'ble Commission for FY 2021-22.

- The power availability from thermal generating stations viz NTPC stations, Sasan, DVC, Jhajjar, etc. other than SGS, has been considered by applying Merit Order Dispatch (MOD) Scheduling principles and based on the actual generation during FY 2022-23 considering the allocation as specified by the Hon'ble Commission.
- Regarding GT Station, the Petitioner reserves its rights to make submissions and file appropriate intimation/information/ pleadings in this regard if there are any developments on this issue in the near future, which may have bearing on the power purchase costs of the Petitioner for FY 2024-25.

iv. NHPC & other Hydro Stations:

- The power availability has been estimated as per actual generation during the last financial year FY 2022-23.
- Allocation of various generating stations is considered as per the last Tariff Order dated 30.09.2021 issue by the Hon'ble Commission for FY 2021-22.

v. Renewable Energy (RE) Sources:

- For existing Renewable Energy (RE) sources, availability is projected based on actual generation during FY 2022-23.
- Energy availability from most of the Renewable Energy Sources like Avikiran Solar, Kabini and Srijan has been projected considering capacity utilisation factor of 24% for Solar Plants and 34% for Wind Plants and the Petitioner's allocation fromsuch sources.
- Energy available for Timarpur Okhla Waste Management Company Private Ltd. has been considered as per PPA.

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vi. New Generating Stations:

- The new stations which are expected to be commissioned during FY 2024-25 are Parbati-II (COD- June'24), Tehri PSP (COD-Sep'24) & SECI Hybrid (COD-Dec'24) as provided in the CEA Report and available information.
- The Power availability from Parbati-II and Tehri PSP has been considered based on the PPA quantum.
- Power availability from SECI Hybrid (110 MW) is projected considering capacity utilisation factor of 24% for Solar Plants and 34% for Wind Plants.
- As directed by the Hon'ble Commission, the Petitioner is in process of filling a Petition considering its proposal for 300 MW medium term power procurement, seeking in principle approval. The Petitioner reserves its rights to make further submissions and file appropriate intimation/information/ pleadings in this regard if there are any developments on this issue in the near future, which may have bearing on the power purchase costs of the Petitioner for FY 2024-25.

4.110 Based on the above, the estimated energy available from various long term sources during FY 2024-25 is tabulated below:

Table 4- 44: Energy available for FY 2024-25

S. No.	Particulars	Installed Capacity	BRPL Share (Installed Capacity)		Energy Available (ex-Bus)
		MW	%	MW	MU
I	Existing Sources				

S. No.	Particulars	Installed Capacity	BRPL Share (Installed Capacity)		Energy Available (ex-Bus)
		MW	%	MW	MU
A	**NTPC Ltd.**				
1	Anta Gas Power Project	419.3	4.6%	19.3	0.0
2	Auraiya Gas Power Station	663.4	4.8%	31.6	0.0
3	Badarpur Thermal Power Station	705.0		0.0	0.0
4	Dadri Gas Power Station	829.8	4.8%	39.9	0.0
5	Feroze Gandhi Unchahar TPS 1	420.0	2.5%	10.5	49.0
6	Feroze Gandhi Unchahar TPS 2	420.0	4.9%	20.6	123.7
7	Feroze Gandhi Unchahar TPS 3	210.0	6.1%	12.7	84.9
8	Farakka STPS	1600.0	0.6%	9.8	53.4
9	Kahalgaon Thermal Power Station 1	840.0	2.7%	22.4	135.8
10	National Capital Thermal Power Station	840.0	0.0%	0.0	0.0
11	Rihand Thermal Power Station 1	1000.0	6.9%	69.3	465.7
12	Rihand Thermal Power Station 2	1000.0	5.5%	55.3	439.4
13	Singrauli STPS	2000.0	1.5%	29.6	207.2
14	Kahalgaon Thermal Power Station 2	1500.0	4.6%	69.1	462.8
15	Dadri TPS-II	980.0	55.4%	542.8	2322.9
16	Rihand Thermal Power Station 3	1000.0	7.8%	78.2	580.9
	Sub Total	**14427.5**		**1011.3**	**4925.7**
B	**NHPC Ltd.**				
1	Bairasiul	180.0	4.8%	8.7	29.4
2	Salal	690.0	8.7%	59.8	265.8
3	Chamera I	540.0	3.5%	18.7	63.9
4	Tanakpur	94.0	5.6%	5.3	23.3
5	Uri	480.0	4.8%	23.3	129.6
6	Dhauliganga	280.0	5.8%	16.2	73.6
7	Chamera - II	300.0	5.9%	17.6	76.6
8	Dulhasti	390.0	5.6%	22.0	113.2
9	SEWA-II	120.0	5.9%	7.0	30.0
10	Chamera - III	231.0	5.6%	12.9	55.4
11	Uri II	240.0	5.9%	14.2	89.1
12	Parbati-III	520.0	5.6%	29.1	35.2
	Sub Total	**4065.0**		**234.8**	**985.1**
C	**Nuclear Power Corp. of India Ltd.**				
1	Nuclear Power Corp. of India Ltd. Narora	440.0	7.4%	32.6	212.8
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	440.0	5.6%	24.5	179.9
	Sub Total	**880.0**		**57.1**	**392.7**
D	**Satluj Jal Vidyut Nigam Ltd.**				
1	Nathpa Jhakri	1500.0	4.2%	62.4	290.7
	Sub Total	**1500.0**		**62.4**	**290.7**
E	**Tehri Hydro Development Corp. Ltd.**				

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S. No.	Particulars	Installed Capacity	BRPL Share (Installed Capacity)		Energy Available (ex-Bus)
		MW	%	MW	MU
1	Tehri	1000.0	4.4%	43.7	142.2
2	Koteshwar	400.0	6.8%	27.3	83.4
	Sub Total	**1400.0**		**71.0**	**225.7**
F	**PTC**				
1	Tala	1020.0	1.3%	13.2	30.7
2	Tuticorin	50.0	100.0%	50.0	141.7
	Sub Total	**1070.0**		**63.2**	**172.3**
G	**Damodar Valley Corporation**				
1	Mejia Unit 6	250.0	17.6%	43.9	256.4
2	CTPS Units 7 & 8	500.0	26.4%	131.8	805.4
	Sub Total	**750.0**		**175.7**	**1061.8**
H	**Power stations in Delhi**				
1	Indraprastha Power Generation Co.Ltd. RPH	135.0	0.0%	0.0	0.0
2	Indraprastha Power Generation Co.Ltd. GT	90.0	41.5%	37.4	113.5
3	Pragati Power Corp.Ltd. Pragati I	330.0	28.3%	93.4	243.5
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	1371.0	31.1%	426.9	831.3
5	Timarpur Okhla Waste Management Company Private Ltd.	23.0	34.8%	8.0	60.0
6	Thyagraj Solar	1.0	100.0%	1.0	1.0
7	Net Metering	0.0	0.0%	0.0	147.0
8	Delhi MSW Solution Limited	24.0	41.8%	10.0	57.7
9	Tehkhand-Okhla	25.0	41.7%	10.4	66.0
	Sub Total	**1999.0**		**587.1**	**1520.0**
I	**Aravali Power Corporation Ltd.**				
1	Jhajjar	1500.0	0.7%	10.0	37.9
	Sub Total	**1500.0**		**10.0**	**37.9**
J	**UMPP**				
1	Sasan	3960.0	1.7%	66.1	460.6
	Sub Total	**3960.0**		**66.1**	**460.6**
K	**SECI**				
1	ACME - SECI	20.0	100.0%	20.0	44.0
2	SECI-Eden	300.0	83.3%	250.0	633.9
3	SECI-Azure	300.0	33.3%	100.0	218.6
4	SECI-Avikiran solar	210.0	100.0%	210.0	440.4
5	Wind-Alfanar-SECI	300.0	50.0%	150.0	415.0
6	Wind SITEC (Kabini)	300.0	33.3%	100.0	282.9

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S. No.	Particulars	Installed Capacity	BRPL Share (Installed Capacity)		Energy Available (ex-Bus)
		MW	%	MW	MU
7	Wind - Srijan (Morjar Windfarms)	150.0	33.3%	50.0	148.5
	Sub Total	**1580.0**		**880.0**	**2183.4**
L	**New Sources**				
1	NHPC-Parbati-II	800.0		29.0	84.8
2	Tehri PSP	1000.0		154.0	426.9
3	SECI Hybrid tranche-3	1110.0		110.0	87.5
4	Medium Term Tender			300.0	1428.1
	Sub Total	**2910.0**		**593.0**	**2027.2**
M	**Total**	**36041.5**		**3811.6**	**14300.4**

Power Purchase Cost

4.111 The Petitioner has estimated the power purchase cost corresponding to the quantum from power plants as listed above in the following manner:

i. Central Generating Stations:

- Annual fixed Charges (AFC) have been considered as per the Tariff Orders issued by Hon'ble CERC for FY 2023-24. In case, of non-issuance of Tariff Orders of any Central Generating Stations, AFC is considered as per the Petitions filed by respective Central Generating station before Hon'ble CERC. Additionally impact of emission control system is been considered in the AFC.
- Variable Costs considered as per average Energy Charge Rate (ECR) billed during YOM (Apr'23 to Aug'23) of FY 2023-24 along with impact of emission control system.
- Water Cess is considered as Other Charges for Hydro Stations.

ii. State Generating Stations:

- Annual fixed Charges (AFC) has been considered as per latest

Tariff Petition filed by respective generating stations for FY 2023-24 before Hon'ble Commission.

- Variable Costs considered as per average Energy Charge Rate (ECR) billed during YOM (Apr'23 to Aug'23) of FY 2023-24.

iii. RE Sources:

- The cost of procurement from, SECI Solar, SECI Wind and Non Solar Generating plants have been considered as per the PPAs/ PSAs signed and/or billed, as the case may be.

iv. New Stations:

- The cost of procurement from Parbati-II and SECI Hybrid is considered as per the PPAs/PSAs.
- The rate of peak power available from Tehri PSP at Delhi Periphery is expected in the range of ₹ 9.50 per kWh (considering net purchase after conversion). The detailed calculation regarding such cost is already submitted to the Hon'ble Commission vide letter dated 27.02.2012.

v. Arrears

- Majority of Central Generating station have filed their respective True up Petitions for FY 2014-19 and ARR of FY 2019-24 before the Hon'ble CERC. Tariff Orders by the Hon'ble CERC and Hon'ble Commission for some of the Generating stations are expected to be pronounced for the appropriate Central and State Utilities, which may have substantial impact on the Power Purchase cost for FY 2024-25. Accordingly, a conservative amount of ₹ 325.0 Cr. has been considered as part of Power purchase cost for FY 2024-25 on

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account of arrears.

- The Petitioner requests the Hon'ble Commission to kindly consider the estimated arrears in power purchase cost while approving the ARR for FY 2024-25. Further, all variations in the power purchase cost projected in the ARR for FY 2024-25 and actuals shall be allowed to be recovered through monthly PPAC in terms of the 2003 Act and the Tariff Policy as well as Electricity Amendment Rules notified by the Ministry of Power under 2003 Act.

4.112 Accordingly, the power purchase cost as proposed for various stations during FY 2024-25 is tabulated below:

Table 4- 45: Power Purchase Cost proposed for FY 2024-25 (in ₹ Cr.)

S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Total PPC (₹/ kWh)
I	**Existing Sources**						
A	**NTPC Ltd.**						
1	Anta Gas Power Project	-	8.8	-		8.8	-
2	Auraiya Gas Power Station	-	19.1	-		19.1	-
3	Badarpur Thermal Power Station	-	-	-		-	-
4	Dadri Gas Power Station	-	15.3	-		15.3	-
5	Feroze Gandhi Unchahar TPS 1	49.0	9.2	24.5	-	33.6	6.86
6	Feroze Gandhi Unchahar TPS 2	123.7	18.8	45.2	-	63.9	5.17
7	Feroze Gandhi Unchahar TPS 3	84.9	12.6	42.4	-	55.0	6.48
8	Farakka STPS	53.4	7.6	17.8	-	25.4	4.75
9	Kahalgaon Thermal Power Station 1	135.8	20.0	44.7	-	64.7	4.77
11	Rihand Thermal Power Station 1	465.7	48.1	74.7	-	122.8	2.64
12	Rihand Thermal Power Station 2	439.4	35.0	72.9	-	107.9	2.45
13	Singrauli STPS	207.2	19.3	33.0	-	52.3	2.52
14	Kahalgaon Thermal Power Station 2	462.8	52.4	142.7	-	195.1	4.22
15	Dadri TPS-II	2,322.9	515.8	1,147.6	-	1,663.5	7.16
16	Rihand Thermal Power	580.9	88.7	95.5	-	184.2	3.17

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S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Total PPC (₹/ kWh)
	Station 3						
	Sub Total	**4,925.7**	**884.8**	**1,741.0**	**-**	**2,625.8**	**5.33**
B	**NHPC Ltd.**						
1	Bairasiul	29.4	4.3	3.3	-	7.6	2.59
2	Salal	265.8	18.1	20.7	29.8	68.5	2.58
3	Chamera I	63.9	5.7	7.3	-	13.0	2.03
4	Tanakpur	23.3	4.3	5.8	0.9	11.0	4.72
5	Uri	129.6	10.4	11.0	6.1	27.5	2.12
6	Dhauliganga	73.6	7.3	9.4	1.0	17.8	2.42
7	Chamera - II	76.6	8.9	7.7	-	16.6	2.17
8	Dulhasti	113.2	21.8	26.4	5.6	53.7	4.75
9	SEWA-II	30.0	7.1	7.9	0.5	15.6	5.20
10	Chamera - III	55.4	11.1	11.4	-	22.5	4.06
11	Uri II	89.1	12.5	19.0	7.8	39.4	4.42
12	Parbati-III	35.2	12.6	5.4	-	18.0	5.13
	Sub Total	**985.1**	**124.2**	**135.2**	**51.9**	**311.3**	**3.16**
C	**Nuclear Power Corp. of India Ltd.**						
1	Nuclear Power Corp. of India Ltd. Narora	212.8	-	63.6	-	63.6	2.99
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	179.9	-	70.5	-	70.5	3.92
	Sub Total	**392.7**	**-**	**134.0**	**-**	**134.0**	**3.41**
D	**Satluj Jal Vidyut Nigam Ltd.**						
1	Nathpa Jhakri	290.7	28.8	35.0	-	63.8	2.19
	Sub Total	**290.7**	**28.8**	**35.0**	**-**	**63.8**	**2.19**
E	**Tehri Hydro Development Corp. Ltd.**						
1	Tehri	142.2	22.5	30.1	6.3	58.8	4.14
2	Koteshwar	83.4	18.9	22.9	3.7	45.5	5.45
	Sub Total	**225.7**	**41.3**	**53.0**	**10.0**	**104.3**	**4.62**
F	**PTC**						
1	Tala	30.7	-	7.0	-	7.0	2.27
2	Tuticorin	141.7	-	50.0	-	50.0	3.53
	Sub Total	**172.3**	**-**	**57.0**	**-**	**57.0**	**3.31**
G	**Damodar Valley Corporation**						
1	Mejia Unit 6	256.4	41.1	95.7	-	136.8	5.34
2	CTPS Units 7 & 8	805.4	174.7	257.9	-	432.6	5.37

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S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Total PPC (₹/ kWh)
	Sub Total	**1,061.8**	**215.9**	**353.6**	**-**	**569.5**	**5.36**
H	**Power stations in Delhi**						
1	Indraprastha Power Generation Co.Ltd. GT	113.5	8.3	142.1	-	150.4	13.25
2	Pragati Power Corp.Ltd. Pragati I	243.5	70.3	242.4	-	312.6	12.84
3	Pragati Power Corp.Ltd. Pragati III (Bawana)	831.3	385.6	490.9	-	876.5	10.54
4	Timarpur Okhla Waste Management Company Private Ltd.	60.0	-	18.4	-	18.4	3.07
5	Thyagraj Solar	1.0	-	0.4	-	0.4	3.56
6	Net Metering	147.0	-	105.9	-	105.9	7.21
7	Delhi MSW Solution Limited	57.7	-	40.5	-	40.5	7.03
8	Tehkhand-Okhla	66.0	-	31.4	-	31.4	4.75
	Sub Total	**1,520.0**	**464.2**	**1,071.7**	**-**	**1,535.9**	**10.11**
I	**Aravali Power Corporation Ltd .**						
1	Jhajjar	37.9	12.2	17.8	-	30.0	7.92
	Sub Total	**37.9**	**12.2**	**17.8**	**-**	**30.0**	**7.92**
J	**UMPP**						
1	Sasan	460.6	7.3	59.2	-	66.4	1.44
	Sub Total	**460.6**	**7.3**	**59.2**	**-**	**66.4**	**1.44**
K	**SECI**						
1	ACME - SECI	44.0	-	24.2	-	24.2	5.50
2	SECI-Eden	633.9	-	169.3	-	169.3	2.67
3	SECI-Azure	218.6	-	58.8	-	58.8	2.69
4	SECI-Avikiran solar	440.4	-	107.5	-	107.5	2.44
5	Wind-Alfanar-SECI	415.0	-	104.6	-	104.6	2.52
6	Wind SITEC (Kabini)	282.9	-	80.4	-	80.4	2.84
7	Wind - Srijan (Morjar Windfarms)	148.5	-	42.9	-	42.9	2.89
	Sub Total	**2,183.4**	**-**	**587.6**	**-**	**587.6**	**2.69**
L	**New Sources**						
1	NHPC-Parbati-II	84.8	27.6	27.6	-	55.1	6.50
2	Tehri PSP	426.9	130.9	273.2	-	404.1	9.47
3	SECI Hybrid tranche-3	87.5	-	21.7	-	21.7	2.48
	Medium Term Tender	1,428.1	-	855.4	-	855.4	5.99
	Sub Total	**2,027.2**	**158.5**	**1,177.9**	**-**	**1,336.4**	**6.59**
M	**Arrears**		**325.0**	**-**	**-**	**325.0**	**-**

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S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Total PPC (₹/ kWh)
N	Total	14,300.4	2,262.1	5,433.4	61.9	7,757.4	5.42

Cost of Power from other sources (Short term power purchase)

4.113 The Petitioner requires short term power to meet the peak demand so as to ensure uninterruptable and quality supply of power to the consumers and also to comply with the directives issued by the Hon'ble Commission.

4.114 The Petitioner always attempts to dispose-off its surplus power in an economic manner. Given the seasonal and within a day variations in temperatures in Delhi, the demand for power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the Discoms like the Petitioner to prepare or arrange the power on slot-wise basis. Delhi has a huge variation between peak demand and lean demand. Such rampant fluctuations in demand necessitate the Petitioner to arrange for buffer power so as to ensure uninterruptable supply to Delhi Consumers. In order to cater to rising demand, the Petitioner has to arrange for power from long and short term sources.

4.115 The Petitioner has projected the energy requirement and energy availability from long term sources on monthly basis by applying MOD principles. The deficit thus observed has been considered to be met through short term purchases i.e. banking, exchange etc. as under:

Table 4- 46: Month-wise projection from short term power purchase (MU)

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Power Deficit	202.2	430.0	570.4	489.4	325.7	304.1	-	-	-	-	-	-	2321.7

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Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Power Surplus	-	-	-	-	-	-	55.7	92.5	118.7	58.1	200.1	322.2	847.3

4.116 The Petitioner has considered the aforesaid energy to be met through short term procurement from FY 2024-25. For the purpose of short term purchase cost, the average rate of ₹ 8.60/kWh has been considered in accordance with the actual average short term power purchase (Exchange)rate of BRPL of YOM (Apr'23 to Aug'23) . Accordingly, the short term power purchase cost for FY 2024-25 is tabulated below:

Table 4- 47: Short term power purchase for FY 2024-25

S.No.	Source	Energy Purchased (MU)	Cost per Unit (₹/unit)	Total Cost (₹ Cr.)
1	2	3	4	5=3x4
A	Short Term Purchase	2321.7	8.60	1995.7

Renewable Purchase Obligation (RPO)

4.117 Regulation-27 of the Business Plan Regulations, 2023 specifies the target for Renewable Purchase Obligation from FY 2023-24 to FY 2025-26 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2023-24 to FY 2025-26, shall be computed as a percentage of total sale of power to its retail consumers in its area of supply.

(2) The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ("REC") or purchase of Hydro Energy Certificates ("HEC") or combination of these and shall be as follows:

Table 14: Targets for Renewable Purchase Obligation

Sr. No.	RPO Targets for Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
1	Wind RPO	1.60%	2.46%	3.36%

Sr. No.	RPO Targets for Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
2	Other RPO	24.81%	26.37%	28.17%
3	HPO Target	0.66%	1.08%	1.48%
4	**Total RPO Target**	**27.07%**	**29.91%**	**33.01%**

(3) Wind RPO shall be met by Energy produced from Wind Power Projects (WPPs) commissioned after 31st March 2022 and the Wind Energy consumed over and above 7% from WPPs commissioned till 31st March 2022.

(4) HPO shall be met by Energy produced from Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned after 8th March 2019.

(5) Other RPO shall be met by Energy produced from any Renewable Energy Power Project not mentioned in 27 (3) & 27 (4) above and shall include Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned before 8th March 2019.

(6) Any shortfall remaining in achievement of 'Other RPO' category in a particular year shall be met with either the excess energy consumed from WPPs, commissioned after 31st March 2022 beyond 'Wind RPO' for that year or with excess energy consumed from eligible LHPs [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] , commissioned after 8th March 2019 beyond 'HPO' for that year or partly from both. Further, any shortfall in achievement of 'Wind RPO' in a particular year shall be met with excess energy consumed from Hydro Power Plants, which is in excess of `HPO' for that year and vice versa. ”

4.118 Accordingly, based on the aforementioned Regulation, the Petitioner is surplus in RPO shortfall for FY 2024-25.Details are as tabulated below:

Table 4- 48: Quantum on account of RPO

S.No.	Particulars	Other RPO	HPO	Wind RPO	Total	Remarks/Ref
A	Energy sales (MU)	14112.9				Table 4- 40
B	Target (%)	26.37%	1.08%	2.46%	29.91%	BPR, 2023
C	Target (MU)	3,721.6	152.4	347.2	4,221.2	C = A x B
D	Arrangement (MU)	3,661.9	511.7	467.4	4,641.0	Table 4- 53
E	Shortfall/(Surplus) (MU)	59.7	-	-	59.7	E = minimum of ‘0’ OR (C – D)
F	Margin available for sett-off(MU)	-	359.2	120.3	479.5	F = minimum of ‘0’ OR (D – C)
G	RPO Surplus (MU)	-	-	-	419.8	Regulation-27 of the BPR, 2023

4.119 It is respectfully submitted that in the previous years, the Petitioner has endeavoured to comply with the RPO targets, however due to practical difficulties and/or reasons beyond its control, it could not fully comply with the same and therefore have sought waiver/ deferment of the targets by the Hon'ble Commission. Without prejudice to the pending proceedings before various fora and in view of the fact that the Petitioner anticipate to overachieve its RPO targets during FY 2024-25, the Petitioner vide Letter No. RA/2022-23/01/A/593 dated 06.03.2023 has requested the Hon'ble Commission to allow adjustment of the surplus RE power after meeting the targets for control period from FY 2023-24 to FY 2025-26 with the RE shortfall of previous years on FIFO basis. Hence, the Petitioner requests the Hon'ble Commission to issue appropriate directions for adjustment of RE surplus with the past deficit on FIFO basis in accordance with the Hon'ble Commission Order dated 18.09.2019. For instance, Bihar Electricity Regulatory Commission in its Tariff Order dated 26.03.2021, has directed the Bihar Discoms to carry forward the short-fall of RPO of FY 2019-20 into FY 2020-21. Similarly, Punjab Regulatory Commission vide Order dated 13.10.2021 has allowed the PSPCL's prayer to carry forward the surplus after compliance of RPO of FY 2020-21 to FY 2021-22. Hence, the Petitioner requests the Hon'ble Commission to issue appropriate directions for adjustment of RE surplus with the past deficit on FIFO basis similar to the other State Commission.

