

TPDDL/REGULATORY/2022-23/PMG/442
Oct 21, 2022

Office of the Chief (Regulatory, Legal & PM)

The Secretary

Delhi Electricity Regulatory Commission,
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar,
New Delhi –110 017.

Subject: Submission of revised proposal for levy of Power Purchase Cost Adjustment Charges (PPAC) pertaining to Q2 of FY 2022-23.

Dear Madam,

This is with reference to the directions contained in the DERC (Business Plan) Regulations, 2019 notified by the Hon'ble Commission, towards levy of Power Purchase Adjustment Charges, as per Regulation 30.

Based on the power purchase bills for the period Quarter 2 (July 2022 to Sep 2022) of FY 2022-23, we have calculated the PPAC applicable in line with the PPAC methodology specified by the Hon'ble Commission. **Accordingly, the PPAC based on all bills works out to 21.42%.**

The calculations have been detailed in **Annexure-1** enclosed with the letter.

At present we are levying PPAC at **19.25%** from 01.09.2022 as per the Hon'ble Commission's order dated 31.08.2022.

Further, it has to be noted that **Hon'ble Commission has considered the revenue from PPAC i.e. INR 626.57 crore for meeting the Aggregate Revenue Requirement (ARR) of Discoms** in its Tariff Order dated 30.09.2021 and hence **major portion of PPAC recovered compensate the other Fixed cost of ARR and power purchase cost still remain un-recovered.**

Therefore, the actual PPAC available to Tata Power-DDL for recovering of Power Purchase Cost is **10.75%** (i.e. 19.25%-8.50% PPAC).

With the actual PPAC for Q2 FY 2022-23 calculated as **21.42%**, there is still under recovery of PPAC by **10.67%** (21.42%-10.75% PPAC) even after levy of **19.25%** as per Hon'ble Commission's order.

Accordingly, in order to address the cash flow issue and avoid addition to regulatory assets, Tata Power-DDL humbly requests the Hon'ble Commission to kindly allow additional PPAC of **10.67%** over and above the already levied PPAC of 19.25% from 26.10.2022 for the next 3 months.

We hope the Hon'ble Commission finds the above in order.

Yours Sincerely,
For **Tata Power Delhi Distribution Ltd.**



Peyush Tandon
Chief (Regulatory, Legal & Power Management)

Annexure-1

Power Purchase Adjustment Charges (PPAC) (in %age) for July 2022 to Sep 2022:

	Particulars	UoM	Values	Remarks
Actual	Long Term ISGS	MUs	2922.8	
Actual	Long Term Genco	MUs	245.7	
Actual	CSGS	Rs. Cr.	1392.14	
Actual	Genco	Rs. Cr.	316.99	
Actual	Transmission amount	Rs. Cr.	398.37	
Actual	Short term sales	MUs	-315.34	
Actual	Short term purchase	MUs	659.73	
Approved	PGCIL losses	%age	2.00%	Page no. 333, Tariff Order FY 21-22.
Approved	DTL losses	%age	0.92%	Page no. 333, Tariff Order FY 21-22.
Approved	Distribution Losses	%age	7.70%	Page 17, Business Plan Regulations, 2019
Approved	Power Purchase Cost	Rs./kWh	4.57	Page no. 328, Tariff Order FY 21-22.
Approved	Average Billing Rate	Rs./kWh	7.04	Approved Total Sales for FY 21-22 is 9205 MUs in Table 4.18 page 312 and Total Revenue of Rs. 6476 Crores in Table 5.7 page no. 364 of Tariff Order FY 21-22.
Calculation	Actual Power Purchase cost from Long Term Sources	Rs./kWh	5.394	
A	Total units procured from long term PPAs	MUs	3168	
B	Proportionate Bulk Sale of Power	MUs	-261.0	
C	Difference in base and actual PPC	Rs./kWh	0.82	
D	Actual Transmission Cost	In Rs. Cr	398.4	
E	Base Transmission charges	In Rs. Cr	245.7	Total Transmission Charges of Rs. 982.97 Crores on page no. 333, Tariff Order FY 21-22.
Z	Units on which PPAC shall be applicable	MUs	2820.37	
PPAC		%age	21.42%	