Transmission Loss and Transmission Charges

4.120 The following assumptions are made for determination of Transmission Charges and Losses:

4.121 Transmission Losses:

- Intra-State: The Intra-State Transmission Loss during FY 2024-25 has been considered @ 0.88% (based on DTL losses for FY 2022-23).
- Inter-State: The Inter-State Transmission Loss during FY 2024-25 has been considered @ 3.57% (based on NLDC's applicable transmission losses data for FY 2022-23).

4.122 Transmission Charges: The total transmission cost considered for FY 2024-25 is ₹ 1626.8 Cr. For estimation of total transmission charges for FY 2024-25, the following escalation rates has been considered over the actual charges of FY 2022-23:

- 16% annual escalation has been considered over actual interstate transmission charges of the Petitioner for FY 2022-23. Such escalation is based on the capex by Central Transmission Utility. Additionally, from 01.10.2023, the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 are also applicable and transmission charges are expected to go up further.
- 9.50% annual escalation has been considered on actual intrastate transmission charges of the Petitioner for FY 2022-23. Such escalation is based on increase in transmission charges claimed by DTL for FY 2023-24 (DTL ARR Petition for FY 2023-24) in

comparison to transmission charges claimed by DTL for FY 2022-23 (DTL ARR Petition for FY 2022-23).

4.123 Accordingly, the Intra-State and Inter-State Transmission losses and Charges projected for FY 2024-25 is tabulated below:

Table 4- 49: Transmission Loss and Transmission Charges projected for FY 2024-25

S. No	Particulars	FY 2024-25
Ii	Inter -State Generating Stations (MU)	12780.4
Ii	Inter State Transmission Losses (%)	3.57%
iii	**Inter State Transmission Losses (MU)**	**456.3**
Iv	State Generating Stations (MU) (other than net metering)	1373.0
V	Intra State Transmission Losses (%)	0.88%
Vi	**Intra State Transmission Losses (MU)**	**120.5**
A	**Total Transmission losses (MU)**	**576.8**
B	**Transmission Charges (₹ Cr.)**	**1626.8**

Energy Balance

4.124 Based on the above submissions, the energy balance during FY 2024-25 is tabulated below:

Table 4- 50: Energy Balance projected for FY 2024-25 (MU)

S. No.	Particulars	Quantity (MU)	Reference
A	**Energy Availability**		
1	Power Purchase @Exbus-FIRM	14153.4	Table 4- 44 minus availability from net metering
2	Inter-State Losses	456.3	Table 4- 49
3	Power Available at Delhi Periphery	13697.1	**3 = 1 - 2**
4	Intra-state Loss	120.5	Table 4- 49
5	Power Available to the Petitioner	13576.6	**5 = 3 - 4**
6	Net Metering	147.0	H7 of Table 4- 44
7	ST Purchase to be met at Petitioner Periphery	2321.7	Table 4- 47
8	**Total Available at Distribution Periphery**	**16045.3**	**8 = 5 + 6 + 7**
B	**Energy Requirement**		
9	Energy sales	14112.9	Table 4- 40
10	Distribution Loss	7.14%	Para 4.103

S. No.	Particulars	Quantity (MU)	Reference
11	Energy Requirement at Distribution Periphery	15198.0	11 = 9/(1-10)
C	Total Sale of Surplus Power	847.3	C = 8 - 11

Sale of surplus power

4.125 The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2024-25. For the purpose of short term sale, the average rate of ₹3.83/kWh has been considered in accordance with the actual average short term power purchase (Exchange)rate of BRPL billed during YOM (Apr'23 to Aug'23) of FY 2023-24. Accordingly, the estimated short term sale for FY 2024-25 is tabulated below:

Table 4- 51: Revenue from sale of surplus power during FY 2024-25

S.No	Source	Energy sold (MU)	Cost per Unit (₹/unit)	Total revenue (₹Cr.)
1	2	3	4	5=3x4
A	Short Term Sale	847.3	3.83	324.1

Rebate on Power Purchase and Transmission Charges

4.126 The Petitioner submits that the actual rebate to be availed in FY 2024-25 depends on the tariff determined by the Hon'ble Commission, RA recovery allowed and consequent available cash with the Petitioner.

4.127 The concept of normative rebate is based on assumptions that the system is perfect and business as usual as under:

i. There is no creation of Regulatory Asset;

ii. Various Tribunal's judgments are yet to be given effect to by the Hon'ble Commission entitling cash flow to the Petitioner;

iii. There is no major variation in power purchase cost.

In fact, to the best of the knowledge of the Petitioner, in no other State any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

4.128 Additionally, the Petitioner also has to pay LPSC to the generators, which is not allowed by the Hon'ble Commission in the ARR of the Petitioner.

4.129 Without prejudice to the above, the Petitioner has estimated normative rebate on power purchase and Transmission Charges during FY 2024-25 as tabulated below:

Table 4- 52: Rebate during FY 2024-25 (in ₹ Cr.)

S. No	Particulars	Rebate (₹ Cr.)
1	2	3
A	Total Rebate	119.7

Total Power Purchase Cost:

4.130 The total power purchase cost during FY 2024-25 is tabulated below:

Table 4- 53: Total Power Purchase Cost during FY 2024-25

S.No.	Plant	MU	FC (₹ Cr.)	VC (₹ Cr.)	Water Cess (₹ Cr.)	TC (₹ Cr.)	TC (₹/kWh)
1	NTPC	4925.7	884.8	1741.0	-	2625.8	5.33
2	APCPL	37.9	12.2	17.8	-	30.0	7.92
3	NPCIL	392.7	0.0	134.0	-	134.0	3.41
4	DVC	1061.8	215.9	353.6	-	569.5	5.36
5	SGS (excluding RE)	1188.3	464.2	875.3	-	1339.5	11.27
6	Net Metering	147.0	0.0	105.8	-	105.8	7.20
7	SASAN	460.6	7.3	59.2	-	66.4	1.44
8	Renewable Purchase:						
-	*NHPC - excluding Bairasuil (included in other RPO)*	*985.1*	*124.2*	*135.2*	*51.9*	*311.3*	*3.16*
-	*SJVNL (included in other RPO)*	*290.7*	*28.8*	*35.0*	-	*63.8*	*2.19*
-	*THDC (included in other RPO)*	*225.7*	*41.3*	*53.0*	*10.0*	*104.3*	*4.62*
-	*TALA (included in other RPO)*	*30.7*	*0.0*	*7.0*	-	*7.0*	*2.27*

S.No.	Plant	MU	FC (₹ Cr.)	VC (₹ Cr.)	Water Cess (₹ Cr.)	TC (₹ Cr.)	TC (₹/kWh)
-	*Other RPO*	*2129.7*	*0.0*	*617.7*	-	*617.7*	*2.90*
-	*HPO*	*511.7*	*158.5*	*300.8*	-	*459.3*	*8.98*
-	*Wind RPO (including storage)*	*467.4*	*0.0*	*132.2*	-	*132.2*	*2.83*
	Total RPO	**4641.0**	**352.8**	**1280.8**	**61.9**	**1695.5**	**3.65**
9	Medium Term Tender	1445.4	0.0	865.8	-	865.8	5.99
10	Arrears		325.0			325.0	
11	**Total Long term**	**14300.4**	**2262.1**	**5433.4**	**61.9**	**7757.4**	**5.42**
12	ST Purchase	2321.7	-	1995.7	-	1995.7	8.60
13	ST Sale	847.3	-	324.1	-	324.1	3.83
14	Transmission Loss/Charges	-576.8	1626.8	-	-	1626.8	
15	Rebate	-	-	-	-	119.7	-
16	**Net Power Purchase Cost**	**15198.0**	**3888.9**	**7104.9**	**61.9**	**10936.0**	**7.20**

4.131 The Petitioner requests the Hon'ble Commission to allow the power purchase cost of ₹ 10936.0 Cr. during FY 2024-25 as estimated by the Petitioner in the above table. Further, any variation (approved vs. actual) in total Power Purchase cost during FY 2024-25 is requested to be allowed through Power Purchase cost adjustment charges (PPAC) as prayed for.

Re-allocation of Power Stations

4.132 Regulation 121 (4) of Tariff Regulations, 2017 provides forreassigning the allocation of power as follows:

> *" 4) 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."*

4.133 In order to balance the gap between costs and revenue of the Petitioner and to make level playing field across the DISCOMs, the Petitioner requests the

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Hon'ble Commission to continue allocation of higher quantum from cheaper stations to the Petitioner and decrease allocation from costly stations.

4.134 The Petitioner vide its Letter No. RA/2023-24/01/A/329 dated 10.10.2023 has requested the Hon'ble Commission to reallocate additional 174 MW of power from long term Power Purchase Agreements (PPAs) of Sasan, SJVNL, Rihand and NHPC Stations (Chamera I & II & URI I) to the Petitioner due to end of useful life of Dadri-I (840 MW) Power Station and other affecting factors.

4.135 Accordingly, the Petitioner requests the Hon'ble Commission to reallocate additional 174 MW to the Petitioner.

Operation and Maintenance (O&M) Expenses

4.136 As mentioned earlier, subject to pendency / outcome of the Writ Petition No. 6618 of 2023 before the Hon'ble High Court of Delhi, the Petitioner in this ARR Petition has submitted its claims of O&M expenses both in terms of the norms and parameters laid down under the Business Plan, Regulations, 2019 and also under the Business Plan Regulations, 2023.

A. Normative O&M Expenses as per Business Plan Regulations, 2019 (BPR, 2019)

4.137 Regulation – 23 of Business Plan Regulation, 2019 provides as under:

*"**23. Operation and Maintenance Expenses***

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for BRPL for the Control Period

Particulars	*Unit*	*2020-21*	*2021-22*	*2022-23*
66 kV Line	*Rs. Lakh/ Ckt. Km*	*3.855*	*4.002*	***4.156***

Particulars	Unit	2020-21	2021-22	2022-23
33 kV Line	Rs. Lakh/ Ckt. Km	3.855	4.002	**4.156**
11 kV Line	Rs. Lakh/ Ckt. Km	1.150	1.194	**1.239**
LT lines system	Rs. Lakh/ Ckt. Km	6.148	6.384	**6.629**
66/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	**1.114**
33/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	**1.114**
11/0.415 kV DT	Rs. Lakh/ MVA	2.563	2.661	**2.763**

(2) The Distribution Licenses shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at zero tariff for actual recorded consumption subject to a maximum of 0.25% of total sales 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) The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network capacity at start of Financial year and network capacity at the end of Financial year).

(5) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check.

(6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed.

(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before



any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed.

(8) The Distribution Licensee shall allocate the O&M expenses on actual basis under the heads of lines and grid substation voltage wise as specified for determination of norms for O&M expenses:

Provided that the Distribution Licensee shall submit the above details of O&M expenses within thirty (30) days from the end of finalization of audited accounts of the relevant year."

4.138 Accordingly, the Petitioner has computed the normative O&M expenses for FY 2024-25 considering an escalation of 3.83% on the norms specified for FY 2022-23 in Regulation 23 of Business Plan Regulations, 2019 as tabulated below

Table 4- 54: Network Capacity wise O&M expenses norms projected for FY 2024-25

Particulars	Units	FY 2022-23 Approved	Inflation factor	FY 2023-24 Norm	Inflation factor	FY 2024-25 Norm
66 kV Line	₹ lakh/ckt. km	4.156	3.83%	4.315	3.83%	4.480
33 kV Line	₹ lakh/ckt. km					
11 kV Line	₹ lakh/ckt. km	1.239		1.286		1.336
LT Line System	₹ lakh/ckt. km	6.629		6.883		7.147
66/11 kV Grid S/s	₹ lakh/MVA	1.114		1.157		1.201
33/11 kV Grid S/s	₹ lakh/MVA					
11/0.415 kV DT	₹ lakh/MVA	2.763		2.869		2.979

4.139 The Petitioner has considered the actual network capacity as on 31.03.2023 and projected capacity addition during FY 2023-24 and FY 2024-25 based on the capitalisation schedule during these financial years as tabulated below:

Table 4- 55: Network Capacity in FY 2024-25

Particulars	Units	FY 2022-23	Additions	FY 2023-24	Additions	FY 2024-25
66 kV Line	ckt. km	1306.1	24.9	1331.0	36.0	1367.0
33 kV Line	ckt. km					
11 kV Line	ckt. km	8708.4	149.6	8858.0	217.0	9075.0
LT Line System	ckt. km	14200.3	457.7	14658.0	284.0	14942.0
66/11 kV Grid S/s	MVA	6812.0	333.0	7145.0	212.0	7357.0
33/11 kV Grid S/s	MVA					

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4.140 Accordingly, the Line and Transformation capacity as provided by the Petitioner to the Hon'ble Commission is tabulated as under:

Table 4- 56: Avg. Network Capacity for FY 2024-25

Particulars	Units	FY 2023-24	FY 2024-25	Average
66 kV Line	ckt. km	1331.0	1367.0	1349.0
33 kV Line				
11 kV Line	ckt. km	8858.0	9075.0	8966.5
LT Line System	ckt. km	14658.0	14942.0	14800.0
66/11 kV Grid S/s	MVA	7145.0	7357.0	7251.0
33/11 kV Grid S/s				
11/0.415 kV DT	MVA	7226.0	7479.0	7352.5

4.141 Computation of normative O&M expenses for FY 2024-25 in terms of Regulation 23 of the Business Plan Regulations, 2019 is tabulated below:

Table 4- 57: O&M Expenses estimated during FY 2024-25 (in ₹ Cr.)

Particulars	Avg. Quantity	Norms	Units	Amount (₹ Cr.)
66 kV Line	1349.0 ckt. km	4.480	₹ lakh/ckt. km	60.4
33 kV Line				
11 kV Line	8966.5 ckt. Km	1.336	₹ lakh/ckt. km	119.8
LT Line System	14800.0 ckt. km	7.147	₹ lakh/ckt. km	1057.7
66/11 kV Grid S/s	7251.0 MVA	1.201	₹ lakh/MVA	87.1
33/11 kV Grid S/s				
11/0.415 kV DT	7352.5 MVA	2.979	₹ lakh/MVA	219.0
Total				**1544.0**

4.142 Accordingly, the Petitioner requests the Hon'ble Commission to allow the normative O&M Expenses of ₹ 1544.0 Cr. for FY 2024-25.

Additional Expenses in accordance with the Business Plan Regulations, 2019:

4.143 In accordance with Regulation 11(9) of the Tariff Regulations, 2017 read with Regulation 23 of the Business Plan Regulations, 2019, the Petitioner has considered additional expenses for FY 2024-25 as follows:

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(i) **Impact of 7th Pay Commission:** Out of the total provision of Leave Salary Contribution and Pension Contribution (LSC & PC) of ₹ 150.8 Cr. made till FY 2021-22, amount of ₹ 149.3 Cr. is paid by the Petitioner till FY 2022-23, and balance ₹ 1.4 Cr. is expected to be paid, and the same is claimed in ARR Petition for FY 2023-24. However, in case of deferment of such payment to FY 2024-25, the Petitioner requests the Hon'ble Commission to allow the same for FY 2024-25.

(ii) In terms of Regulation 11(9) of Tariff Regulation, 2017 read with Regulation 23 of the Business Plan Regulation 2019, the Petitioner has proposed the additional O&M and other expenses of ₹ 427.8 Cr. for FY 2024-25 as tabulated below:

Table 4- 58: Additional Expenses estimated for FY 2024-25 based on norms of BPR, 2019 (in ₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks/Ref.
1	License Fee paid to GoNCTD	13.3	Actuals as per S.No.5 of Table 3A- 32
2	Incremental impact of Property tax	0.2	Projection
3	Expenses towards Smart Meter implementation	333.3	Para 4.163
4	Ombudsman Expenses	0.4	Actuals as per S.No.4 of Table 3A- 32
5	CGRF Expenses	1.2	Para 4.166
6	Legal Fees and Expenses	30.1	Actuals as per S.No.3 of Table 3A- 32
7	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7	Para 4.170
8	rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	0.6	Projection Para 4.173
9	Syndication Fee/Bank charges regarding loan of Working Capital and Regulatory Assets	4.0	Actuals as per S.No.6 of Table 3A- 32

S. No	Particulars	FY 2024-25	Remarks/Ref.
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04	Para 4.175
11	Loss on Sale of Retired Assets	8.3	Actuals as per S.No.1 of Table 3A- 32
12	Incremental GST Impact	13.5	Actuals as per S.No.8 of Table 3A- 32
13	Incremental SMS Charges	0.3	Actuals as per S.No.9 of Table 3A- 32
14	Incremental impact of 7th Pay Commission*	-	
15	**Additional O&M Expenses Sub-Total**	**427.8**	

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

4.144 The additional expenses claimed in the above table are discussed in detail in the subsequent paras.

B. O&M Expenses as per Business Plan Regulations, 2023 (BPR, 2023)

1. Normative O&M Expenses for FY 2024-25:

4.145 Regulation 23 of Business Plan Regulation, 2023 provides as under:

> *"23. Operation and Maintenance Expenses*
>
> *....*
>
> *(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check:*
>
> *…*
>
> *(6) Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC shall be Trued up for relevant Financial year subject to prudence check:*
>
> *…*
>
> *(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR).*
>
> *(8) The Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check.*

(9) The expenses on account of Corporate Social Responsibility of the Licensee shall not be allowed in the ARR.
(10) The Normative Operation and Maintenance Expenses of a Distribution Licensees for the Control Period, after considering Inflationary Growth Rate of 4.66% , shall be as follows:

Table 8: Table 8: Norms of O&M Expenses for DISCOMs for the Control Period
[Rate / Unit of sale (Paise)]

Distribution Licensees	***FY 2023-24***	***FY 2024-25***	***FY 2025-26***
BRPL	*54.72*	*54.92*	*55.13*
BYPL	*64.15*	*64.4*	*64.64*
TPDDL	*61.46*	*62.09*	*62.73*
NDMC	*54.72*	*54.92*	*55.13*

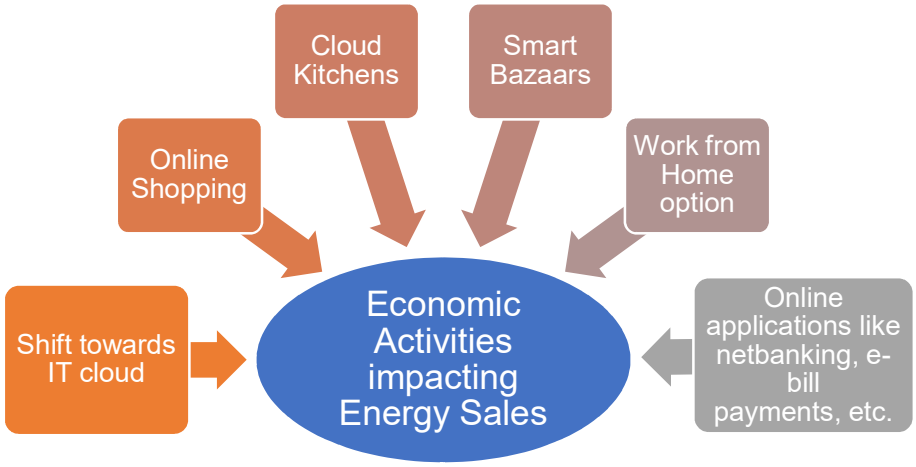
..."

4.146 The Hon'ble Commission in aforesaid Regulation read with the SOR has specified the norms for O&M expenses per unit of energy sales, thereby linking a fixed parameter of O&M Expenses with an uncontrollable and continuously varying parameter of Energy Sales.

4.147 The electricity consumption is entirely dependent upon various factors, few of the following which are uncontrollable in nature for Discoms:

- Economic Conditions of consumers in sectors
- Weather conditions
- Per Capita Income
- Utilization of energy efficient equipment
- Consumers migrating to open access
- Infrastructure development in NCR cities
- Green Initiatives, etc.

Figure 4- 1: Economic Conditions of Consumers in Sectors



4.148 Energy sales as projected by the Hon'ble Commission in SOR of Business Plan Regulation, 2023 is 14,175 MU for FY 2022-23 which is on higher side as compared to actual energy sales of Petitioner during FY 2022-23 which is 13,149 MU.

4.149 As such the energy sales considered for FY 2022-23 in the SOR i.e. 14,175 MU cannot be linked to compute norms for O&M expenses for the control period i.e. FY 2023-24 to FY 2025-26 as intended by the Hon'ble Commission in its Business Plan Regulations, 2023, considering the escalation factor of 4.66% in O&M expenses.

4.150 Accordingly, without prejudice to the rights and contentions of the Petitioner in its Writ Petition no. 6618 of 2023, it is humbly prayed that this Hon'ble Commission may exercise its Power to Relax under Regulation 37 of Business Plan Regulations, 2023 read with Regulation 57 off DERC Conduct of Business Regulations, 2001 and Regulation 172 of DERC Tariff Regulations, 2017 to consider the O&M expenses (including employees expenses of non-FRSR employees) of ₹ 846.51 Cr. for FY 2024-25, as provided by the Hon'ble Commission in SOR of Business Plan Regulations,

2023 which would also be in line with escalation factor of 4.66% considered by the Hon'ble Commission for the control period.

4.151 Accordingly, Petitioner requests the Hon'ble Commission to allow O&M Expenses (including employee expenses of non-FRSR employees) of ₹ 846.51 Cr. for FY 2024-25.

2. Employee Expenses corresponding to FRSR Employees

4.152 The Regulation 23 (5) of the Business Plan Regulations, 2023provides as under:

> *"**23. OPERATION AND MAINTENANCE EXPENSES:***
>
> *.....*
>
> *(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check.."*

4.153 Further, SOR of the aforesaid Regulation provides as under:

> *"...m) Uncontrollable expenses such as FRSR expenses, Rates & Taxes shall be allowed in the ARR equally to last available actual FRSR expenses which shall be trued-up..."*

4.154 Accordingly, the Petitioner requests the Hon'ble Commission to kindly consider the latest available actual FRSR expenses of the Petitioner amounting to ₹ 287.0 Cr. for FY 2024-25.

3. Additional Expenses

In terms of Regulation 11(9) of the Tariff Regulations, 2017 and Regulation 23 of Business Plan Regulation, 2023, the Petitioner has proposed the following

additional expenses beyond the control of the Petitioner and/or not covered in the above-mentioned normative O&M expenses for FY 2024-25:

- Licensee Fee Paid to GoNCTD;
- Licensee Fee Paid to DERC;
- Property Tax;
- Expenses towards Smart Meter implementation;
- Ombudsmen Fees and CGRF expenses;
- Charges corresponding to LC towards PPA;
- Loan Amortisation Fees, Rating Fee, etc.;
- Loss on Sale of Retired Assets; and
- Other Expenses.

a) License Fees Paid to GoNCTD

4.155 License Fee paid for land rights / distribution assets is a statutory levy and uncontrollable in the hands of the Petitioner. It is pertinent to mention that pursuant to Ind AS 116 notified by MCA on 30.03.2019, the nature of expenses has changed from lease rent in previous years to depreciation cost for the right-of-use assets (RoU), and finance cost for interest accrued on lease liability. Accordingly, from April 2019 such expenses are not reflected in A&G expenses but included in Depreciation & Finance Cost and hence are not reflected in O&M expenses since FY 2019-20 onwards.

4.156 Further, in terms of Regulation 23(6) of the Business Plan Regulations 2023, the Petitioner has considered license fee to be paid on assets to ₹ 13.3 Cr. based on latest available FY 2022-23 actuals and requests the Hon'ble Commission to allow the same for FY 2024-25.

b) Licensee Fees Paid to DERC

4.157 As per section 12 of the license conditions, the licensee is required to pay licensee fee for FY 2024-25 equivalent to 0.05% of the amount billed. In terms of Regulation 23(6) of the Business Plan Regulations, 2023, the Petitioner has considered Licensee fees of ₹ 4.7 Cr. to be paid to the Hon'ble Commission for FY 2024-25 based on the estimated amount billed for FY 2024-25. Accordingly, the Petitioner requests the Hon'ble Commission to allow the same for FY 2024-25.

c) Property Tax

4.158 The Petitioner has considered Property Tax to ₹ 3.3 Cr. based on actual during FY 2022-23. Accordingly, in terms of Regulation 23(6) of the Business Plan Regulations, 2023, the Petitioner requests the Hon'ble Commission to allow the property tax of ₹ 3.3 Cr. for FY 2024-25.

d) Expenses towards Smart Meters implementation

4.159 Pursuant to the Ministry of Power's Notification directing for installation of smart meters for all consumers, the Petitioner has planned to implement smart metering program. For the rollout, Petitioner has published tender (for Appointment of Advanced Metering Infrastructure (AMI) Service Provider for Smart Prepaid Metering in BSES Rajdhani Power Limited on DBFOOT basis.

4.160 The RFP to the tender is mostly based on the standard bidding document (AMISBD version 4) published by REC for project execution on TOTEX mode. As per the RFP, AMI Service Provider shall be responsible for supply and installation of smart meters and software applications like head end software,

meter data management system, prepaid application, mobile app, data analytics, integration and maintenance.

4.161 The Petitioner vide its letter no. RA/2023-24/01/A/57 dated 04.05.2023 has intimated the Hon'ble Commission regarding the implementation of above mentioned Smart Meter program. Further progress is also being reported to the Hon'ble Commission from time to time.

4.162 The Petitioner is expected to incur an additional expense of ₹ 333.3 Cr. towards OPEX for FY 2024-25 on account of implementation of Smart meters and associated AMI (Advance Metering Infrastructure Service) applications, which may change subject to outcome of the tender. The tender is under techno-commercial evaluation, and, therefore, the actual cost discovered post financial bid opening shall be informed to the Hon'ble Commission for approval. The progress of the tender shall be periodically updated to the Hon'ble Commission.

4.163 While the Petitioner in the present ARR has considered OPEX of ₹ 333.3 Cr. towards smart meter implementation, the Hon'ble Commission is also requested to specify a mechanism for timely realisation of this amount may be through a fixed charge (like meter rent) so as to ensure adequate cash flows for onward payment to the vendors.

e) <u>Ombudsmen Fees & CGRF expenses:</u>

4.164 The legal expenses reflected in the Audited Financial Statements of the Petitioner includes the Ombudsmen Fees & CGRF expenses and hence have not been considered by the Hon'ble Commission in the norms as the total legal expenses is not the part of the normative O&M expenses of the

Business Plan Regulations, 2023. It may be noted that the expenses towards Electricity Ombudsmen and CGRF are incurred pursuant to the directions of the Hon'ble Commission and hence are beyond the control of the Petitioner.

4.165 Accordingly, Petitioner requests the Hon'ble Commission to allow Ombudsmen fees of ₹ 0.44 Cr., considered same as actual of FY 2022-23.

4.166 Further, the Petitioner has estimated CGRF expense of ₹ 1.16 Cr. for FY2024-25 based on Sept'23 salary and number of CGRF members along with escalation observed in past years.Point (h) of Commission View (Page 56) in SOR of Business Plan Regulation, 2023, provides as under:

"….h) Bank charges as cheque book issuance, demand draft charges, LC Charges etc. that are attributable to day to day business and not directly linked to any particular loan may be included in the A&G Expenses. All charges that are directly attributable to particular loan to be included in the interest on such loan under relevant Regulations of DERC (Terms and Conditions for determination of Tariff) Regulations,2017….."

4.167 As per the explanation provided by the Hon'ble Commission, the Petitioner has projected the charges which are not directly attributable to loan and shall form part of A&G expenses. Further, the Petitioner has accounted such expense in its Audited Financial Statement in the interest and finance charges which is not considered in the computation of RoCE and not covered in the norms for O&M expenses and hence, the Petitioner proposes the following expenses to be considered as additional expense for FY 2024-25 as explained below:

f) <u>Charges corresponding to LC towards PPA:</u>

4.168 As per the terms and conditions of the existing long term PPAs, the Petitioner is required to create and maintain LC towards its payable to GENCOs. In this

regard, the Petitioner is charged one-time expense by respective creditors towards creation and maintenance of each LC.

4.169 Further, in terms of SOR of Business Plan Regulations, 2023, the Hon'ble Commission has also substantiated that such expense shall form the part of A&G expenses as it is not directly attributable to the loan of the Petitioner.

4.170 Accordingly, such expense is not considered by the Hon'ble Commission while computing the norms of O&M expenses for FY 2024-25 and thus, the Petitioner requests the Hon'ble Commission to allow ₹ 22.7 Cr. as an additional expense projected for FY 2024-25.

g) Amortization fees and rating Fees of existing loan; and rating fees of Non Fund based working capital (LC/BGs) not included in A&G/O&M norms of BPR, 2023:

4.171 As regards the amortization fees of existing loan, the Hon'ble Commission in its Business Plan Regulations, 2019 has considered such fees as an additional expense for previous control period i.e. from FY 2017-18 to FY 2019-20. As per IND-AS method, the Petitioner has accounted such expense in its Audited Financial statements by spreading the same over the tenure of loan from the date of its disbursement.

4.172 As regards the rating fees on existing loans prior to FY 2023-24 and non-fund based working capital (LC/BG), the creditor charges for conducting annual rating exercise of the Petitioner for maintaining the loans and non fund based working capital.

4.173 Accordingly, the Petitioner has projected ₹ 1.3 Cr. for FY 2024-25 on account of said expenses and requests the Hon'ble Commission to allow the same.

h) BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023:

4.174 In this regard, the creditor charges for opening the Bank Guarantees which are not directly attributable to the loans. Further, in terms of SOR of Business Plan Regulations, 2023, the Hon'ble Commission has also substantiated that such expense which is not directly attributable to the loan of the Petitioner shall form the part of A&G expenses. Accordingly, such expense is not considered by the Hon'ble Commission while computing the norms of O&M expenses for FY 2024-25.

4.175 In view of the above, the Petitioner has projected ₹ 0.04 Cr. for FY 2024-25 on account of said expense and requests the Hon'ble Commission to allow the same.

i) Loss on Sale of Retired Assets

4.176 Regulation 45, 46 and 47 of Tariff Regulations, 2017 provides the methodology for allowance of loss or gain on retired/ de-capitalised assets as under:

> *"45. Loss or Gain due to de-capitalisation 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-capitalisation 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-capitalisation of asset after the completion of useful life of asset shall be to the account of the Utility"*

4.177 Accordingly, the Petitioner has considered ₹ 8.3 Cr. towards loss due to retirement of assets based on actual of FY 2022-23 and requests the Hon'ble Commission to allow the same for FY 2024-25.

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j) Performance related incentives forming part of employees salary:

4.178 In terms of Regulation 23(8) of the Business Plan Regulations, 2023,the Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check. The Petitioner is not projecting any such amount in the ARR for FY 2024-25. However, the Petitioner requests the Hon'ble Commission to allow the actual performance related incentives to be claimed at the time of True Up for FY 2024-25.

4.179 Based on the above, the Petitioner has estimated the additional expenses for FY 2024-25 in terms of Tariff Regulations, 2017 read with Business Plan Regulations, 2023 tabulated as under:

Table 4- 59: Additional Expenses estimated for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks/Ref.
1	Employee Expenses pertaining to FRSR employees	287.0	Para 4.154
2	License Fee paid to GoNCTD	13.3	Para 4.156
3	License Fee paid to DERC	4.7	Para 4.157
4	Property Tax	3.3	Para 4.158
5	Expenses towards Smart Meter Implementation	333.3	Para 4.163
6	Ombudsman Expenses	0.4	Para 4.165
7	CGRF Expenses	1.2	Para 4.166
8	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7	Para 4.170
9	Amortization and rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	1.3	Para 4.173
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04	Para 4.175
11	Loss on Sale of Retired Assets	8.3	Para 4.177
12	Incremental impact of 7th Pay Commission	-	
13	**Total**	**675.4**	**Sum of 1 to 12**

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

4.180 The Petitioner requests the Hon'ble Commission to allow the additional expenses of ₹ 675.4 Cr. on account of additional expenses which is beyond the control of the Petitioner.

C. Total O&M Expenses for FY 2024-25

4.181 The Petitioner has projected the total O&M expenses for FY 2024-25 in terms of the Tariff Regulations, 2017, Business Plan Regulations, 2019 as well as Business Plan Regulations, 2023 as tabulated below:

Table 4- 60: Total O&M Expenses estimated for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25 as per BPR, 2019	FY 2024-25 as per BPR, 2023
A	**Normative O&M Expenses**		
1	based on network capacity	1,544.0	
2	Considered only for non-FRSR Employees		846.5
B	**Additional O&M Expenses**		
1	Employee Expenses pertaining to FRSR employees	included in normative O&M	287.0
2	License Fee paid to GoNCTD	13.3	13.3
3	License Fee paid to DERC	-	4.7
4	Property Tax	-	3.3
5	Incremental impact of Property tax	0.2	
6	Expenses towards Smart Meter Implementation	333.3	333.3
7	Ombudsman Expenses	0.4	0.4
8	CGRF Expenses	1.2	1.2
9	Legal Fees and Expenses	30.1	-
10	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	22.7	22.7
11	Amortization and rating fees of existing loan, not included in A&G/O&M norms of BPR, 2023	0.6	1.3
12	Syndication Fee/Bank charges regarding loan of Working Capital and Regulatory Assets	4.0	considered in interest on loan
13	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.04	0.04
14	Loss on Sale of Retired Assets	8.3	8.3

S. No	Particulars	FY 2024-25 as per BPR, 2019	FY 2024-25 as per BPR, 2023
15	Incremental GST Impact	13.5	-
16	Incremental SMS Charges	0.3	-
17	Incremental impact of 7th Pay Commission*	-	-
	Additional O&M Expenses Sub-Total	**427.8**	**675.4**
C	**Total O&M Expenses**	**1,971.8**	**1,521.9**

**The claim is ₹ 1.4 Cr. subject to the payment, if not done by FY 2023-24*

Capitalisation

4.182 Regulation24 (1) of the Business Plan Regulations, 2023 provides for the tentative Capital Investment Plan as under:

> *"**24. Capital Investment Plan***
> *(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:*
>
> ***Table 12: Capitalisation for BRPL for the Control Period (in Rs. Cr.)***

Particulars	*FY 2023-24*	*FY 2024-25*	*FY 2025-26*	*Total*
Capitalization	***658***	***681***	***706***	***2045***
Smart Meter	***200***	***200***	***200***	***600***
Less: Deposit Work	*100*	*100*	*100*	*300*
Total	*758*	*781*	*806*	*2345*

"

4.183 The Hon'ble Commission has considered the capitalization of ₹ 200 Cr. towards installation of smart meters. However, as already submitted in above Para, the Petitioner proposes to implement the Smart Meter Project on TOTEX model in line with the Standard Bidding Documentpublished by REC for project execution. The tender for the same has already been issued by the Petitioner, which is under techno-commercial evaluation and the actual cost discovered post financial bid opening shall be informed to the Hon'ble Commission for approval. Hence, the Petitioner in the present ARR Petition is not seeking any capital expenditure towards Smart Meter implementation.

However, the capital expenditure of ₹ 200 Cr. allowed by the Hon'ble Commission as part of tentative capital investment plan has been considered towards normal capex by the Petitioner.

4.184 Accordingly, the Petitioner has considered the gross capitalisation of ₹ 881.0 Cr. including consumer contribution (Deposit work) during FY 2024-25 as approved by the Hon'ble Commission in Regulation 24 (1) of the Business Plan Regulations, 2023. The Petitioner requests the Hon'ble Commission to allow the amount of ₹ 881.0 Cr. for FY 2024-25 as the gross capex (other than smart meters).

4.185 Accordingly, the capitalisation projected for FY 2024-25 is tabulated here as below:

Table 4- 61: Capitalisation for FY 2024-25 (in ₹ Cr.)

S. No.	Particulars	Approved in Regulation 24 (1) of Business Plan Regulations, 2023	FY 2023-24
A	Capitalization for normal capex schemes other than smart meters	881.0*	881.0*

** Gross amount including consumer contribution for deposit works*

Consumer Contribution& Grants

4.186 For the purpose of computation of Regulated Rate Base (RRB), the Petitioner has considered actual Consumer contribution capitalized upto FY 2022-23. For each of the FY 2023-24 and FY 2024-25, the Petitioner has considered ₹ 100 Cr. of consumer contribution capitalised as approved by the Hon'ble Commission in Plan Regulations, 2023 as stated below –

"***24. Capital Investment Plan***

(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 12: Capitalisation for BRPL for the Control Period (in Rs. Cr.)

Particulars	***FY 2023-24***	***FY 2024-25***	***FY 2025-26***	***Total***
Capitalization	*658*	*681*	*706*	*2045*
Smart Meter	*200*	*200*	*200*	*600*
Less: Deposit Work	***100***	***100***	***100***	***300***
Total	*758*	*781*	*806*	*2345*

…"

4.187 The average balance of consumer contribution during FY 2024-25 is tabulated below:

Table 4- 62: Consumer Contribution & Grants Capitalized for FY 2024-25

(in ₹ Cr.)

S. No	Particulars	Amount	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2022-23	1134.1	Table 3A- 36
B	Consumer Contribution Capitalized for FY 2023-24	100.0	Regulation 24 of BPR, 2023
C	Opening Balance of Consumer Contribution capitalized for FY 2024-25	1234.1	C = A+B
D	Consumer Contribution Capitalized for FY 2024-25	100.0	Regulation 24 of BPR, 2023
E	Closing Consumer Contribution and Grants for FY 2024-25	1334.1	E = C+D
F	Average Consumer Contribution and Grants	1284.1	F = (C+E)/2

Depreciation

4.188 The Petitioner has considered the rate of depreciation of 4.58% for FY 2024-25 as per the Audited Financial Statement of FY 2022-23. Accordingly, the depreciation for FY 2024-25 is calculated as below:

Table 4- 63: Depreciation for FY 2024-25 (in ₹ Cr.)

S.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2023-24	9427.7	Table 3A-33 of this True Up Petition for FY 2022-23
B	Addition during FY 2023-24	858.0	Regulation 24 of BPR, 2023
C	Opening GFA for FY 2024-25	10285.7	C = A+B
D	Additions during FY 2024-25	881.0	Table 4- 61
E	Closing GFA for FY 2024-25	11166.7	E = C + D
F	Average GFA	10726.2	F = (C+E)/2
G	Less: Average Consumer Contribution	1284.1	Table 4- 62
H	Average GFA net of CC	9442.1	H = F - G
I	Average rate of depreciation	4.58%	Para 4.188 and Table 3A- 39
J	Depreciation for FY 2024-25	432.0	J = H x I
K	Opening Accumulated Depreciation for FY 2024-25	4767.3	Table 3A- 41 + ₹396.84 Cr for FY 2023-24
L	Closing Accumulated Depreciation for FY 2024-25	5199.4	L = J + K

4.189 The Petitioner requests the Hon'ble Commission to allow the depreciation as computed above for FY 2024-25.

Means of finance for new investments

4.190 The Petitioner has considered the funding of capitalisation through consumer contribution, debt and equity.

4.191 In accordance with Regulation 1(1) of Business Plan Regulations, 2023, the fresh assets capitalised on or from 01.04.2023 and its financing are to be governed by Regulation 20, 21 and 22 of Business Plan Regulations, 2023. The assets capitalised as on 31.03.2023 would be governed by earlier Regulations for those respective control period.

4.192 The projected capitalisation during FY 2024-25 has been considered net of consumer contribution which is to be funded in debt-equity ratio of 70:30. Accordingly, the means of finance for capitalization during FY 2024-25 is tabulated below:

Table 4- 64: Means of Finance for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks
1	2	3	4
A	Capitalisation during the year	881.0	Table 4- 63
B	Means of finance		
i	Consumer contribution	100.0	Table 4- 63
ii	Grants	0.0	
C	Capitalisation net of Consumer Contribution to be funded through debt and equity	781.0	C = A-Bi-Bii
i	Equity	234.3	C x 0.3
ii	Debt	546.7	C x 0.7

Working Capital

4.193 The Petitioner has computed the working capital requirement for FY 2024-25 as per Regulation 84 (4) of the Tariff Regulations, 2017 as below:

Table 4- 65: Working Capital for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25		Remarks
		As per BPR, 2019	As per BPR, 2023	
A	Annual Revenue Requirement	14,517.9	13,971.0	Table 4- 83
B	Receivables equivalent to 2 months of revenue from wheeling charges and sale of electricity	2,419.6	2,328.5	B = A/12 x 2
C	Less: Net purchase expenses (incl. Transmission Charges)	10,936.0	10,936.0	Table 4- 53
D	Less: One month power purchase expenses (incl. Transmission Charges)	911.3	911.3	D = C/12
E	**Total Working Capital**	**1,508.3**	**1,417.2**	E = B-D
F	Less: Opening Working Capital	1,377.7	1,303.2	
G	**Change in Working Capital**	**130.6**	**114.0**	**G = E-F**

4.194 The Petitioner requests the Hon'ble Commission to consider the working capital, as indicated above, for FY 2024-25.

Regulated Rate Base (RRB)

4.195 For the computation of Regulated Rate Base for FY 2024-25, the Petitioner has bifurcated the computation into two parts:

a) RRB upto 31.03.2023

b) RRB from 01.04.2023 onwards

4.196 Based on the above submissions, the RRB for FY 2024-25 has been computed in accordance with the norms specified in Business Plan Regulations, 2019 as well as Business Plan Regulations, 2023 tabulated as below:

Table 4- 66: Regulated Rate Base as per BPR, 2019 for FY 2024-25 (in ₹ Cr.)

Sr. No.	Particulars	Corresponding to capitalisation till 31.03.2023	Corresponding to capitalisation from 01.04.2023 onwards		Remarks
			FY 2023-24	FY 2024-25	
A	Opening GFA	9,427.7	-	858.0	Table 4- 63
B	Opening Accumulated Depreciation incl. AAD	4,370.5	-	396.8	Table 4- 63
C	Opening Consumer Contribution	1,134.1	-	100.0	Table 4- 62
D	Opening Working Capital	1,246.5	-	131.2	Table 4- 65
E	Accumulated Depreciation on De-capitalised Assets	415.0	-	-	Table 3A-41 of this True Up Petition for FY 2022-23
F	Opening RRB	5,584.6	-	492.4	F = A-B-C+D+E
G	Change in Capital Investment during the year	-	361.2	349.0	G = H-I-J
H	Net Capitalisation	-	858.0	881.0	Table 4- 63
I	Depreciation	-	396.8	432.0	Table 4- 63
J	Consumer Contribution	-	100.0	100.0	Table 4- 63
K	Change in Working Capital	-	131.2	130.6	Table 4- 65
L	Regulated Rate Base - Closing	5,584.6	492.4	971.9	L = F+H-I-J+K
M	**RRB (i)**	**5,584.6**		**797.4**	**M = F+(G/2)+K**
	Total RRB (i) as per BPR, 2019 = ₹ 6,382.0 Cr				

Table 4- 67: Regulated Rate Base as per BPR, 2023 for FY 2024-25 (in ₹ Cr.)

Sr. No.	Particulars	Corresponding to capitalisation till 31.03.2023	Corresponding to capitalisation from 01.04.2023 onwards		Remarks
			FY 2023-24	FY 2024-25	
A	Opening GFA	9,427.7	-	858.0	Table 4- 63
B	Opening Accumulated Depreciation incl. AAD	4,370.5	-	396.8	Table 4- 63
C	Opening Consumer Contribution	1,134.1	-	100.0	Table 4- 62
D	Opening Working Capital	1,246.5	-	56.7	Table 4- 65
E	Accumulated Depreciation on De-capitalised Assets	415.0	-	-	Table 3A-41 of this True Up Petition for FY 2022-23
F	Opening RRB	5,584.6	-	417.9	F = A-B-C+D+E
G	Change in Capital Investment during the year	-	361.2	349.0	G = H-I-J
H	Net Capitalisation	-	858.0	881.0	Table 4- 63
I	Depreciation	-	396.8	432.0	Table 4- 63
J	Consumer Contribution	-	100.0	100.0	Table 4- 63
K	Change in Working Capital	-	56.7	114.0	Table 4- 65
L	Regulated Rate Base - Closing	5,584.6	417.9	880.8	L = F+H-I-J+K
M	**RRB (i)**	**5,584.6**		**706.3**	**M = F+(G/2)+K**
	Total RRB (i) as per BPR, 2023 = ₹ 6,290.9 Cr				

Table 4- 68: Regulated Rate Base for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	as per BPR, 2019	as per BPR, 2023
A	RRB (i)	6,382.0	6,290.9

Equity and Debt

4.197 Equity and Debt upto FY 2024-25 has been considered based on the closing equity and debt upto FY 2022-23 and addition during FY 2023-24 and FY 2024-25 based on capitalization net of consumer contribution in the ratio of 30:70 respectively.

4.198 Accordingly, the average equity and average debt for FY 2024-25 is tabulated below:

Table 4- 69: Equity and Debt for FY 2024-25 as per BPR, 2019 (in ₹ Cr.)

/S. No.	Particulars	Corresponding to capitalisation upto 31.03.2023	Corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Total	Remarks/ Ref
	Equity				
A	Opening Balance for FY 2023-24	2,549.8	-	2,549.8	Table 4A-44
B	Addition during FY 2023-24	-	227.4	227.4	30% of net capitalisation
C	Opening Balance for FY 2024-25	2,549.8	227.4	2,777.2	C = A+B
D	Addition during FY 2024-25	-	234.3	234.3	30% of net capitalisation
E	Closing Balance for FY 2024-25	2,549.8	461.7	3,011.5	E = C+D
F	Average Equity for FY 2024-25	2,549.8	344.6	2,894.3	F = (C+E)/2
	Debt				
G	Opening Balance for FY 2023-24	3,011.2	-	3,011.2	Table 4A-44
H	Addition during FY 2023-24	-	661.8	661.8	Hi+Hii
i	*Capex*	-	530.6	530.6	70% of net capitalisation
ii	*Working Capital*	-	131.2	131.2	
I	Repayment	301.1	-	301.1	I = 1/10 * G
J	Opening Balance for FY 2024-25	2,710.0	661.8	3,371.9	J = G+H-I
K	Addition during FY 2024-25	-	677.3	677.3	Ki+Kii
i	*Capex*	-	546.7	546.7	70% of net capitalisation
ii	*Working Capital*	-	130.6	130.6	Table 4- 65
L	Repayment	271.0	66.2	337.2	L = 1/10 * J
M	Closing Balance for FY 2024-25	2,439.0	1,272.9	3,711.9	M = J+K-L
N	Average Debt for FY 2024-25	2,574.5	967.4	3,541.9	N = (J+M)/2

Table 4- 70: Equity and Debt for FY 2024-25 as per BPR, 2023 (in ₹ Cr.)

S. No.	Particulars	Corresponding to capitalisation upto 31.03.2023	Corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Total	Remarks/ Ref
	Equity				
A	Opening Balance for FY 2023-24	2,549.8	-	2,549.8	Table 4A-44
B	Addition during FY 2023-24	-	227.4	227.4	30% of net capitalisation

S. No.	Particulars	Corresponding to capitalisation upto 31.03.2023	Corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Total	Remarks/ Ref
C	Opening Balance for FY 2024-25	2,549.8	227.4	2,777.2	C = A+B
D	Addition during FY 2024-25	-	234.3	234.3	30% of net capitalisation
E	Closing Balance for FY 2024-25	2,549.8	461.7	3,011.5	E = C+D
F	Average Equity for FY 2024-25	2,549.8	344.6	2,894.3	F = (C+E)/2
	Debt				
G	Opening Balance for FY 2023-24	3,011.2	-	3,011.2	Table 4A-44
H	Addition during FY 2023-24	-	587.3	587.3	Hi+Hii
i	*Capex*	-	530.6	530.6	70% of net capitalisation
ii	*Working Capital*	-	56.7	56.7	
I	Repayment	301.1	-	301.1	I = 1/10 * G
J	Opening Balance for FY 2024-25	2,710.0	587.3	3,297.3	J = G+H-I
K	Addition during FY 2024-25	-	660.7	660.7	Ki+Kii
i	*Capex*	-	546.7	546.7	70% of net capitalisation
ii	*Working Capital*	-	114.0	114.0	Table 4- 65
L	Repayment	271.0	58.7	329.7	L = 1/10 * J
M	Closing Balance for FY 2024-25	2,439.0	1,189.2	3,628.3	M = J+K-L
N	Average Debt for FY 2024-25	2,574.5	888.3	3,462.8	N = (J+M)/2

Rate of Interest on Loan:

4.199 In terms of Regulation 77 of the Tariff Regulations, 2017, interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to maximum of bank rate as on 1st April of the year plus margin as approved by the Hon'ble Commission in Business Plan Regulations, 2019 and Business Plan Regulations, 2023 for the Control Period.

4.200 It is pertinent to note that the MCLR rates in preceding 2-3 years has been volatile on account of adverse pandemic conditions, however the Petitioner is

BSES Rajdhani Power Limited DELHI

bound by the terms and conditions of the Loan agreement with its lender Power Finance Corporation (PFC).

4.201 The Petitioner would also like to apprise the Hon'ble Commission that the interest rate applicable by PFC is based on various parameters and not on the SBI MCLR rate. Since there is no correlation in the interest rates applicable by PFC and SBI MCLR rate, the volatility of SBI MCLR rates does not affect the actual finance cost of the Petitioner. A comparison of SBI MCLR and PFC lending rate to the Petitioner is tabulated below:

Table 4- 71: Comparison of SBI MCLR & PFC Rates

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	As on Oct'23
SBI MCLR (1 Yr.)	8.00%	8.15%	8.55%	7.75%	7.00%	8.50%	8.55%
PFC lending rate-BRPL	13.00%	13.38%	12.34%	12.52%	12.61%	12.60%	12.60%

4.202 Further, post pandemic, it is evident that PFC is the only lender interested in providing funds in the power distribution section, hence, it would be irrational and unrealistic to limit the norms based on SBI MCLR.

4.203 Further, the margin approved in the Business Plan Regulations 2023 neither anticipate any unexpected situation in future nor it is linked with the current situation of licensee business of the Petitioner. Hence, it is impractical to cap the margin while determining rate of interest on loan as per the Regulations.

4.204 Notwithstanding the above, a comparison of provisions adopted in other States and that of CERC with respect to interest rate demonstrates that the same is linked to the actual loan portfolio of respective business, tabulated is as under:

Table 4- 72: Comparison of CERC and other State Commissions' provision

Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019	Gujarat Electricity Regulatory Commission (MYT), Regulations 2016	Maharashtra Electricity Regulatory Commissigon (MYT), 2019	Uttar Pradesh Electricity Regulatory Commission (MYT) Regulation, 2019
32(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized: **...**	**38.5** The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee: ….	**30.5** The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year: Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:…..	**23.5** The rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year: Provided that at the time of Truing-Up, the Weighted average rate of interest of the actual long term loan portfolio during the concerned year shall be considered as the rate of interest:……

4.205 In view of the above submissions, it is humbly prayed that Hon'ble Commission may allow the weighted average rate of interest for FY 2024-25 on the basis of the actual loan portfolio of the Petitioner. Keeping in view the higher PFC lending rate and poor credit rating by lenders, the Petitioner has considered the rate of interest on loan as 13.50% for FY 2024-25 for computation of Weighted Average Cost of Capital (WACC) in Business Plan Regulations, 2019. As per Regulation 1(1) of Business Plan Regulations, 2023, these Regulations are applicable w.e.f 01.04.2023. Therefore, for computation of WACC as per Business Plan Regulations, 2023, the Petitioner has considered the rate of interest on loan as 11.05% in accordance with the norms of Business Plan Regulations, 2023 as computed in Table 4- 73 of this Petition.

4.206 Without prejudice to the contentions raised by the Petitioner before the Hon'ble Delhi High Court, for FY 2024-25 the Petitioner is considering the rate

of interest on working capital loan as 12.80% and 11.05% respectively, in accordance with the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 as computed in Table 4- 73 of this Petition.

4.207 Further, as regards interest on working capital loans, Regulation-85 of DERC Tariff Regulations, 2017 states as under:

> *"85. Rate of Interest on Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year: Provided that the rate of interest availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall not be trued up."*

4.208 The Petitioner has considered the ceiling margin for FY 2024-25 as per Business Plan Regulation, 2019 and Business Plan Regulation, 2023 as stated below:

a) **BPR, 2019 –** Margin for rate of interest on loan considered limiting to 4.25% in accordance with Regulation 22(1) of Business Plan Regulations, 2019.

b) **BPR, 2023 –** Margin for rate of interest on loan considered limiting to 2.50% in accordance with Regulation 22(1) of Business Plan Regulations, 2023.

4.209 The Regulation 22(1) of Business Plan Regulations, 2019 is reproduced below:

> ***"22. MARGIN FOR RATE OF INTEREST ON LOAN***
> *(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the*

difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:
Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:
Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%."

4.210 The Regulation 22(1) of Business Plan Regulations, 2023 is reproduced below:

"22. MARGIN FOR RATE OF INTEREST ON LOAN
(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:
Provided that Weighted Average Rate of Interest for any Financial Year shall be arrived by including the Interest Paid, all Bank Charges, Syndication Fee and other Charges paid during that year for Raising and Maintaining of the respective loans;
Provided that the Margin shall not exceed 3.00%, 2.50% and 2.25% for the first, second and third year of the control period, respectively:
Provided further also that the Rate of Interest on Loan (MCLR plus Margin) in any case shall not exceed Base Rate of Return on Equity minus One (1.00%) percent, accordingly, maximum rate of Interest on Loan for all power utilities shall be 13.00%.

4.211 Thus, the rate of interest on term loan and working capital loan as per Regulation 22(1) of Business Plan Regulations, 2019 and Regulation 22(1) of Business Plan Regulations, 2023 is tabulated below:

Table 4- 73: Rate of Interest on Loan as per BPR, 2019 and BPR, 2023

S. No.	Particulars	As per BPR 2019	As per BPR 2023	Remarks/ Reference
A	SBI MCLR as on Oct'23	8.55%	8.55%	

S. No.	Particulars	As per BPR 2019	As per BPR 2023	Remarks/ Reference
B	Normative Margin	4.25%	2.50%	2nd year of the Business Plan Regulations' control period
C	Margin for Term Loan for FY 2024-25	4.25%	2.50%	C = B
D	Margin for Working Capital Loan for FY 2024-25	4.25%	2.50%	D = B
E	**Rate of Interest on Term Loan as per norms of Business Plan Regulations**	**12.80%**	**11.05%**	**E=A+C**
F	**Rate of Interest on Working Capital as per norms of Business Plan Regulations**	**12.80%**	**11.05%**	**F=A+D**

4.212 Accordingly, the Blended Rate of interest for FY 2024-25 as per Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is as under:

Table 4- 74: Blended Rate of Interest for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Total	Remarks
A	Opening Capex Loan	1,588.2	405.9	3,371.9	Table 4- 69
B	Opening Working Capital Debt	-	1,377.7		Table 4- 65
C	Capex Addition	-	546.7	546.7	Table 4- 64
D	Repayment	158.8	178.4	337.2	Table 4- 69
E	Change in Working Capital	-	130.6	130.6	Table 4- 65
F	Capex Loan - Closing Balance	1,429.4	774.3	3,711.9	F = A + C
G	Working Capital Loan - Closing Balance	-	1,508.3		G = B + E
H	Actual/Normative Rate of Interest	13.50%	13.50%		Para 4.205 of this Tariff Petition
I	Rate of Working Capital Loan	-	12.80%		Para 4.206 of this Tariff Petition
J	**Rate of interest on debt (rd)- Blended**	**13.50%**	**13.04%**		**J=((ExH)+(GxI))/ (E+G)**

Table 4- 75: Blended Rate of Interest for FY 2024-25 as per BPR, 2023

S. No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Total	Remarks
A	Opening Capex Loan	1,588.2	405.9	3297.3	Table 4- 70
B	Opening Working Capital Debt	-	1,303.2		Table 4- 65
C	Capex Addition	-	546.7	546.7	Table 4- 64
D	Repayment	158.8	170.9	329.7	Table 4- 70
E	Change in Working Capital	-	114.0	114.0	Table 4- 65
F	Capex Loan - Closing Balance	1,429.4	781.7	3628.3	F = A + C
G	Working Capital Loan - Closing Balance	-	1,417.2		G = B + E
H	Actual/Normative Rate of Interest	11.05%	11.05%		Para 4.205 of this Tariff Petition
I	Rate of Working Capital Loan	-	11.05%		Para 4.206 of this Tariff Petition
J	**Rate of interest on debt (rd)- Blended**	**11.05%**	**11.05%**		**J=((ExH)+(GxI)) / (E+G)**

Rate of Return on Equity:

4.213 As mentioned earlier, subject to pendency / outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in this ARR Petition has submitted its claims (to the extent challenged) both in terms of the norms and parameters laid down under the Business Plan, Regulations, 2019 and also under the Business Plan Regulations, 2023. Accordingly, the Petitioner has considered the following Rate of Return on Equity for FY 2024-25:

a) **BPR 2019 -**As 16% in accordance with Regulation 20 (1) and 20(2) of Business Plan Regulation, 2019.

b) **BPR 2023 -** As 14% for all assets to be capitalised on and from 01.04.2023 in accordance with 20(1) of Business Plan Regulation, 2023

and 16% for assets capitalised prior to 01.04.2023 in accordance with earlier Regulations for respective control period.

4.214 Based on the above, the Petitioner has considered ROE as per Business Plan Regulations, 2019 and Business Plan Regulations, 2023 as tabulated below:

Table 4- 76: Return on Equity (%) for FY 2024-25

Particulars	FY 2024-25	
	BPR, 2019	BPR, 2023
RoE (On assets capitalized upto 31.03.2023)	16%	16%
RoE (On assets capitalized on and from 01.04.2023)	16%	14%

4.215 Further, the effective income tax rate of FY 2022-23 has been considered for FY 2024-25.

Weighted Average Cost of Capital (WACC)

4.216 In line with above submission, the detailed computation of WACC as per Business Plan Regulation, 2019 and Business Plan Regulation, 2023 for FY 2024-25 is tabulated as under:

Table 4- 77: Weighted Average Cost of Capital (WACC) for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Average Equity (₹ Cr.)	2,549.8	344.6	Table 4- 69
B	Average Debt (₹ Cr.)	2,574.5	967.4	
C	Total (₹ Cr.)	5,124.3	1,311.9	C = A+B
D	Return on Equity	16.00%	16.00%	Regulation 20 of BPR, 2019
E	Effective Tax Rate	25.17%	25.17%	Audited Accounts for FY 2022-23
F	Grossed up Return on Equity	21.38%	21.38%	F = D/(1-E)
G	Cost of Debt	13.50%	13.04%	Table 4- 74
H	**Weighted Average Cost of Capital**	**17.42%**	**15.23%**	**H = ((A/C)xF)+((B/C)xG)**

Table 4- 78: Weighted Average Cost of Capital (WACC) for FY 2024-25 as per BPR, 2023

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Average Equity (₹ Cr.)	2,549.8	344.6	Table 4- 70
B	Average Debt (₹ Cr.)	2,574.5	888.3	
C	Total (₹ Cr.)	5,124.3	1,232.8	C = A+B
D	Return on Equity	16.00%	14.00%	Regulation 20 of BPR, 2019 and BPR, 2023
E	Effective Tax Rate	25.17%	25.17%	Audited Accounts for FY 2022-23
F	Grossed up Return on Equity	21.38%	18.71%	F = D/(1-E)
G	Cost of Debt	11.05%	11.05%	Table 4- 75
H	**Weighted Average Cost of Capital**	**16.19%**	**13.19%**	**H = ((A/C)xF)+((B/C)xG)**

4.217 The Petitioner requests the Hon'ble Commission to consider the WACC for FY 2024-25.

Return on Capital Employed (RoCE)

4.218 The Petitioner has computed RoCE during FY 2024-25in accordance with Business Plan Regulations, 2019 and Business Plan Regulations, 2023 tabulated here as under:

Table 4- 79: RoCE for FY 2024-25 as per BPR, 2019 (in ₹Cr.)

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
1	**2**	**3**	**4**	**5**
A	RRB (i)	5,584.6	797.4	Table 4- 66
B	WACC	17.42%	15.23%	Table 4- 77
C	**RoCE**	**972.9**	**121.4**	**C = A x B**

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
D	Total RoCE	1094.4		

Table 4- 80: RoCE for FY 2024-25 as per BPR, 2023 (in ₹ Cr.)

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
1	2	3	4	5
A	RRB (i)	5,584.6	706.3	Table 4- 67
B	WACC	16.19%	13.19%	Table 4- 78
C	**RoCE**	**904.2**	**93.2**	**C = A x B**
D	**Total RoCE**	**997.3**		

Table 4- 81: RoCE for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023
A	RoCE	1,094.4	997.3

4.219 Thus, the Petitioner requests the Hon'ble Commission to allow aforesaid submission of RoCE for FY 2024-25.

4.220 It is humbly prayed that the Hon'ble Commission may be pleased to consider consider the RoE of 16%, which was applicable till FY 2022-23.

Claim pursuant to Hon'ble APTEL judgment dated August 31.2021

4.221 On 31.08.2021, Hon'ble APTEL pronounced the Judgment in Appeal No. 06 of 2019 and 34 of 2020 directing the Hon'ble Commission to allow the unspent Consumer Contribution to be refunded by the DISCOMs as an expenditure in the subsequent Tariff Order, which will be recovered through Tariff first and thereafter be refunded to the identified consumers by the DISCOMs within the same Financial Year. The Petitioner by its communication dated 21.09.2021

had submitted the audited information for consideration of the Hon'ble Commission as directed by Hon'ble APTEL and sought allowance of the same in the Tariff for FY 2021-22. However, the Hon'ble Commission while determining the Tariff for FY 2021-22, in Tariff Order dated 30.09.2021 decided to consider the aforesaid issue in the next Tariff Order. Accordingly, the Petitioner in the present ARR has considered the estimated amount of ₹ 225.1 Cr. towards unspent amount of consumer contribution with interest@12% to be allowed by the Hon'ble Commission.

Non-Tariff Income

4.222 The Non-Tariff Income during FY 2024-25 has been considered as per actual of FY 2022-23 as under:

Table 4- 82: Non-Tariff Income for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25
1	Non-Tariff Income	141.5

Aggregate Revenue Requirement

4.223 Based on the above discussions, the Petitioner has sought the ARR in accordance with Business Plan Regulation 2019 as well as Business Plan Regulation, 2023 for FY 2024-25 as tabulated below:

Table 4- 83: Aggregate Revenue Requirement for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
1	2	3	3	4
A	Net Power Purchase Cost including Transmission and SLDC Charges	10,936.0	10,936.0	Table 4- 53
B	O&M Expenses	1,544.0	846.5	Table 4- 60
C	Additional Expenses	427.8	675.4	Table 4- 59

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
1	2	3	3	4
D	Depreciation	432.0	432.0	Table 4- 63
E	Return on Capital Employed (RoCE)	1,094.4	997.3	Table 4-81
F	Other Expense*	225.1	225.1	Para 4.221
G	**Sub-total**	**14,659.3**	**14,112.5**	**G= Sum (A to F)**
H	Non-Tariff Income	141.5	141.5	Table 4- 82
I	**Aggregate Revenue Requirement**	**14,517.9**	**13,971.0**	**I = G - H**

*Claim pursuant to Hon'ble APTEL judgment dated 31.08.2021

Revenue Available towards ARR

4.224 The Revenue available towards ARR computed in accordance with Business Plan Regulation, 2019 as well as Business Plan Regulation, 2023 for FY 2024-25, is tabulated as under:

Table 4- 84: Revenue towards ARR for FY 2024-25 (in ₹ Cr.)

S. No	Particulars	FY 2024-25	Remarks
A	Revenue Billed	9308.9	Table 4- 42
B	Collection Efficiency	99.50%	
C	**Revenue available towards ARR**	**9262.3**	**C = A x B**

Revenue (Gap)/ Surplus

4.225 Based on the above submissions, the Revenue (Gap)/ Surplus for FY 2024-25 in accordance with Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is tabulated below:

Table 4- 85: Revenue (Gap) for FY 2024-25 (₹ Cr.)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Reference
A	ARR for FY 2024-25	14,517.9	13,971.0	Table 4- 83
B	Revenue available towards ARR	9,262.3	9,262.3	Table 4- 84
C	**Revenue (Gap)/ Surplus**	**(5,255.6)**	**(4,708.7)**	**C=B-A**
D	**Less: Revenue Gap on account of Power Purchase cost proposed to be recovered through PPAC**	**(3,970)**	**(3,970)**	
E	**Net Revenue Gap proposed to be recovered through cost reflective Tariff**	**(1286)**	**(739)**	**E=C-D**

4.226 Further, the revised Tariff Policy notified by the Central Government under Section 3 of the 2003 Act provides that:

> *"8.1….5) At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. This gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing."*

Allocation for Wheeling and Retail Business

4.227 Regulation 32 of Business Plan Regulations, 2023 states as under:

> ***"32. RATIO OF ALLOCATION OF ARR INTO WHEELING & RETAIL SUPPLY***
> *The ratio of allocation of ARR into Wheeling & Retail Supply Business in terms of the Regulation 4(9)(e) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be as follows:*

Table 17: Retail Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Cost of Power Purchase	**100%**	100%	100%	100%
Inter-State Transmission charges	**100%**	100%	100%	100%
Intra-state Transmission charges	**100%**	100%	100%	100%
SLDC fees and charges	**100%**	100%	100%	100%
Operation & Maintenance Costs	**40%**	38%	38%	38%
Depreciation (including AAD)	**21%**	23%	19%	23%
Return on Capital Employed	**26%**	28%	28%	28%
Income Tax	**26%**	28%	28%	28%
Non-Tariff Income	**85%**	60%	85%	60%

Table 18: Wheeling Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Operation & Maintenance Costs	**60%**	62%	62%	62%
Depreciation(including AAD)	**79%**	77%	81%	77%
Return on Capital Employed	**74%**	72%	72%	72%
Income Tax	**74%**	72%	72%	72%
Non-Tariff Income	**15%**	40%	15%	40%

…."

4.228 The Aggregate Revenue Requirement estimated for FY 2024-25 has been allocated into wheeling and retail business in the ratios approved by the Hon'ble Commission in BPR, 2019 and BPR, 2023 as under:

Table 4- 86: Allocation for wheeling and retail business as per BPR, 2019 for FY 2024-25 (₹ Cr.)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	10,936.0	10,936.0
Operation and Maintenance expenses (including other expenses)	1,183.1	788.7	1,971.8
Depreciation	341.3	90.7	432.0
Return on Capital Employed*	809.8	284.5	1,094.4
Other Expenses*	135.1	90.0	225.1
Less: Non Tariff Income	21.2	120.2	141.5
Aggregate Revenue Requirement	**2,448.0**	**12,069.8**	**14,517.9**

**Claim pursuant to Hon'ble APTEL judgment dated 31.08.2021*

Table 4- 87: Allocation for wheeling and retail business as per BPR, 2023 for FY 2024-25 (₹ Cr.)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	10,936.0	10,936.0
Operation and Maintenance expenses (including other expenses)	913.2	608.8	1,521.9
Depreciation	341.3	90.7	432.0
Return on Capital Employed	738.0	259.3	997.3
Other Expenses*	135.1	90.0	225.1
Less: Non Tariff Income	21.2	120.2	141.5
Aggregate Revenue Requirement	**2,106.4**	**11,864.7**	**13,971.0**

**Claim pursuant to Hon'ble APTEL judgment dated 31.08.2021*

Carrying cost on revenue gap

4.229 In this regard, the Hon'ble Supreme Court in order dated 15.12.2022 passed in MA No. 633 of 2022 in Civil Appeal No. 9003 of 2011 has directed as under:

> *"14. ..., we direct DERC to allow SBI PLR as provided in table above, on 70% debt component for funding regulatory asset/revenue gap in the ratio of 70:30."*

4.230 As per the above direction, the carrying cost ought to be allowed in debt-equity ratio of 70:30 with SBI PLR as rate of interest and 16% as return on equity.

4.231 The Hon'ble Commission has defined the Carrying Cost rate in Regulation 2(16) of Tariff Regulations 2017 which states as under:

> *"2…(16) "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.."*

4.232 Further, the Hon'ble Commission has specified the rate of Return on Equity as 14% and 13% for computation of Carrying Cost rate in terms of Regulation 20 of the Business Plan Regulations, 2019and Business Plan Regulations, 2023 respectively.

4.233 Accordingly, subject to the outcome of the Writ Petition pending before Hon'ble High Court of Delhi, the carrying cost rate calculated for FY 2024-25 in accordance with the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is as tabulated below:

Table 4- 88: Rate of carrying cost for FY 2024-25

S. No	Particulars	FY 2024-25	
		As per BPR, 2019	As per BPR, 2023
1	Rate of Interest	12.80%	12.80%
2	Return on Equity	14.00%	13.00%
3	Carrying cost	13.16%	12.86%

4.234 The Petitioner respectfully submits that the intend to allow carrying cost on Regulatory Asset/ Accumulated Revenue Gap in the ARR is to permit the Discom recovery of its financing cost for the ensuing year in Tariff without any

deferment. However, the Petitioner is not able to recover such costs in Tariff as the entire revenue is first utilized to offset the ARR during the year and in case anything is left then only the same can be utilised towards meeting the carrying cost. In such situation there is no carrying cost which is being realized through tariff.

4.235 Therefore, the carrying cost allowed ought to be recovered through separate surcharge and ought not to be clubbed with the ARR/tariffs which is actually meant to address the gap estimated for the ensuing year. This will also enable separate accounting of revenue realised on account of carrying cost.



Chapter 5
Tariff Proposal

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Tariff Proposal for FY 2024-25

Background

5.1 Under Section 62 (1) of the 2003 Act, determination of tariff for Electricity Distribution Business/ Retail Tariff is the sole prerogative of the Hon'ble Commission. Therefore, in the treatment of Revenue Gap as proposed by the Petitioner, the Hon'ble Commission has the final say while finalizing tariff for Wheeling of Electricity and Retail Supply.

5.2 Despite various tariff determination exercises undertaken by the Hon'ble Commission in the past, still there is huge unrecovered Regulatory Assets which is yet to be realized in terms of recovery.

5.3 As it is evident from the Petitioner's own past experience, the increase in Regulatory Asset has been mainly on account of legacy of issues including increase in power purchase expenses and other uncontrollable expenses. A comparison of Power purchase cost projected / allowed by the Hon'ble Commission on a year-to-year basis vis-à-vis the actual power purchase cost incurred by the Petitioner for respective financial years (as approved by this Hon'ble Commission during true-up exercise) shows a consistent trend wherein the projected power purchase cost (which is allowed by the Hon'ble Commission in Tariff Determination process) always fell far short of the actual cost that was incurred by the Petitioner, as shown in the table below:

Table 5- 1: Power Purchase Cost- ARR versus Truing-up (₹ Cr.)

S. No	Particulars	Power Purchase Cost		
		ARR Order	True Up Order	(Deficit)
1	FY 2007-08	2298	2566	(268)
2	FY 2008-09	2390	2616	(226)

S. No	Particulars	Power Purchase Cost		
		ARR Order	True Up Order	(Deficit)
3	FY 2009-10	2473	3558	(1085)
4	FY 2010-11	2479	4081	(1602)
5	FY 2011-12	4527	5615	(1088)
6	FY 2012-13	4891	5621	(730)
7	FY 2013-14	5217	5873	(656)
8	FY 2014-15	5944	6781	(837)
9	FY 2015-16	6583	6177	406
10	FY 2016-17	6583	6719	(136)
11	FY 2017-18	6620	6738	(118)
12	FY 2018-19	6860	7232	(372)
13	FY 2019-20	7158	8007	(849)
14	FY 2020-21	6466	6933*	(467)
15	FY 2021-22	6966	7130*	(163)
16	FY 2022-23	6966	9273*	(2307)
17	**Total**	**84421**	**94919**	**(10499)**

**As claimed by the Petitioner in its petition for true up of FY 2020-21, FY 2021-22 and FY 2022-23 and ARR Petition of FY 2022-23*

5.4 The only exception being FY 2015-16 during which the Petitioner incurred significantly lower Power purchase cost due to late implementation of CERC's Regulations and entire credit being passed to the Petitioner for the interim period during this financial year. The Hon'ble Commission in the recent past has recognized the requirement for recovery of power purchase cost through PPAC. However, given the COVID-19 situation and power crisis situation there has been a revenue gap in the previous year primarily due to the uncontrollable factors. The Petitioner has endeavoured to raise loans to fund the revenue gap on account of increase in power purchase cost in the past and to the extent of recognised Regulatory Asset. The Regulatory Assets the cost incurred (inter-alia on account of power purchase cost and other uncontrollable factors) in the previous years as approved by the Hon'ble Commission, which is yet to be recovered. The

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Petitioner is continuously requesting the Hon'ble Commission to amortise the Regulatory Asset.

5.5 Despite the Petitioner's best efforts in raising and/or maintaining loan, lenders have been getting increasingly reluctant in extending credit to the Petitioner owing to substantial unamortized Regulatory Assets which in turn has a bearing on the credit rating of the Petitioner. The Ministry of Power has recently advised SBI to follow strict prudential norms while lending to DISCOMs warning that the unchecked lending to the financially stressed entities can expose the bank's loan assets to risk. Further, RBI has also time and again cautioned banks on tightening the norms for lending to power sector.

5.6 In view of the aforesaid submissions, it becomes necessary that the Revenue Gap is allowed to be amortised by the Hon'ble Commission in a time bound manner.

Revenue at existing tariff for FY 2024-25

5.7 The methodology adopted for computation of revenue at existing tariffs for FY 2024-25 is detailed in Chapter-4 of this Petition.

5.8 The revenue estimated on account of sales to various consumer categories during FY 2024-25 is tabulated as under:

Table 5- 2: Revenue estimated during FY 2024-25 (₹ Cr.)

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges* (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)
1	**Domestic**	**546.6**	**3,800.1**	**-**	**4,346.7**
1.1	Domestic Consumer	525.5	3,682.3	-	4,207.7
1.2	SPD supply for GHS (CGHS)	14.7	86.5	-	101.2

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges* (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)
1.3	Worship / Hospital	6.1	26.4	-	32.5
1.4	DVB Staff	0.3	5.0	-	5.3
2	**Non-Domestic**	**784.1**	**2,714.4**	**16.6**	**3,515.1**
2.1	Non-Domestic LT (up to 3KVA)	119.6	235.0	0.0	354.7
2.2	Non-Domestic LT (above 3KVA)	437.8	1,505.3	10.0	1,953.1
2.3	Non-Domestic HT	226.7	974.1	6.6	1,207.4
3	**Industrial**	**83.6**	**447.5**	**3.0**	**534.0**
3.1	Industrial LT	57.1	273.7	2.4	333.2
3.2	Industrial HT	26.5	173.8	0.5	200.9
4	**Agriculture**	**5.3**	**3.7**	**-**	**9.0**
5	**Mushroom Cultivation**	**0.1**	**0.2**	**-**	**0.3**
6	**Public Utilities**	**97.0**	**451.4**	**0.9**	**549.2**
6.1	Delhi Metro Rail Corporation	43.8	197.6	1.4	242.8
6.2	Delhi Jal Board	37.8	168.6	(0.7)	205.7
6.3	Public Lighting	15.4	85.2	0.2	100.7
7	**Delhi International Airport Limited**	**15.4**	**41.1**	**0.0**	**56.5**
8	**EV Charging**	**-**	**80.9**	**1.7**	**82.6**
9	**Advertisement & Hoardings**	**0.4**	**-**	**-**	**0.4**
10	**Others**	**25.0**	**189.7**	**0.2**	**214.9**
11	**Total**	**1,557.5**	**7,729.0**	**22.3**	**9,308.9**
	Revenue Realised @ 99.5% CE				**9,262.3**

** Energy charges is net of voltage rebate as approved by the Hon'ble Commission in its Tariff Order dated 30.09.2021.*

Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs

5.9 The Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs is tabulated as under:

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Table 5- 3: Revenue (Gap)/ Surplus at Existing Tariff for FY 2024-25 (₹ Cr.)

S. No	Particulars	FY 2025 as per BPR, 2019	FY 2025 as per BPR, 2023	Remarks/ Reference
A	Revenue Requirement for the year (excluding carrying cost)	14,517.9	13,971.0	Table 5.4 and Table 5.5
B	Revenue at existing tariff	9,262.3	9,262.3	Table 5.2
C	**Revenue (Gap)/ Surplus for the year**	**(5,255.6)**	**(4,708.7)**	**C = B-A**
D	**Less: Revenue Gap on account of Power Purchase cost proposed to be recovered through PPAC**	**(3,970)**	**(3,970)**	**Para 5.17(a)**
E	**Net Revenue Gap proposed to be recovered through cost reflective Tariff**	**(1286)**	**(739)**	**E = C-D**

Cost of Service Model

5.10 As regards to the ratio of allocation of ARR into Wheeling and Retail Supply, Regulation 32 of DERC (Business Plan) Regulations, 2019 states as under:

*"**32.Ratios of Allocation of ARR into Wheeling & Retail Supply***

The ratio of allocation of ARR into Wheeling & Retail Supply Business in terms of the Regulation 4(9) (e) of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 shall be as follows:

Table 17: Retail Business

Particulars	*BRPL*	*TPDDL*	*BYPL*	*NDMC*
Cost of Power Purchase	***100%***	*100%*	*100%*	*100%*
Inter-State Transmission Charges	***100%***	*100%*	*100%*	*100%*
Intra-State Transmission Charges	***100%***	*100%*	*100%*	*100%*
SLDC fees and charges	***100%***	*100%*	*100%*	*100%*
Operation & Maintenance Costs	***40%***	*38%*	*38%*	*38%*
Depreciation (including AAD)	***21%***	*23%*	*19%*	*23%*
Return on Capital Employed	***26%***	*28%*	*28%*	*28%*
Income Tax	***26%***	*28%*	*28%*	*28%*
Non Tariff Income	***85%***	*60%*	*85%*	*60%*

Table 18: Wheeling Business

Particulars	***BRPL***	*TPDDL*	*BYPL*	*NDMC*
Operation & Maintenance Costs	***60%***	*62%*	*62%*	*62%*
Depreciation (including AAD)	***79%***	*77%*	*81%*	*77%*
Return on Capital Employed	***74%***	*72%*	*72%*	*72%*
Income Tax	***74%***	*72%*	*72%*	*72%*
Non Tariff Income	***15%***	*40%*	*15%*	*40%*

….”

5.11 The Hon’ble Commission in Regulation 32 of Business Plan Regulations, 2023 has continued the same allocation of ARR, as above.

5.12 Considering the aforesaid ratios, the Petitioner has bifurcated the ARR into Retail and Wheeling Business as per the Table given below:

Table 5- 4: Allocation of ARR into Retail and Wheeling Business as per BPR, 2019 (₹ Cr.)

Particulars	**Wheeling**	**Retail**	**Total**
Cost of Power Procurement	-	10,936.0	10,936.0
Operation and Maintenance expenses (including other expenses)	1,183.1	788.7	1,971.8
Depreciation	341.3	90.7	432.0
Return on Capital Employed	809.8	284.5	1,094.4
Other Expense	135.1	90.0	225.1
Less: Non-Tariff Income	21.2	120.2	141.5
Aggregate Revenue Requirement	**2,448.0**	**12,069.8**	**14,517.9**

Table 5- 5: Allocation of ARR into Retail and Wheeling Business as per BPR, 2023 (₹ Cr.)

Particulars	**Wheeling**	**Retail**	**Total**
Cost of Power Procurement	-	10,936.0	10,936.0
Operation and Maintenance expenses (including other expenses)	913.2	608.8	1,521.9
Depreciation	341.3	90.7	432.0
Return on Capital Employed	738.0	259.3	997.4
Other Expense	135.1	90.0	225.1
Less: Non-Tariff Income	21.2	120.2	141.5
Aggregate Revenue Requirement	**2,106.4**	**11,864.7**	**13,971.0**

5.13 Accordingly, the Petitioner requests the Hon'ble Commission to consider the aforesaid allocation into wheeling and retail supply business.

Tariff Proposal

5.14 The Petitioner has estimated the revenue deficit of ₹5,255.6 Cr. and ₹4,708.7 Cr. for FY 2024-25 at existing tariff as per Business Plan Regulations, 2019 and Business Plan Regulations, 2023 respectively.

5.15 The reasons for such deficit are listed as under:

a. Existing consumer mix which has resulted in a lower distribution margin of the Petitioner as compared to its peers;

b. High Power Purchase and Transmission cost due to non-availability of power across India, which resulted into power crisis due to coal availability, high gas and short term prices; and

c. Migration of cross subsidizing consumers to nearby NCR cities resulting into increase in ACOS and ABR gap. A comparison of Tariff of Cross Subsidizing categories in nearby states is as below:

Table 5- 6: ABR (₹/kWh) of Cross Subsidizing Consumers in NCR Cities

Particulars	Industrial	Non-Domestic	Remarks
Delhi (BRPL)	9.53	11.24	Table 5. 19 of DERC Tariff Order dtd 30.09.2021 for BRPL
Punjab	7.64	8.44	Chapter 4 of PSERC Tariff Order for FY 2023-24 for PSPCL
Uttar Pradesh	8.26	9.58	Table 9.22 of UPERC Tariff Order for FY 2023-24 for UPPCL

Particulars	Industrial	Non-Domestic	Remarks
Himachal Pradesh	5.64	6.19	HPERC Tariff Order for FY 2023-24 for Himachal Pradesh State Electricity Board Limited
Madhya Pradesh	7.55	9.45	Tariff Order for FY 2023-24

d. Tariffs being not reflective of their cost of supply, which make high end consumer(s) susceptible to open access, adversely impacting the revenue realization of the Petitioner;

e. Increase in uncontrollable O&M Expenses due to statutory pay revision of employees.

5.16 The revenue gap is primarily on account of Power Purchase Cost which is not in reasonable control of the Petitioner. The other contributing factors include (i) lower revenue on account of poor consumer mix leading to lower tariff recovery i.e. non cost reflective tariff, (ii) higher sales in cross subsidized categories and (iii) gap on account of financing of huge accumulated deficit.

5.17 To address the revenue gap indicated above and to fully meet the tariff requirement of the Petitioner, it is proposed that:

a) The revenue gap of ₹ 3,970 Cr., difference between the power purchase cost projected for FY 2024-25 in the instant petition and that approved power purchase cost in the Tariff Order dated 30.09.2021 for ARR year, is proposed to be recovered through additional PPAC during FY 2024-25.

b) Balance revenue gap of ₹ 1,286 Cr. in terms of Business Plan Regulations, 2019 and ₹ 739 Cr. in terms of Business Plan Regulations, 2023 is proposed to be recovered through suitable revision in tariff.

5.18 Accordingly, the Hon'ble Commission is requested to:

a) Determine a cost reflective tariff;

b) Provide tariff entitlements of the Petitioner, accruing out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble Tribunal as well as own Orders of the Hon'ble Commission; and

c) Give effect to all orders/directions/ judgments that are issued by the Hon'ble Supreme Court and the Hon'ble Tribunal or including directions that may be passed by the Superior Courts (Hon'ble Supreme Court of India, Hon'ble High Court of Delhi and Hon'ble Tribunal) during the pendency of this petition and grant reliefs in terms of the directions therein.

Other Proposal on Tariff:

Implementation of Regulation-130, Regulation-131 and Regulation-132 of DERC Tariff Regulations, 2017:

5.19 Regulation-130, 131and 132 of DERC Tariff Regulations, 2017 states as under:

"130. The Fixed Charge of the Distribution Licensee shall consist of the following components:

(a) Capacity Charges of Generating Stations as approved/adopted by the appropriate Commission;
Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate Commission;
Fixed Cost of Distribution Licensee:
(i) Return on Capital Employed;
(ii) Depreciation; and
(iii) Operation and Maintenance expenses.

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

(a) Energy Charges (Power Purchase Cost excluding Capacity Charges);
(b) Trading Margin, if any,; and
(c) Open Access Charges, if any.

132. The Commission shall design the Tariff Schedule, indicating Tariff for various categories of consumers in the area of the Distribution Licensee, in the relevant Tariff Order in order to enable recovery of ARR."

5.20 The Hon'ble High Court of Delhi in its judgment in W.P.(C) 12260/2018 dated 17.09.2019 also held that the fixed charges are meant for varieties of infrastructure installations by the distribution licensee. The relevant extracts of judgment dated 17.09.2019 are reproduced below:

"11. By no stretch of imagination, can it be said that Section 45(3)(a) of the Electricity Act, 2003 is violative of any of the provisions of Constitution or of the Electricity Act, 2003, as contended by the petitioner in person. On the contrary, looking to the provisions of the Electricity Act, 2003 the fixed charges are to be levied for the purposes as stated hereinabove, i.e., for the infrastructure, which is to be provided by the respondents. In fact, huge infrastructure is required for the distribution of the electricity. It is also submitted by the counsel for respondent nos. 5 and 6 ***that fixed charges are meant for varieties of infrastructure installations by the distribution company, which includes the generator installation, transformer installation, grid sub-station, distribution, lines and wires etc. Moreover, the distribution company has to pay the similar type of fixed charges to the generating company.*** *Thus, fixed charges are part and parcel of the composite tariff to be fixed by the Delhi Electricity Regulatory Commission. Thus, the philosophy behind the fixed charges to be levied, is scientific in nature. It is meant for compensating the fixed installation cost, to be incurred by generating company and distribution company; therefore, it is made part and parcel of the tariff to be fixed by the Delhi Electricity Regulatory Commission. Even otherwise, petitioner is at liberty to challenge the tariff order fixed by the Delhi Electricity Regulatory Commission in accordance with law before the appropriate forum."*

5.21 As evident from above, the fixed charges ought to include all fixed costs and energy charge ought to include all variable costs. Further, the Hon'ble Commission in February 2018 had issued Approach Paper for "*Tariff*

Rationalization" to simplify the tariff structure and create conditions conducive for competition in Retail Supply of Electricity. Based on its approach in abovementioned paper, Hon'ble Commission in Tariff Order dated 28.03.2018 re-structured the fixed and variable charges with an attempt to have minimal impact on the consumers' bill. The relevant paras of Approach Paper elaborating the rationale for "*Tariff Rationalization*" is extracted as under:

> *"**Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively. However, the present retail tariff applicable in most of the states in India includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRASNCOs irrespective of the quantum of power procured besides their own fixed cost liabilities**.*
>
> *As the major part of fixed cost is recovered through energy charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through tariff.*
>
> *Ministry of Power constituted two committees for simplification of tariff categories of consumers and rationalization of tariff structure and Price Waterhouse Coopers (PwC) has been appointed as a consultant to assist for the assignment. During the combined meeting of the committees at Ministry of Power on 8th December, 2016, PwC had presented an analysis on the present cost and revenue component of the distribution licensees prevalent in the state of Maharashtra. It is observed from the ARR that total fixed cost in the ARR is 45% to 55% against revenue from fixed charges of 10% to 15% whereas variable cost component in ARR is 45% to 55% against revenue from variable charges of 80% to 85%.*
> *...*
>
> *Taking a cue from the above study, the Commission has analyzed the present cost and revenue component of the distribution licensees prevalent in the state of Delhi and it is observed from the ARR that total fixed cost in the ARR is 45% to 55% against revenue from fixed*

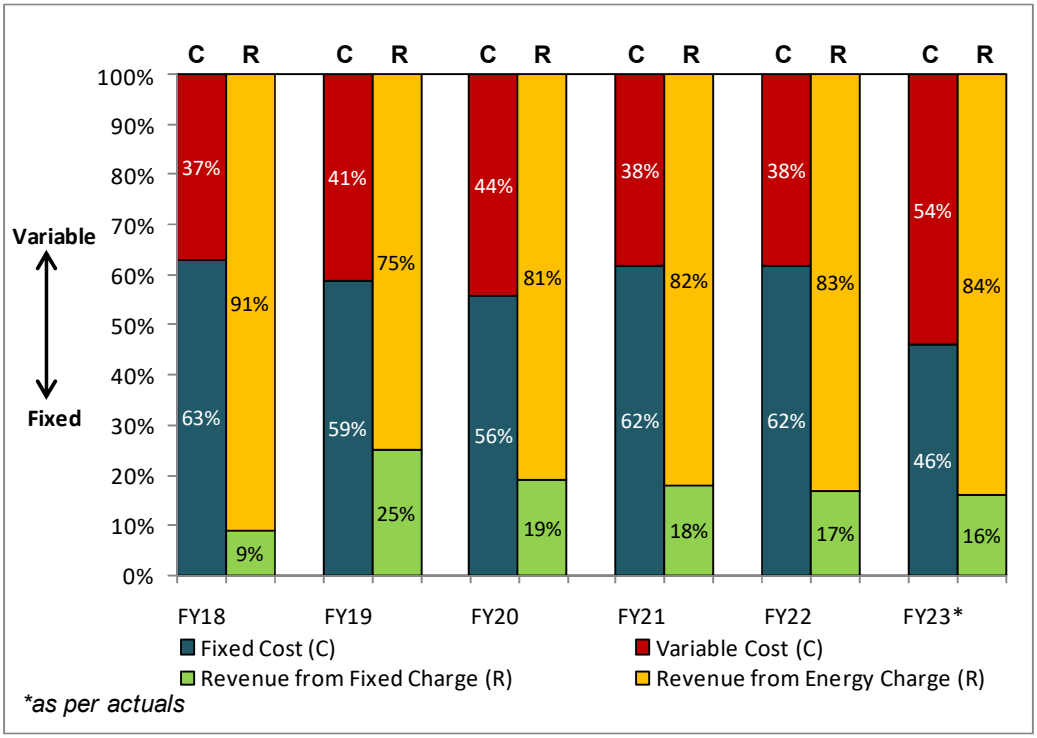
charges of 8% to 10% only. Whereas variable cost component in ARR is 45% to 55% against revenue from variable charges of 90% to 92%.

...

It is pertinent to state that major reason of variation in cost breakup of Delhi and Maharashtra is due to reasons like Majority of power required is generated within the state of Maharashtra whereas in Delhi Majority of power required is procured from outside Delhi."

5.22 Accordingly, the Hon'ble Commission had revised the fixed charge to Energy charge ratio from **9:91 to 25:75** (S.No.1 of table below) in Tariff Order dated 28.03.2018. Thereafter, the condition has deteriorated instead of improvement from **25:75 (in FY 2018-19) to 17:83 (in FY 2021-22) and 16:84 (in FY 2022-23)** as tabulated below:

Table 5- 7: Trajectory of Fixed to Variable ratio



**as per actuals*

Particulars	FY 18 (as per T.O. dtd 31.08.17)	FY 19 (as per T.O. dtd 28.03.18)	FY 20 (as per T.O.dtd 31.07.19)	FY 21 (as per T.O. dtd 28.08.20)	FY 22 (as per T.O. dtd 30.09.21)	FY 23 (as per actuals)
Ratio of Fixed to Variable Cost	63:37	59:41	56:44	62:38	62:38	46:54
Ratio of Fixed to Variable Revenue	9:91	25:75	19:81	18:82	17:83	16:84

5.23 The detailed breakup of the actual ratio of fixed charges to energy charges based on revenue billed during FY 2022-23 and fixed cost to variable cost based on the actual ARR claim for FY 2022-23 is tabulated below:

Table 5- 8: Cost and Revenue for FY 2022-23 as per actuals – Fixed and Variable Components (₹ Cr.)

Particulars	True Up for FY 2022-23	Fixed	Variable	Remarks
ARR cost for FY 2022-23				
Purchase of power including Transmission and SLDC Charges:				
- Capacity/ Variable Charges of Generating Stations	6469.9	1686.7	4783.2	Table 3A- 17
- Capacity Charges of Transmission Licensee	957.0	957.0		Table 3A- 20
- Short Term Power Purchase	2720.1		2720.1	Table 3A- 18
- Short Term Power Sales	772.4		772.4	Table 3A- 19
- Other Charges	101.3		101.3	S. No. H of Table 3A- 22
Total Power Purchase Cost	**9273.3**	**2643.7**	**6629.6**	
O&M Expenses	1461.4	1461.4		Sum of S.No. B & C of Table 3A- 55
Depreciation	364.9	364.9		Table 3A- 55
Return on Capital Employed (RoCE)	880.6	880.6		Table 3A- 55
Less: Non-Tariff income	141.5	141.5		Table 3A- 55
Less: Income from Open Access	89.2		89.2	Table 3A- 55
Aggregate Revenue Requirement excluding carrying cost	**11749.6**	**5209.2**	**6540.4**	
Add: Carrying cost	366.1	366.1		Table 3A- 55
ARR including Carrying Cost	**12115.8**	**5575.3**	**6540.4**	
A. Fixed cost to variable cost ratio		**46:54**		
Total Revenue billed (excluding surcharge, E-Tax and Subsidy)	**8916.2**	**1401.5**	**7514.7**	Form 2.1a for FY 2022-23 – revenue from current billing
B. Fixed to Energy charges ratio		**16:84**		

5.24 Even in the neighbouring states like Uttar Pradesh, the fixed to variable component in revenue is better to 21:79 as tabulated below:

Table 5- 9: Fixed to Variable ratio in Uttar Pradesh

Particulars	Tariff Order dated 24.03.2023 by UPERC for State Discoms
Fixed to variable charges ratio(Revenue)	21:79
Fixed cost to variable cost ratio	55.45

5.25 The Petitioner requests the Hon'ble Commission to determine fixed and variable charges in accordance with Regulation 130 and 131 of DERC Tariff Regulations, 2017, so that fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively.

Time bound recovery of Regulatory Assets/ Revenue Gap:

5.26 As regards recovery of Regulatory Assets, Clause-8.2.2 of revised Tariff Policy 2016 states 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 a very rare exception in case of natural calamity or force majeure conditions and subject to the following:*
>
> *a.* ***Under business as usual conditions, no creation of Regulatory Assets shall be allowed****;*
>
> *b.* ***Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years****. The State Commission may specify the trajectory for the same."*

5.27 As stated above, the Regulatory Assets along with carrying cost if created as a very rare exception in case of natural calamity or force majeure conditions, is to be recovered within a period of maximum 7 years.

5.28 The Hon'ble Commission vide affidavit dated 01.05.2014 had submitted a liquidation plan before Hon'ble Supreme Court for amortisation of Regulatory Assets within a period of 6-7 years through 8% surcharge. As per the amortisation plan, the Regulatory Assets recognised till FY 2011-12, i.e., ₹ 5206 Cr. was to be amortised by FY 2019-20.

5.29 The Hon'ble Commission in latest Tariff Order dated 30.09.2021 has itself recognised Regulatory Assets of ₹ 4189.46 Cr. till FY 2019-20. It is pertinent to note that the Hon'ble Commission in Tariff Order dated 30.09.2021 has maintained the Tariff at same level as was approved in Tariff Order dated 28.08.2020, and thereafter no tariff order has been approved. Such Regulatory Asset has been accumulated despite the fact that the Petitioner has actively taken steps to bring down the uncontrollable power purchase costs through re-allocation/ surrender of costly PPAs and substantial loss reduction.

5.30 Also, Tariff Orders issued by the Hon'ble Commission itself show that 8% Regulatory Asset Surcharge towards recovery of past accumulated deficit is not sufficient as tabulated below:

Table 5- 10: Revenue (Gap)/Surplus of BRPL as approved in past Tariff Orders (₹ Cr.)

S.No.	Particulars	TO dated 31.07.2019 upto FY 2017-18	TO dated 28.08.2020 upto FY 2018-19	TO dated 30.09.2021 upto FY 2019-20
1	Opening Regulatory Assets	(4,258.0)	(3,979.0)	(3,474.8)
2	Impact of Past Period True Up	(224.0)	(135.0)	(479.5)
3	Gap during the year	377.0	391.0	(481.6)
4	**Revenue from 8% RA surcharge**	**687.0**	**721.0**	**728.9**
5	**Carrying Cost**	**(507.0)**	**(474.0)**	**(482.4)**
6	Pension Trust Deficit	(53.0)		
7	**Closing Regulatory Assets**	**(3,979.0)**	**(3,475.0)**	**(4,189.5)**

5.31 As evident from the above, the currently applicable 8% Regulatory Asset surcharge is not sufficient to recover the Regulatory Asset along with the carrying cost approved by the Hon'ble Commission till FY 2019-20 in its tariff order dated 30.09.2021.

5.32 Further, the Petitioner vide its letter no RA/2021-22/01/A/33 dated 16.04.2021 has already submitted to the Hon'ble Commission that the MoP while ensuring the timely payments to Gencos has also taken cognizance of the financial position of the Petitioner. In order to ensure viability of the financially stressed the Petitioner, the MoP by its communication dated 01.04.2021 issued to CERC and SERCs has directed as under:

> *"6. It has been brought to the notice of the Government that despite above explicit legal provisions, there are significant delays in issuance of tariff orders by some of the State Commissions. Regulatory Assets are being created by some of the State Electricity Regulatory Commissions as a matter of routine. This is against the letter and spirit of the law and not only negatively impacts financials of the Distribution licensees and their business sustainability but is also prejudicial to the public interest as the DISCOMs· do not have enough money to buy power or maintain the distribution system. As per the PRAAPTI portal, as on 28.02.2021, the overdue outstanding amounts to GENCOs payable by DISCOMs has crossed Rs.1,24,437 crore. The outstanding loans of distribution utilities is in the range of Rs.6,00,000 crore. The average gap of retail tariff vis-a-vis the annual revenue requirement is in the range of 72 paise per unit (2018-19). The regulatory assets is of the order of Rs. 77,939 crore.*
>
> *7. In view of the legal provisions in the Electricity Act 2003, and the Tariff Policy 2016,*
>
> > ***i. All Tariff Orders of the licensees and the generating companies are issued before 1st April of the tariff year.***
> > ***ii. No creation of Regulatory Assets under business as usual conditions. Recovery of outstanding Regulatory Assets along with its carrying cost should be time bound and as per the period defined in the Tariff Policy 2016.***
>
> *8. **The Central Commission and State Commissions are requested to send the status of compliance of above provisions, as applicable, by 31st May every year**."*

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5.33 The aforesaid directions are in consonance with the Hon'ble Tribunal Judgment in O.P. 1 of 2011 dated 11.11.2011, which requires determination of Tariff before 1st April of the ensuing year and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with Tariff Policy and Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding seven years. Carrying cost of the Regulatory Asset should be allowed to the utilities in the true up/ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.

5.34 Further, Ministry of Power in its Letter No. F.No.07/01/2021-RCM-Part (1) dated 11.11.2022 has directed all SERCs/JERCs of all the States/UTs for determination of cost reflective tariff and liquidation of RA, to comply with the provision of Electricity Act, 2003 and Tariff Policy and directions of the Hon'ble Tribunal and the Hon'ble Supreme Court. The Ministry of Power in aforesaid communication has specifically stated that:

> *"It is observed that large Regulatory Assets have been created by some Commissions, without specifying the mandatory trajectory for recovery of such Regulatory Assets. This is in contravention of the law. The State Commissions are required to comply with the provisions of the Electricity Act, 2003 and the Tariff Policy and lay down a trajectory for recovery of Regulatory Assets along with carrying costs.* ***The State Commissions should also ensure that no fresh Regulatory Assets are created.*** *The State Commissions should* ***ensure that the provisions of the Electricity Act and the Tariff Policy, and directions of Hon'ble Tribunal and Hon'ble Supreme Court are implemented.***
> *For the financial viability of the Distribution licensees and the whole power sector, it is essential that the Regulatory Assets are liquidated at the earliest. It is requested that the latest status of Regulatory Assets and the* ***plan for liquidation of the same may be submitted to this Ministry within 30 days.***
> *This issues with the approval of Hon'ble Minister of Power & NRE"*

The Ministry of Power has also advised that any wilful violation of the law would come under the ambit of Section 90 (2) (f) of the Electricity Act.

5.35 Further, we would like to submit that similar distribution utilities in other states like Torrent Power Ltd., Adani Electricity Mumbai Ltd., etc.either do not have Regulatory Asset or negligible amount as compared to the Regulatory Asset of the Petitioner, which is unacceptably high and in turn directly impacts the credit rating of the Petitioner.

5.36 In view of the above directions from MoP and in order to ensure adequate liquidity to meet the MoP's directions, it is very critical that the following prayers are to be allowed by the Hon'ble Commission:

1. Plan for liquidation of Regulatory Asset.
2. No creation of any fresh regulatory assets through cost reflective tariff.

5.37 The creation and maintenance of the Regulatory asset for such a long period is against the principles of natural justice to both the petitioner and its consumers. The Petitioner is aggrieved due to the reason that the financial health of the petitioner is adversely affected and the banks are reluctant to disburse any further loans to the petitioner. The consumers of the Petitioner are also adversely affected as they are burdened with the past cost in the tariff.

5.38 In order to ensure recovery of the accumulated Regulatory Asset of the Petitioner, the Hon'ble Commission is requested to approve a suitable surcharge for amortization of recognized Regulatory Asset till FY 2019-20 approved in Tariff Order dated 30.09.2021, in terms of Hon'ble Tribunal's

Judgment dated 14.11.2013 in OP No 1 and 2 of 2012 read with Judgment dated 11.11.2011 in OP 1 of 2011 and the tariff Policy.

Recovery of Tariff Entitlements arising out of various Judgment of Hon'ble Supreme Court/ Hon'ble Tribunal/ Hon'ble Commission through a separate surcharge

5.39 The Petitioner would like to request the Hon'ble Commission to approve the tariff entitlements of the Petitioner, arising out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble Tribunal as well as own Orders of the Hon'ble Commission that are existing as on date or are being pronounced during the pendency of this Petition, to be allowed to be recovered in 7 years for amortization of Regulatory Asset under the revised Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect. This would ensure a timely recovery and identification of the legitimate cost of the petitioner along with the carrying cost.

Removal of capping and allowance of Short Term Purchase in PPAC:

5.40 Clause-5.11 (h) (4) of revised Tariff Policy, 2016 states as under:

> *"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events."*

As evident from above, the power purchase costs are required to be recovered speedily.

5.41 Also the Hon'ble Tribunal in Judgment dated 11.11.2011 (OP1 of 2011) has directed the various State Electricity Regulatory Commissions as under:

> *"65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:*
> *...*
>
> *(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable.* ***Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies*** *but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism. "****(Emphasis added)***

5.42 In line with the revised Tariff Policy 2016 and the Hon'ble Tribunal Judgment dated 11.11.2011, the Petitioner requests the Hon'ble Commission to allow the recovery of uncontrollable power purchase costs on monthly basis.

5.43 Further, as per Clause 14 of the Electricity (Amendment) Rules, 2022 dated 29.12.2022, the PPAC should be recovered on monthly basis. It is also mentioned that while computing the Fuel and Power Purchase Adjustment Surcharge the units procured from Long-term, Medium –term and Short-term Power purchases to be considered. The Clause 14 of the Electricity (Amendment) Rules, 2022 is quoted below:

> *"The Appropriate Commission shall within ninety days of publication of these rules, specify a price adjustment formula for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs and the impact in the cost due to such variation shall be* ***automatically passed through in the consumer tariff, on a monthly basis****, using this formula and such monthly automatic adjustment shall be trued up on annual basis by the Appropriate Commission:*

Provided that till such a methodology and formula is specified by the Appropriate Commission, the
methodology and formula specified in the Schedule – II annexed to these rules shall be applicable.
...

...

Schedule-II
(see rule 14)

3. Computation of Fuel and Power Purchase Adjustment Surcharge:

(4) Formula:

$$\text{Monthly FPPAS for nth Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1 - \text{Distribution losses in\%}/100)\} * ABR}$$

Where,
Nth month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in (n-2)th month

A is Total units procured in (n-2)th Month (in kWh) from all Sources including Long-term, Medium –term and ***Short-term Power purchases****(To be taken from the bills issued to distribution licensees)*

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost= Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh)- (from tariff order)

D = Actual inter-state and intra-state Transmission Charges in the (n-2)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

Z = [{Actual Power purchased from all the sources outside the State in (n-2)th Month. (in kWh) (1 – Interstate transmission losses in % /100) + Power purchased from all the sources within the State(in kWh)}*(1 – Intra state losses in %) – B]/100 in kWh*

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = As per Tariff Order"

5.44 Currently the Petitioner is charging variations in power purchase costs through existing PPAC mechanism on quarterly basis. Recovery of unrecovered power purchase costs for entire quarter actually considerably increases the PPAC surcharge percentage and is levied in bills of consumers during entire next quarter. Recovery of PPAC on monthly basis will actually enable the Petitioner to recover the power purchase costs timely through considerably less percentage of surcharge and will also be beneficial for consumers as PPAC back-log won't be created. In any case, the Petitioner won't levy PPAC surcharge more than suo-motu limit as specified in Business Plan Regulations and shall seek approval of the Hon'ble Commission in case the variation is more than the suo-motu limit.

5.45 Further other states like Madhya Pradesh, Karnataka, etc. have already approved for recovery of PPAC including variation of short term and on monthly basis without any ceiling limit. In this regard, relevant extract of Regulation 9 of the Madhya Pradesh Electricity Regulatory Commission(Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) (1st Amendment) Regulations, 2021 is as under:

*"**3. Amendment to Regulation 9***
In Principal Regulations, Regulation 9 shall be substituted as follows:

9.1 The Fuel and power purchase adjustment surcharge (FPPAS) formula has been specified in terms of Section 62(4) of the Act.

*9.2 **Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going***

***through regulatory approval process, on a monthly basis**, according **to the formula, specified by the Commission, subject to true up, on an annual basis**:*
Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations:
...

9.3 Fuel and Power Purchase Adjustment Surcharge shall be computed and charged by the Distribution Licensee, in (n + 2)th month, on the basis of actual variation, in cost of fuel and power purchase for the power procured during the nth month.
...

9.13 Computation of Fuel and Power Purchase Adjustment Surcharge: The formula for Computation of Fuel and Power Purchase Adjustment Surcharge (FPPAS) for nth month is as follows:

$$\text{Monthly FPPAS for } n^{th} \text{ Month (\%)} = \frac{(A-B)*C}{\left\{Z*\left(1-\frac{\text{Distribution losses in \%}}{100}\right)\right\}*ABR}*100$$

Where,
"nth" month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in fuel and power purchase cost for the power supplied in (n - 2)th month;

A is total units procured from all sources in Cn-2)th Month (in kWh) including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees);

B is bulk sale of power out of total units procured (as per A)in Cn - 2)th Month (in kWh) =(to be taken from provisional accounts to be issued by State Load Dispatch Centre in each month);

C is incremental Average Power Purchase Cost in Rs/kWh= D – E

D is Actual average Power Purchase Cost (PPC) for procurement of A-B units in (n - 2)th month (Rs./kWh) (computed)

E is Projected Average Power Purchase Cost (PPC) from all Sources (Rs. /kWh) (from Retail Supply Tariff Order of respective year);
(Note: D = (power purchase cost of A- Income from power sale ofB)/ (A-B)

*Z= [{Actual Power purchased from all the sources outside the State in Cn - 2)th Month (in kWh) * (1 - Inter-state transmission losses in % /100)+ Actual Power purchased from all the sources within the State (in kWh)} *(1 - Intra-state losses in %/100) - B] in kWh*

ABR =Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Normative Distribution Losses as given in table under Regulation 26.1.

Inter-state Transmission Losses (in %) = As per Tariff Order."

5.46 Further, Karnataka Electricity Regulatory Commission (Fuel and Power Purchase Cost Adjustment) (First Amendment) Regulations, 2023 provides recovery of Fuel and Power Purchase Cost Adjustment Charges including variation of short term and on monthly basis as extracted below:

"Distribution Licensees shall determine the per unit ***Fuel and Power Purchase Cost Adjustment recoverable from consumers on the basis of the variation in the fuel and power purchase cost*** *on energy purchased from Generators as specified in Clause5 of these Regulations duly considering the* ***incremental gain or loss incurred on the sale of purchased power through Energy Exchanges or Other Agencies over the actual average power purchase cost*** *incurred for the relevant month."*

5.47 Hence, in line with the above rule as mentioned in Clause 12(14) of the Electricity (Amendment) Rules, 2022, Petitioner proposes that the Hon'ble Commission may devise a mechanism where the formula for recovery of PPAC be appropriately modified to allow recovery of variation in power purchase costs including short term purchases on a monthly basis without any ceiling limit.

5.48 It is further prayed to adjust the gap between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, through suitable additional PPAC during FY 2024-25.

Cross subsidy as per Tariff Policy:

5.49 Section 61(g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, the Government of India in Tariff Policy, 2016 has laid down framework for tariff design for distribution that the SERCs would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. Further, the road map would also have intermediate milestones, based on the approach of a gradual reduction cross subsidy. Following are the relevant clauses of the revised Tariff Policy 2016 regarding the cross subsidization of consumers:

> *"**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..."

The revised Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of cross subsidy and bring tariff at ±20% of Average Cost of Supply. It is essential that the SERCs perform their statutory role independent of the intervention from the Government. The Cross Subsidy should breach of the ±20% limit prescribed in the Tariff Policy. Thereafter, if the State Government wishes, they can always provide the Subsidy under

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Section 65 of the Electricity Act to any category of consumers. Hence it is essential for the SERCs to determine tariff independently and in- terms of the National Tariff Policy.

5.50 The Petitioner would like to bring to the kind notice of the Hon'ble Commission that the cross subsidy in the approved tariff is more than the norms as mentioned in the revised Tariff Policy, 2016. Thus, the Hon'ble Commission has not adhered to the statutory prescription of the Electricity Act, 2003 and Clause 8.3.2 of the revised Tariff Policy 2016, and therefore, in the NCT of Delhi cross subsidization of various categories of consumers is not within the prescribed limits and the same is gross violation of the Tariff Policy. A comparative table of cross subsidy approved by the Hon'ble Commission in its tariff order from FY 2019-20 to FY 2021-22 is tabulated below:

Table 5- 11: Comparison of Cross subsidy approved in respective tariff orders

S.No	Category	% Energy Sales	Tariff as % of ACOS		
			Approved in TO dtd 31.07.2019	Approved in TO dtd 28.08.2020	Approved in TO dtd 30.09.2021
		FY 2022-23	FY 2019-20	FY 2020-21	FY 2021-22
1	Domestic	64.10%	-26%	-27%	-34%
2	Non Domestic	23.70%	53%	61%	51%
3	Industrial	4.19%	34%	40%	28%
4	Agriculture and mushroom cultivation	0.18%	-55%	-49%	-57%
5	Public Utilities (including Public Lighting, DMRC and DJB)	4.98%	0.30%	4%	-1%
8	DIAL	0.49%	10%	36%	10%
9	E Vehicle	0.74%	-31%	-36%	-39%

5.51 As depicted from the above table, 71% of consumption is being cross subsidized by 29% Consumption which is one of the major contributors of Revenue Gap.

5.52 The issue related to cross subsidy and tariff simplification has also been addressed in agenda item no 4(a) of 60th Meeting of Forum of Regulator dated 23.06.2017 which mentions that Domestic category may have within itself three sub-categories i.e. Cross subsidizing, Cross Subsidized, and cross subsidy neutral.

5.53 It is pertinent to mention that as per cross subsidy approved in Tariff Order dated 30.09.2021 by the Hon'ble Commission for FY 2021-22 for Domestic category is not in line with the 2003 Act, revised Tariff Policy 2016 and several Judgments of the Hon'ble Tribunal (OP 1 of 2011).

5.54 It is also pertinent to mention that the cross subsidization in tariff structure is comparatively balanced in neighbouring NCR cities and States in northern India. The state wise details of cross subsidy as approved by various State Electricity Regulatory Commissions are as under:

Table 5- 12: Comparison of Cross subsidy as approved in various States

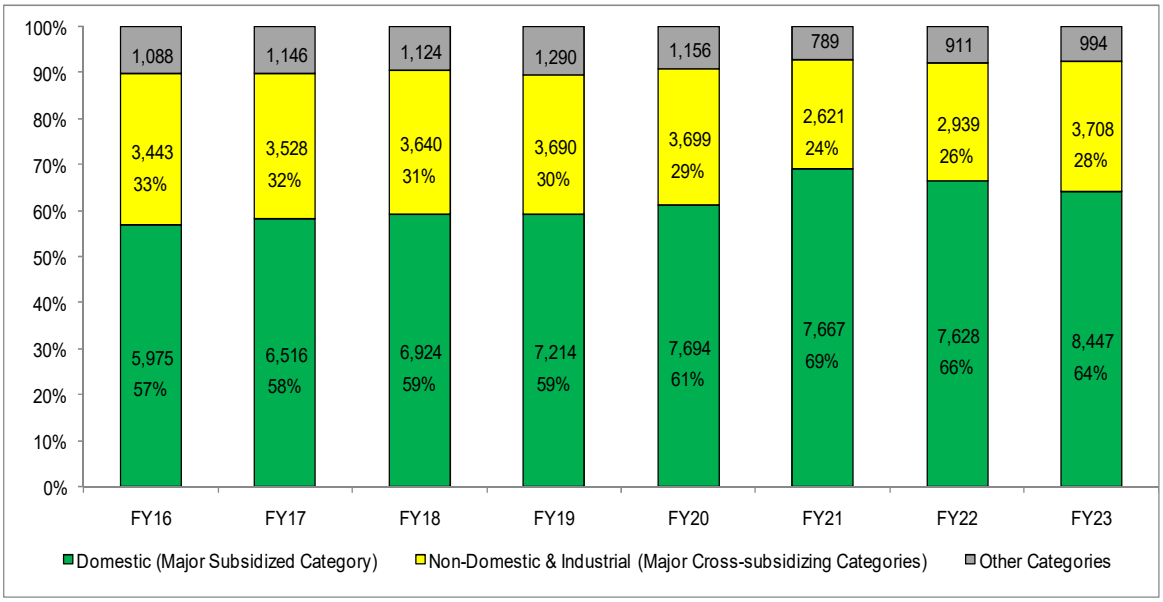
S.No.	Particulars	BRPL Tariff Order for FY 2021-22	Punjab Tariff Order for FY 2023-24	UP Tariff Order for FY 2023-24	Uttarakhand Tariff Order for FY 2023-24
1	Domestic	-34%	-10%	-4%	-20%
2	Non-Domestic	51%	20%	28%	16%
3	Industrial	28%	9%	11%	9%
4	Agriculture	-57%	-9%	-32%	-64%
5	EV	-39%	-	-2%	-6%

5.55 The cross subsidization across the tariff categories in Delhi is not in line with the Tariff Policy, 2016 and the tariff for cross subsidizing categories like Non-Domestic category is more than 51% of Average cost of Supply of the Petitioner.

5.56 The sales under the cross subsidizing categories like Non Domestic and Industrial categories (which constitutes to around 28% of sales in FY 2022-23) has increased by CAGR of 1% only during last 8 years (i.e. from FY16

to FY23), whereas, the cross subsidized categories like domestic category (contributing to around 64% of energy sales of the petitioner) is in continuous increasing trend with CAGR of 5% during the period. This has resulted into lower revenue realization to Petitioner.

Table 5- 13: Sales(in MU and % contribution) under Major Cross Subsidized and Subsidizing Categories



5.57 In view of the above, Hon'ble Commission is requested to kindly address the issue of cross subsidization among all categories by restructuring the existing tariff structure. It is also suggested that common tariff may be adopted across all categories of consumer matching with average cost of supply of the Petitioner.

Revision of Security Deposit on 2 months' average billing

5.58 The Petitioner is presently charging consumer security deposit as per Regulation 20 of DERC (Supply Code and Performance Standards) Regulations 2017, whereby all new consumers and in case of load

enhancement of the existing consumers are to be charged a fixed rate based on their applied load.

5.59 The Hon'ble Commission in its Schedule of Charges and the Procedure (First Amendment) Order, 2017 dated 28.09.2017 approved the charges for security deposit for various categories of consumers. The relevant extract is reproduced below: -

"1. The table for security deposit under clause 3(1) of the principal order shall be substituted, namely:

S.No.	*Tariff Category (as per Tariff Order)*	*Security Deposit for Permanent Connection (Rs. Per kW or per kVA as the case may be)*
(1)	*(2)*	*(3)*
1	*Domestic*	
(i)	*Upto 2 KW*	*600*
(ii)	*Above 2 kW upto 5 kW*	*900*
(iii)	*Above 5 kW*	*1200*
2	*Non-Domestic*	*4500*
3	*Industrial*	*4500*
4	*Agriculture*	*300*
5	*Public Lighting*	*3000*
6	*Railway, DMRC, DIAL, DJB*	*3000*
7	*Mushroom Cultivation*	*600*
8	*Advertisement and Hoardings*	*4500*
9	*Charging Stations for E-Rickshaw/ E-Vehicle*	*2500*

"

5.60 The current methodology of collecting Security Deposit is not equitable. Firstly, it does not have equality between two consumers having same load profile but varying consumption levels. The consumers falling in higher unit slabs end-up paying lesser deposit than what is collected based on the per kW norms as specified by the Hon'ble Commission. Secondly, a consumer who has taken a connection in the past has already paid the security

deposit at the then prevailing rate. Since then, the electricity tariff has increased. The security deposit paid by such consumers is inadequate to cover the consumption for period of billing cycle.

5.61 Ideally, Consumer Security deposit has to be linked with the consumption on individual consumer, the prevailing tariff as well as billing cycle. Therefore, it is proposed that the security deposit collected from the consumers to be linked to the consumption profile and applicable tariff of individual consumers i.e. to the bill amount equivalent to billing period. The rationale behind charging consumer security deposit is to safeguard the interest of honest paying consumers against any default in payment of electricity dues by defaulting consumers and to protect the revenue of DISCOMs.

5.62 The security deposit should include the amount corresponding to two months' average billing. The time flow chart from serving of bill to disconnection of consumer in case of default is tabulated below: -

S.No	Particulars	Duration
1	Energy Bill	30 days consumption
2	Due date	15 days
3	Disconnection notice	15 days
Total		60 days

5.63 It is also pertinent to mention that the currently applicable security deposit is not sufficient enough to recover the two months' bill of the consumer. A comparison table of security deposit with two months bill for various category of consumer is tabulated below: -

Category	Load (KW/KVA)	Existing Security Deposit Rate (₹/kW or kVA)	Security Deposit (₹)	Avg 2 Months Consumption (based on LDHF) (KWh/KVAh)	Avg 2 months Billed amount (₹)	Shortfall (₹)
Domestic Upto 2	2	600	1200	390	1,857	-657

Category	Load (KW/KVA)	Existing Security Deposit Rate (₹/kW or kVA)	Security Deposit (₹)	Avg 2 Months Consumption (based on LDHF) (KWh/KVAh)	Avg 2 months Billed amount (₹)	Shortfall (₹)
kW						
Domestic Above 2 KW to 5 kW	5	900	4500	976	6,878	-2,378
Domestic Above 5 kW	10	1200	12000	1952	18,713	-6,713
Non Domestic	5	4500	22500	3660	49,854	-27,354
Industrial	5	4500	22500	3660	45,769	-23,269
Agriculture	5	300	1500	1525	5,181	-3,681
Public Lighting	5	3000	15000	1464	17,170	-2,170
Railway	5	3000	15000	4392	44,407	-29,407
DMRC	5	3000	15000	3660	37,598	-22,598
DIAL	5	3000	15000	4392	54,212	-39,212
DJB	5	3000	15000	3660	37,598	-22,598
Mushroom Cultivation	5	600	3000	1525	10,786	-7,786
Advertisement & Hoardings	5	4500	22500	3660	49,854	-27,354
Charging Stations for E Vehicle	5	2500	12500	3660	24,513	-12,013

5.64 The Hon'ble Commission is requested to allow revision of Security Deposit on annual basis for all existing consumers.

5.65 The proposed mechanism will also benefit low end consumers as they will have to pay lower deposits. The Security Deposit is linked to the consumption profile of individual consumers in various SERCs supply code throughout the nation. One such extract of Tamil Nadu Electricity Supply Code Notification No. TNERC/SC/7-24, dated 18.03.2021 is as follows:

> *"(5) Additional Security Deposit*
> *(i) The adequacy of security deposit may be reviewed and refixed once in a year in case of HT consumers and once in every two years in case of LT consumers taking into account the interest due for credit. Such reviews shall be made in the month of April/May. The rate of interest on the security deposit shall be on the basis of the Commission's directive to the Licensees in this regard.*
> *(ii) The adequacy of security deposit shall be based on the periodicity of billing for the respective category.*
> *(a)* ***For the categories of consumer under monthly billing, the Security Deposit is equivalent to two times of the monthly average***

of the electricity charges for the preceding twelve months prior to April.
(b) For the categories of consumer under bi-monthly billing, the Security Deposit is equivalent to three times of the monthly average of the electricity charges for the preceding twelve months."
(c) For the categories of consumer under half yearly billing, the security deposit is equivalent to seven times of the average charges per month."

5.66 Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 also provides for security deposit equivalent to twice the average billing of the billing cycle period as extracted hereunder:

*"**13. Security Deposit***

13.1 Subject to the provisions of sub-section (5) of Section 47 of the Act, the Distribution Licensee may require any person to whom supply of electricity has been sanctioned to deposit a security in accordance with the provisions of clause of sub-section(1) of Section 47 of the Act.

13.2 The amount of the security referred to in Regulation 13.1 above shall be twice the average billing of the billing cycle period. For the purpose of determining the average billing under this Regulation 13.2, the average of the billing to the Consumer for the last Twelve (12) months, or in cases where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered:

Provided that for Consumers having quarterly billing cycle, amount of the security shall be 1.5 times the average billing of the billing cycle period:
Provided further that in the case of seasonal Consumers, the billing for the season for which supply is provided shall be used to calculate the average billing for the purpose of this Regulation 13.2:

Provided further that in case of installation of pre-paid meters, the security deposit shall not be collected by the Distribution Licensee and that the Consumer shall be eligible for a rebate/incentive as approved by the Commission for making the prepayment....."

5.67 In view of the above, we request the Hon'ble Commission to kindly review the security deposit and allow the security deposit on the basis of average bill of two months.

Lead plus Lag for high voltage consumers

5.68 The kVAh consumption of consumer meters is being recorded in lag only mode as per the Hon'ble Commission's directive issued vide letter no. 5284 dated 27.08.2004.

5.69 The present KVAh based billing accounts only lagging reactive power. The reactive drawl and injection both occupy the networks capacity and reduce the useful capacity of the distribution system. Therefore, it is proposed to also include lead reactive power for billing consumption. Currently, consumers use fixed capacity capacitors extensively for improving power factor but it hampers the installations of the Petitioner and consumers.

5.70 Consumers mostly use fixed capacitors, bulk compensation on HT in fixed mode, use of substandard controllers having erratic and inconsistent performance, thereby, leading to additional Reactive (lead) Power Charges causing burden on the Petitioner.

5.71 It is important to note that, more particularly, during off peak period, there is hardly any reactive injection, and due to high capacitive injection by high end consumers, the voltage becomes very high and sometimes so much so that it becomes difficult to control the same.

5.72 The reactive compensation is effective when it is nearer to the load and the extra reactive compensation by HT consumers cannot be used / compensated against extra reactive energy drawl. Current is higher at lagging or leading power factor as compared to unity power factor and hence losses are also higher. Under leading power factor, excessive over voltages may occur thus endangering the system stability. Also, for serving

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the same load, a transformer of higher capacity is required due to increase in current due to leading power factor.

5.73 Absence of any punitive measures for overcompensation prompted the consumers to use capacitors indiscriminately, much in excess of their requirements. CEA mandates that power factor of the bulk consumer shall be within ± 0.95 and hence the lead power factor also has to be within prescribed limits and to maintain it, adequate reactive compensation is to be provided and its burden should also to be on the bulk consumer apart from the Petitioner.

5.74 The most effective remedy to remove such anomaly is to introduce KVAh billing in lag as well lead mode i.e. KVAh consumption in the leading power factor mode has to be taken in account as consumption. Introduction of KVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises.

5.75 Therefore, to ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on KVAh basis so that the injection by high end consumers (11 kV and above) is as per their actual requirement and proper voltage is maintained for all the consumers. It will not only be helpful and beneficial for distribution licensee but also for the concerned consumers.

5.76 kVAh metering and tariffs in lead as well lag mode is being adopted by various SERCs like Uttar Pradesh and Maharashtra. UPERC vide its Tariff Order dated 24.05.2023 for UP Discoms ordered as below:

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*"**5. kVAh TARIFF:***
kVAh based tariffs' shall be applicable on all consumers having contracted load of 10 kW / 13.4 BHP and above, under different categories with TVM / TOD / Demand recording meters (as appropriate).
The rates prescribed in different categories in terms of kW and kWh will be converted into appropriate kVA and kVAh by multiplying Fixed / Demand Charges and Energy Charges by an average power factor of 0.90. Similarly, the Fixed /Demand Charges expressed in BHP can be converted into respective kVA rates in accordance with formula given below:
Fixed Charges in kVA = (Fixed Charges in BHP / 0.746) * 0 .90
Fixed Charges in kVA = (Fixed Charges in kW * 0.90)
Energy Charges in kVAh = (Energy Charges in kWh * 0.90)
The converted rates (i.e. Energy charge in Rs. / kVAh and Fixed / Demand charges in Rs. / kVA) will be rounded up to two decimal places.
Further, for converting energy slabs of different categories specified in kWh to kVAh, average power factor of 0.90 will be used as a converting factor for converting each energy slab (specified in kWh) into energy slabs (in kVAh). The converted energy slabs (in kVAh) will be rounded to next higher kVAh."

5.77 Similarly, Maharashtra Electricity Regulatory Commission vide its Tariff Order dated 31.03.2023 for Adani Electricity Mumbai Limited (Distribution Business) (AEML-D) has directed as under:

*"**Power Factor Computation***
Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average Power Factor during the billing period shall be applied:

$$\text{Average Power Factor} = \frac{\text{Total (kWh)}}{\text{Total (kVAh)}}$$

$$\text{Wherein the kVAh is} = \sqrt{\sum(\text{KWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$$

Further, average PF so computed can be considered as leading or lagging based on the following test:

If "RkVAh lead" > "RkVAh lag" then "Average P.F." is to be treated as "Lead P.F."
If "RkVAh lead" = < "RkVAh lag" then "Average P.F." is to be treated as "Lag P.F.""

5.78 The Petitioner would like to apprise the Hon'ble Commission that the current meters installed at the consumer end can measure both lead and the lag parameter of kVAh billing. However, the recording of leading parameter in kVAh are disabled as per the Hon'ble Commission's order dated 27.08.2004.Thus, for the purpose of billing, the Petitioner records only the lag parameter from the meter reading. On pilot basis, the Petitioner would install a parallel/check meter for the purpose of recording lead plus lag consumption for few sets of consumers. The analysis would be submitted in due course.

5.79 Hence, the Petitioner requests to the Hon'ble Commission to introduce KVAhbilling in both lag and lead mode.

Fixed charges on Sanctioned Load/ Contract Demand or MDI (Whichever is higher) for Domestic Consumers

5.80 As per DERC (Supply Code & Performance Standards) Regulations, 2017, the billing demand is defined as:

> *"(16) "Billing Demand" means highest of the following:*
> *(i) the contract demand or the sanctioned demand wherever contract demand has not been provided in the supply agreement.*
> *(ii) the maximum demand indicated by the meter during the billing cycle."*

5.81 Presently, the fixed charges are being levied on Sanctioned Load/ Contract Demand or MDI (Whichever is higher) for all categories of consumers except the Domestic category. As per Regulation 17 of DERC (Supply Code and Performance Standards) Regulations 2017, the sanctioned load is revised once in a year on the basis of highest of average of maximum demand recorded as per billing cycle covering any four consecutive

calendar month in the preceding financial year and not immediately on exceeding the sanctioned load.

5.82 The Fixed charges for domestic consumers, if levied on the basis of billing demand as defined in DERC (Supply Code and Performance Standards) Regulations, 2017 would deliver the following benefits in the tariff structure of Delhi:

i. In recovering the fixed cost according to the load usage of the consumer.
ii. Ensuring timely recovery of expenses which would otherwise take a financial year under the load revision exercise.
iii. The amount so recovered would be pass through in the ARR of the petitioner as additional revenue would be realized and benefit the consumer in future tariff proceedings.

5.83 Further, the Ministry of Power in Electricity (Rights of Consumers) Amendment Rules, 2023 also states for billing based on actual recorded maximum demand in case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month. The amendmentRule is reproduced below for ready reference:

> *"(5B) In case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month, the bill, for that billing cycle, shall be calculated based on the actual recorded maximum demand and consumers shall be informed of this change in calculation through Short Message Service or mobile application:*
>
> *Provided that the revision of the Sanctioned Load, if any, based on the actual recorded maximum demand shall be as under:*
> *(a) in case of increase in recorded maximum demand, the lowest of the monthly maximum demand, where the recorded maximum demand has exceeded the sanctioned load limit atleast three times during a financial year, shall be considered as the revised Sanctioned Load, and the same shall be automatically reset from the billing cycle in next financial year; and*
> *(b) in case of reduction of maximum demand, the revision of sanctioned load shall be done in accordance with the Supply codes/*

Standard Operating Procedures issued by the respective Regulatory Commission."

In view of the above, the Petitioner would like to request the Hon'ble Commission to kindly allow to recover the fixed charges for all categories of consumers including domestic category on the basis of Sanctioned Load/ Contract Demand or MDI (whichever is higher).

Surcharge on Excess load for Domestic Consumers

5.84 A surcharge of 30% is levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during any billing cycle. This surcharge is currently not applicable on domestic consumers. This results into over burdening of distribution network and does not encourage discipline as consumers is extracting more load than what is sanctioned to him without any penal provision but surcharge on account of load violation is being levied on other categories. Domestic consumers constitute of 60% of total load served by the petitioner such measures would help in timely recovery of costs and ensure discipline on load usage.

5.85 As submitted in Para 5.83 above, Electricity (Rights of Consumers) Amendment Rules, 2023 also provides for billing based on actual recorded maximum demand in case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month.

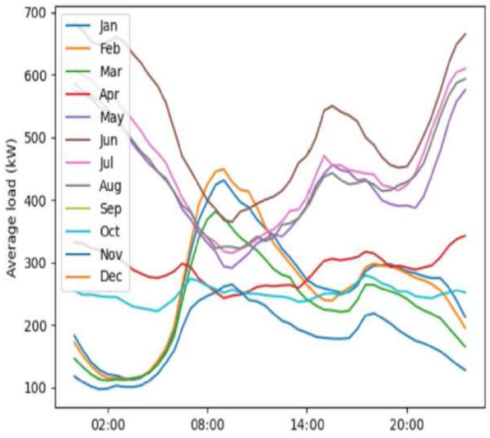
5.86 In terms of the Supreme Court Judgment in Executive Engineer and Anr. Vs. M/s Sri Seetaram Rice Mills (2012) 2 SCC 108, any drawl by the consumer in excess of the Contract Demand would tantamount to "unauthorised use" of electricity under Section 126 of the 2003 Act. It may therefore kindly be directed by this Hon'ble Commission that the surcharge

of 30% on excess drawl would be without prejudice to its other consequences under the Act.

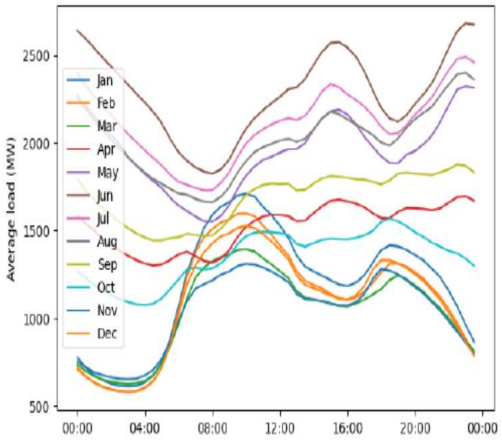
Review of Time-of-Day Tariff

5.87 TOD tariff is implemented wherein peak hour consumption is charged at a higher rate reflecting the higher cost of power purchase during peak hours. At the same time, a rebate is offered on consumption during the off-peak hours. This is meant to incentivise customers to shift a portion of their loads from peak hours to off-peak-hours thereby improving the system load factor, flatten the load curve and optimize the cost of power purchase which constitute over80% of the tariff charged from the consumers. Both these steps were envisaged to facilitate flattening of the load curves for the DISCOMs.

5.88 A published study report on “Preparing distribution utilities for the future- Unlocking Demand Side Management Potential - A Novel Analytical Framework” assessed load curve of all the categories of Delhi and it was realised that the energy consumption pattern of domestic consumers (which accounts for ~65% of total consumption) drives the overall system-level demand. Pictographic representation of the load profile from the report is as under:



Domestic consumers' daily average profile



System daily average profile

5.89 Considering the consumption mix of the Petitioner, keeping the domestic consumers away from the ambit of TOD tariff is impractical and inappropriate to meet primary objective of the TOD regime. In order to motivate all the consumers to contribute in the improvement of system load curve and efficiency of the licensee, it is proposed that TOD tariff may be introduced and made applicable for all the categories of the consumers including domestic consumers.

5.90 It may also be noted here that the current TOD tariff is not motivating most of the consumers to shift their load to off-peak hours as the current disincentive/incentive for consumption during peak/off-peak hours is having miniscule impact on respective bills and hence is not a decisive factor.

5.91 In view of the above, it is requested to make TOD applicable for all the category of consumers irrespective of any load band and re-introduce the TOD peak Surcharge and Rebate to at least +/-30% to make it more attractive to the consumers and may be a win-win situation for both consumers and the licensee.

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Tariff for EV Charging Stations to be in parity with other SERCs

5.92 The Ministry of Power vide its Notification dated 14.01.2022 provides for EV charging stations tariff to not exceed "Average Cost of Supply" till 31.03.2025. The relevant Para of the guidelines is stated as under:

> *"**7. Tariff for supply of electricity to EV Public Charging Stations:***
> *7.1 The tariff for supply of electricity to Public EV Charging Stations shall be a single part tariff and shall not exceed the "Average Cost of Supply" till 31st March, 2025. The same tariff shall be applicable for Battery Charging Station (BCS)."*

5.93 Further, the revised Tariff Policy, 2016 provides that the appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the Average cost of Supply. Clause 8.3 of revised Tariff policy 2016 is reproduced below:

> *"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."*

5.94 Current tariff applicable for the EV charging stations is less than the ACOS of the DISCOM in order to motivate the EV adoption in Delhi. On comparing with EV tariffs approved in other states, EV tariff in Delhi is the lowest. The EV tariff in various cities is as under:

Table 5- 14: Comparison of EV Tariff as approved in various cities

S.NO.	Cities	Applicable Tariff for EV Category			
		Supply at LT		Supply at HT	
		Fixed charge (in ₹/KW/KVA/month)	Energy charge (in ₹/ Unit)	Fixed charge (in ₹/KW/KVA/month)	Energy charge (in ₹/ Unit)
1	Delhi	NA	4.50	NA	4.00
2	Mumbai	75	7.25	75	7.50
3	Kolkata	NA	6.00	NA	6.00
4	Hyderabad	50	6.00	100	6.00
5	Ahmedabad	25	4.20	25	4.10

S.NO.	Cities	Applicable Tariff for EV Category			
		Supply at LT		Supply at HT	
		Fixed charge (in ₹/KW/KVA/month)	Energy charge (in ₹/ Unit)	Fixed charge (in ₹/KW/KVA/month)	Energy charge (in ₹/ Unit)
6	Bengaluru	70	4.50	200	4.50
7	Amritsar	NA	6.00	NA	6.28

5.95 The EV Tariff approved by various SERCs is attached as **Annexure – 5.1**. Accordingly, it is requested that EV tariff should be approved in parity with that approved in other SERCs.

5.96 Petitioner would also like to submit here that the projected ACOS during FY 2024-25 is ₹10.29/kWh and ₹9.90/kWh as per BPR, 2019 and BPR, 2023, respectively. On the contrary the tariff of the EV charging stations is ₹4.00/kWh and ₹4.50/kWh for LT and HT respectively. Hence, current TOD regime with tariff much less than the ACOS of DISCOM is having close to *nil* impact on respective bills and is not a decisive factor at all for the consumer.

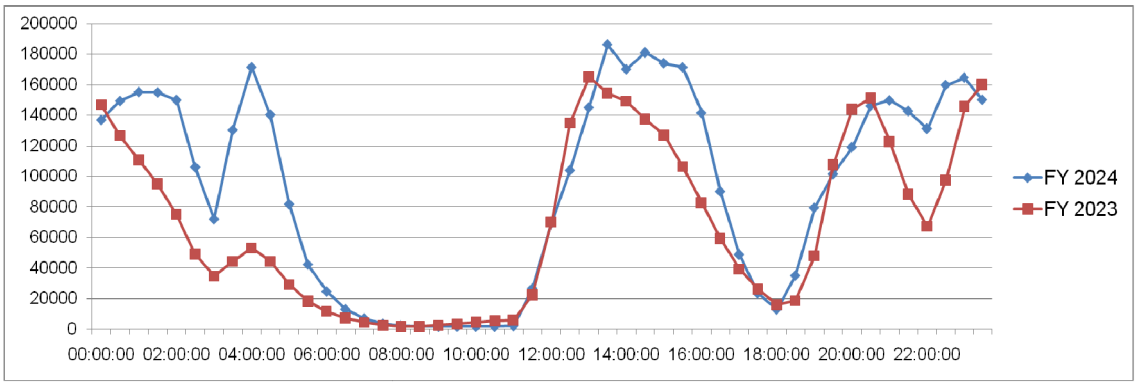
5.97 In view of above mentioned paras of MoP Notification dated 14.01.2022 and Tariff Policy, 2016, Petitioner would like to request the Hon'ble Commission to kindly revise the tariff for charging stations of E-Vehicle in parity with that approved in other SERCs.

Different TOD regime for EV charging stations

5.98 Usually, charging of e-buses takes place from 1400 to 1700 hrs in afternoon and 2200 to 0100 hrs in night which coincides with the Delhi Discoms peak hours. The chart is drawn for the energy consumption pattern of E- bus charging at Mundhela DTC Bus Depot for the period May to Sep (ToD applicable period) as under:

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Table 5- 15: Energy consumption pattern of E- bus charging at Mundhela DTC Bus Depot for the period May to Sep



5.99 From the above graph, it can be observed that DTC consumption is usually in peak slots.

5.100 Hon'ble Tamil Nadu Electricity Regulatory Commission in Tariff Order for FY 2023-24 has approved different TOD tariff for EV Charging Stations as under:

*"**Low Tension Tariff VII (EV Charging Stations)***
This tariff is applicable for the purpose of Electric Vehicle charging including Battery swapping station / Battery charging stations for Electric vehicle. Energy recorded during following hours shall be billed at corresponding charges mentioned against each time slot as discussed below.

For FY 2023-24

Tariff category	FY 2023-24 (Commission Determined Tariff)			
	Time slot in hours	Energy charge in Paise per kWh(Unit)	Fixed Charge in Rs./kW/month	
Low Tension Tariff VII	06.00 to 09.00 and 18.00 to 22.00	900	0-50kW -	25
	09.00 to 16.00	600	50-112 kW -	75
	16.00 to 18.00 and 22.00 to 06.00	750	Above 112kW -	138

…

High Tension Tariff V: (Public EV Charging Stations)
This tariff is applicable for the Public Electric Vehicle Charging Station including Battery swapping station for Electric vehicle.

Energy recorded during following hours of time slot shall be billed at corresponding charges mentioned against each:
For FY 2023-24

Tariff category	FY 2023-24 (Commission Determined Tariff)		
	Time slot in hours	Energy charge in Paise per kWh(Unit)	Demand Charge in Rs./kVA/month
High Tension Tariff V	06.00 to 09.00 and 18.00 to 22.00	900	138
	09.00 to 16.00	600	
	16.00 to 18.00 and 22.00 to 06.00	750	

"

5.101 Further, as submitted in the projected sales, it is envisaged that there will be a huge increment in consumption of EV charging stations in the forthcoming period. However, based on current consumption of EV charging stations being experienced by the DISCOM, it is appropriate to infer that the peak hours of the consumption of licensee and that of utilisation of EV charging stations are coinciding. It has been observed that EVs are being utilised during peak traffic hours as a result of which corresponding charging consumption coincides with the rest of categories peak consumption hours. Therefore, the Hon'ble Commission is requested to provide different ToD charges for EV-category.

Delivery of E-bill to all Consumers

5.102 The Petitioner vide various communications had apprised the Hon'ble Commission on the status of delivery of electricity bills through physical mode to the consumers. Further, many consumers of the petitioner are

getting 100% subsidy on the electricity bill. It is apparent that printing and delivery of such paper bills is eco-unfriendly and results in unproductive utilisation of the associated resources of the Petitioner.

5.103 The DERC Supply Code, 2017 has provided for delivery of bills either in hard copy or through electronic modes based on the consumer preference. Further, Organisation around the globe and Government are promoting eco-friendly ways of doing business by way of digitisation in the processes.

5.104 The softcopy of the bill can be sent to the consumer on email, SMS and/or WhatsApp with a link to download the corresponding bill. These e-Bills will contain all the information which is currently made available on the paper bill.

5.105 The Petitioner would like to highlight the following major benefits of Delivery of E-Bill through digital modes like WhatsApp/ SMS/ E-mails etc for the consumers and environment at large:

a) **Convenience:** Consumers can access their billing information online at any time and from any location. This would eliminate of the need of storage of physical bills. Unlike paper bills E-bills could not be lost or misplaced and can be referred in future without any hassle.

b) **Environment friendly and sustainability:** As per the available information, on an average basis, 16.67 reams of A4 size paper where each ream include 500 pages can be produced from 1 tree. The petitioner is having 30lacs consumers and the bill is served consisting of 2 pages to each and every consumer on monthly basis. This means around 720 trees are cut down every month to serve the physical bills to the consumers of the Petitioner. Embracing the E-

bills would help in reducing the paper consumption and carbon foot prints. This would contribute in more sustainable future.

c) **Timely Notification:** E-bills allow for real time updates and notification to consumers to stay informed about their energy consumption, tariff updates and due date etc.

d) **Improved customer experience:** This would enhance the customer experience, fostering trust and satisfaction with the services of the Petitioner.

e) **Cost efficiency:** Switching to the E-bills would reduce the administrative cost associated with the printing, postage and bill distribution. It would also enable the Petitioner to allocate its resources more efficiently.

5.106 Accordingly, the Hon'ble Commission is requested to kindly allow for delivery of E-bills through digital modes to all of its consumers where the information like phone number, E-mail id is available with the Petitioner.

Collection of nominal fees for certain services

5.107 The Petitioner in its digital initiatives introduced online and end to end application for New Connection through website for consumers' digital self-service option where-in consumers can directly fill in their relevant details, upload their self- attested supporting documents and apply for new connection at the comfort of their home. However, it is being observed that a substantial percentage of applications are being rejected due to incomplete or improper application submission by applicant resulting into delayed processing & over utilization of manpower resources.

5.108 The Petitioner requests the Hon'ble Commission to introduce the non refundable fees that should be equivalent to the SD charges for 1 kW depending on the category while applying for a new connection which will be aimed towards reducing the rejection rate & ensuring the applicant is vigilant towards application submission. The fee may be adjusted with demand note payable amount if the application is submitted correctly first time without any document deficiency.

Collection Charges to be provided on collection of Pension Trust Surcharge

5.109 Currently, the Petitioner is charging the collection charges@3% onamount of Electricity Duty collected by it through the Electricity Bills on behalf of Delhi Municipal Corporation (DMC). The collection of Electricity Duty is the responsibility of Delhi Municipal Corporation (DMC) under DMC Act. Since the Petitioner is collecting the same on behalf of Government, the Petitioner gets commission of 3% on collection of Electricity Duty.

5.110 The basic objective behind such commission is to compensate the Petitioner against the expenses incurred towards collection of Electricity Duty. The Petitioner has to separately account for such collections and has to keep a proper vigilance towards the same. Further the cash collection charges and bank charges incurred towards maintenance of separate account for the same is also borne by the Petitioner. Thus, the Petitioner meets its cost through such collection charges/commission received from the Government.

5.111 Similarly, the Petitioner is also incurring the cost towards collection of Pension Trust Surcharge. The entire collection on account of Pension Trust Surcharge is given to Pension Trust. Thus, the Petitioner requests that a

suitable percentage preferably 3% may be allowed to be retained by the Petitioner out of the total collection of Pension Trust Surcharge to meet its associated costs.

Proposal of Green Tariff option for consumers

5.112 Various consumers in the area of supply of the Petitioner are in transition to become zero-carbon Entities. To meet this goal, such consumers are taking various steps including procurement of 100% Renewable Power ("RE Power") to meet their entire load/ contract demand. In fact, some of the consumers have already initiated the process by opting to receive RE under Open Access mechanism as approved by this Hon'ble Commission.

5.113 However, many consumers do not wish to go through this process of sourcing RE on account of various issues which are detailed hereinbelow including the reliability of such RE Power. Accordingly, these consumers have approached the Petitioner seeking a reliable supply of RE power to meet their 100% contract demand/ load. The Petitioner aims to cater to the requests of these consumers by procuring reliable RE power for them under the various long term and short-term arrangements including procurement through Green Day-Ahead Market ("G-DAM").

5.114 The State Electricity Regulatory Commissions of Karnataka, Gujarat, Punjab, Uttar Pradesh, etc. have already approved the Green Tariff over and above the normal tariff. The Hon'ble Gujarat Electricity Regulatory Commission in Tariff Order for FY 2023-24 has fixed the Green Tariff at additional rate of ₹1.50 per Unit for Torrent Power Ltd. (Ahmedabad and Surat) license areas.

5.115 In order to compute the Green Tariff over and above the normal tariff, the Petitioner has referred to the methodology adopted by Hon'ble Karnataka Electricity Regulatory Commission (KERC) in Tariff Order for FY 2011 and further Tariff Orders, wherein Hon'ble KERC has determined the Green Tariff by computing the difference of per unit cost between non-conventional and conventional power sources and grossed up the same with the transmission loss and distribution loss.

5.116 The Petitioner has considered certain deviations considering the scenario of demand and supply of RE Power and other factors in the NCT of Delhi i.e.:

a) The generation mix and power availability scenario in the NCT of Delhi is different from that of Karnataka as it is rich in RE Sources i.e., Solar and Wind. RE power is readily available as compared to Delhi. However, in the NCT of Delhi, the RE sources are limited.

b) As such procurement of RE power to meet the demand of such consumers, before the power is made available and scheduled from the tied up PPAs, would be done from the G-DAM. Accordingly, the Petitioner proposes a different methodology for determination of Green Tariff which may be best suited for the conditions and situations in the NCT of Delhi.

5.117 In view of the above, it is proposed that: -

a) The consumers opting for Green Tariff shall be required to provide their demand.

b) Based on the proposed demand, the Discoms shall procure power from G-DAM or uses already tied up RE power.



c) The consumers shall be liable to make payment of the Green Tariff which may be determined as under:-

Table 5- 16: Green Tariff proposal

Sr. No	Particulars	Value
1	Average Price of RE as per GDAM in IEX for FY 23 (₹/kWh)	6.49
2	Average Price at IEX in DAM for FY 23 (₹/kWh)	5.94
3	Difference between RE & Non-RE power (₹/kWh)	0.55
4	Green Power Charges (₹/kWh)	0.55
4	Intra-state Transmission Loss (%)	0.90%
5	Distribution Loss (%) as approved for FY 23	7.90%
6	Grossed Up Cost (₹/kWh)	0.60
7	Other Administrative Cost /O&M Costs (₹/kWh)	0.83
8	**Green Power Charges (₹/kWh)**	**1.42**

5.118 Accordingly, the Petitioner requests to the Hon'ble Commission to determine Green Power Tariff of ₹ 1.42/kWh in addition to applicable tariff for those consumers who wish to opt for the same.

Expected Revenue with tariff revision proposed

5.119 The expected revenue from existing tariff and revised revenue as per proposal is tabulated below:

Table 5- 17: Expected revenue category-wise (₹ Cr.)

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges* (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)	Revision In tariff (%)	Revised Revenue (₹ Cr.)
1	**Domestic**	**546.6**	**3,800.1**	**-**	**4,346.7**	To meet the above revenue gap, the retail tariff ought to be determined in such a manner that there ought not to be any revenue gap during FY 2024-25.	
1.1	Domestic Consumer	525.5	3,682.3	-	4,207.7		
1.2	SPD supply for GHS (CGHS)	14.7	86.5	-	101.2		
1.3	Worship / Hospital	6.1	26.4	-	32.5		
1.4	DVB Staff	0.3	5.0	-	5.3		
2	**Non-Domestic**	**784.1**	**2,714.4**	**16.6**	**3,515.1**		

S.No.	Category	Fixed Charges (₹ Cr.)	Energy Charges* (₹ Cr.)	TOD Charges (₹ Cr.)	Revenue Billed (₹ Cr.)	Revision In tariff (%)	Revised Revenue (₹ Cr.)
2.1	Non-Domestic LT (up to 3KVA)	119.6	235.0	0.0	354.7		
2.2	Non-Domestic LT (above 3KVA)	437.8	1,505.3	10.0	1,953.1		
2.3	Non-Domestic HT	226.7	974.1	6.6	1,207.4		
3	**Industrial**	**83.6**	**447.5**	**3.0**	**534.0**		
3.1	Industrial LT	57.1	273.7	2.4	333.2		
3.2	Industrial HT	26.5	173.8	0.5	200.9		
4	**Agriculture**	**5.3**	**3.7**	**-**	**9.0**		
5	**Mushroom Cultivation**	**0.1**	**0.2**	**-**	**0.3**		
6	**Public Utilities**	**97.0**	**451.4**	**0.9**	**549.2**		
6.1	Delhi Metro Rail Corporation	43.8	197.6	1.4	242.8		
6.2	Delhi Jal Board	37.8	168.6	(0.7)	205.7		
6.3	Public Lighting	15.4	85.2	0.2	100.7		
7	**Delhi International Airport Limited**	**15.4**	**41.1**	**0.0**	**56.5**		
8	**EV Charging**	**-**	**80.9**	**1.7**	**82.6**		
9	**Advertisement & Hoardings**	**0.4**	**-**	**-**	**0.4**		
10	**Others**	**25.0**	**189.7**	**0.2**	**214.9**		
11	**Total**	**1,557.5**	**7,729.0**	**22.3**	**9,308.9**		
	Revenue Realised @ 99.5% CE				**9,262.3**		

** Energy charge is net of Voltage rebate as approved by the Hon'ble Commission in its Tariff order dated 30.09.2021.*

5.120 In light of the above discussion, the Petitioner proposes the cost recovery mechanism for the revenue gap at current tariff is ₹ 5,255.6 Cr. and ₹ 4,708.7 Cr. as per BPR, 2019 and BPR, 2023, respectively. To meet the above revenue gap, the retail tariff ought to be determined in terms of Regulation-130 and 131 of the Tariff Regulations, 2017 in such a manner that the same should ensure recovery of 100% fixed and variable costs through fixed and Energy charges respectively.

5.121 The impact of various Judgments is pending for implementation by the Hon'ble Commission. The revenue realised by virtue of the assets installed

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by the Petitioner by incurring the capital expenditure is being considered in each year's ARR. However, the cost is pending to be allowed even after 14 years. Same is also against the provisions of tariff design and recovery of Regulatory Asset provided in revised Tariff Policy, 2016 which states that the tariff should reflect the efficient and prudent cost of supply of electricity and any outstanding Regulatory Asset ought to be recovered within a period of maximum 7 years.

5.122 Deferment of legitimately incurred costs for such long period is not in the interest of future consumers as they will be burdened with the past costs. Clause-5.11 (h) (4) of National Tariff Policy, 2016 states that future consumers should not be burdened with past costs.

5.123 Therefore, the same ought to be given effect in the ongoing tariff determination exercise so as to ensure recovery of the pending amount within 7 years.

5.124 It has to be ensured that the DISCOMs should realise return on equity employed in the business which can only happen when all costs including impact of Hon'ble Tribunal and Hon'ble Supreme Court Judgments are recovered through tariffs.

Ratio of Average Billing Rate to Average Cost of Supply:

5.125 The ratio of Average Billing Rate (ABR) to Average Cost of Supply (ACoS) at existing tariff and proposed tariff is tabulated below:

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Table 5- 18: Ratio of ABR to ACoS for FY 2024-25

S. No	Category	% of total Sales	Average Cost of Supply as per BPR, 2019	Average Cost of Supply as per BPR, 2023	Hike in Tariff	Average Billing rate as per revised tariff	% ABR to COS, BPR, 2019 at existing tariff	% ABR to COS, BPR, 2023 at existing tariff	% ABR to COS at proposed tariff
		%	₹/ Unit	₹/ Unit	%	₹/ Unit	%		%
1	2	3	4	5	7	8	9	10	11
1	**Domestic**	**64.8%**	**10.29**	**9.90**	To meet the revenue gap, the retail tariff ought to be determined in such a manner that after considering a suitable collection efficiency, there ought not to be any revenue gap during FY 2024-25. (Refer Para-5.120)		**46.2%**	**48.0%**	To be determined by Hon'ble Commission
1.1	Domestic	63.1%	10.29	9.90			45.9%	47.7%	
1.1.1	Domestic upto 2 KW Connected load	34.1%	10.29	9.90			36.3%	37.7%	
1.1.2	Between 2 KW to 5 KW Connected Load	15.1%	10.29	9.90			45.6%	47.4%	
1.1.3	Between 5 KW to 15 KW Connected Load	11.4%	10.29	9.90			64.7%	67.2%	
1.1.4	Between 15 KW to 25 KW Connected Load	1.1%	10.29	9.90			88.7%	92.2%	
1.1.5	Above 25 KW Connected Load	1.3%	10.29	9.90			98.9%	102.8%	
1.2	Single Delivery Point on 11 KV GHS	1.4%	10.29	9.90			49.7%	51.6%	
1.3	11 KV Worship/Hospital	0.2%	10.29	9.90			9.3%	9.6%	
1.4	DVB Staff	0.1%	10.29	9.90			31.2%	32.4%	
2	**Non Domestic**	**22.7%**	**10.29**	**9.90**			**106.8%**	**111.0%**	
2.1	**Non Domestic Upto 3 KVA**	**2.6%**	**10.29**	**9.90**			**95.0%**	**98.8%**	
2.2	**Non Domestic Above 3 KVA**	**12.0%**	**10.29**	**9.90**			**112.3%**	**116.7%**	
2.3	**Non Domestic High Tension (NDHT)**	**8.1%**	**10.29**	**9.90**			**102.4%**	**106.5%**	
3	**Industrial**	**4.0%**	**10.29**	**9.90**			**91.4%**	**95.0%**	
4	**Agriculture & Mushroom Cultivation**	**0.2%**	**10.29**	**9.90**			**3.5%**	**3.7%**	
5	**Public Utilities**	**4.9%**	**10.29**	**9.90**			**76.8%**	**79.8%**	
6	**DIAL**	**0.4%**	**10.29**	**9.90**			**99.8%**	**103.7%**	
7	**Advertisement and Hoardings**	**0.0%**	**10.29**	**9.90**			**49.4%**	**51.3%**	
8	**E Vehicle**	**1.4%**	**10.29**	**9.90**			**39.9%**	**41.5%**	
9	**Others**	**1.3%**	**10.29**	**9.90**			**128.2%**	**133.3%**	
10	**Own consumption**	**0.3%**	**10.29**	**9.90**			**0.0%**	**0.0%**	
11	**Total**	**100.0%**	**10.29**	**9.90**			**64.1%**	**66.6%**	

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Tariff Schedule Proposed

5.126 The Petitioner proposes the Hon'ble Commission to determine a cost reflective tariff in terms of Regulation-130 and Regulation-131 of DERC Tariff Regulations, 2017, so as to recover the projected revenue gap (refer to Para 5.17 above).

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