DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1543)/DERC/2017-18/6008

Petition No. 67/2017

In the matter of: **Petition for approval of Annual Revenue Requirement (ARR) for the FY 2018-19, Revised ARR for FY 2017-18, True up for FY 2016-17**

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

...Petitioner/Licensee

Coram: Sh. B. P. Singh, Member.

ORDER

(Date of Order: 28.03.2018)

M/s. Tata Power Delhi Distribution Ltd. has filed the instant Petition for approval of Annual Revenue Requirement (ARR) for the FY 2018-19, Revised ARR for FY 2017-18, True up for FY 2016-17. The Petition was admitted by the Commission vide Order dated 26.12.2017. The Petition along with Executive summary was uploaded on the website of the Commission seeking response of the stakeholders and was also widely publicised through advertisement in newspapers.

The comments and suggestions of the stakeholders, the submissions made during the public hearing held on 23.03.2018 and the arguments advanced by the Petitioner have been duly considered and the Commission in exercise of the power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, hereby pass this Tariff Order signed, dated and issued on 28.03.2018.

The Petitioner shall take immediate steps to implement the said Order, so as to make the revised tariffs applicable from 01.04.2018.

This Tariff Order shall remain in force till replaced by a subsequent Tariff Order and/or is amended, reviewed or modified, in accordance with the provisions of the Electricity Act, 2003 and the Regulations made there under.

(B. P. Singh)
Member

LIST OF ABBREVIATIONS

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

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

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

Abbreviation	Explanation
UoM	Units of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

A1: INTRODUCTION

1.1 This Order relates to the Petition filed by Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' or the 'Petitioner') for True-Up of ARR for 2016-17 for Distribution Business in terms of *Delhi Electricity Regulatory Commission Terms & Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2011* (hereinafter referred to as the '2nd MYT Distribution Regulations, 2011') and approval of Aggregate Revenue Requirement & Tariff for FY 2018-19 in terms of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* (hereinafter referred to as 'Tariff Regulations, 2017') and *Delhi Electricity Regulatory Commission Business Plan Regulations, 2017* (hereinafter referred to as 'Business Plan Regulations'2017) .

TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

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

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by the GoNCTD on 03/03/1999 and it became operational from 10.12.1999.

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

THE STATE ADVISORY COMMITTEE MEETING

1.5 The Commission has, since constitution of the State Advisory Committee on 27/03/2003, held 17th meetings so far. In the 17th State Advisory Committee Meeting held on 16/03/2018, the Commission discussed the following:

Table 1: Issues discussed in 17th State Advisory Committee Meeting

Sr. No.	Issues Discussed
i.	Tariff Petitions for True Up of ARR for FY 2016-17 and ARR & Tariff determination for FY 2018-19
ii.	Approach paper on Tariff Rationalisation
iii.	Energy Audit of DISCOMs.

MULTI YEAR TARIFF REGULATIONS

1.6 The Commission issued Tariff Regulations vide gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Distribution of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities have also been approved by the Commission in Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 under Tariff Regulations for the period FY 2017-18 to FY 2019-20.

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

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

1.9 Further, the Commission has extended the applicability of MYT Distribution Regulations, 2011' for FY 2016-17 in Tariff Regulations, 2017 as follows:

"NORMS OF OPERATION AND TRUING UP

139. Performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Delhi Electricity Regulatory

Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011."

FILING OF PETITION FOR TRUE UP AND ARR

FILING AND ACCEPTANCE OF PETITION

1.10 TPDDL has filed its Petition on 04/12/2017 before the Commission for approval of Annual Revenue Requirement (ARR) for the FY 2018-19, Revised ARR for FY 2017-18, True up for FY 2016-17.

1.11 The Commission admitted the Petition vide its Order dated 26/12/2017 subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 26/12/2017 is enclosed as Annexure I to this Order.

INTERACTION WITH THE PETITIONER

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

1.13 The Commission held Public Hearing on 23/03/2018 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination. The Commission has considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and the Staff Consultants in arriving at its final decision. The use of the term "Commission" may, therefore, be read in the context of the above clarification.

1.14 A preliminary scrutiny/analysis of the petition submitted by the Petitioner was conducted. Further, additional information/clarifications were solicited from the

Petitioner as and when required. The Commission and the Petitioner also discussed key issues raised in the petition, which included details of capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, AT&C loss reduction trajectory, liability towards SVRS expenditure, etc.

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

PUBLIC NOTICE

1.16 The Commission issued Public Notice in the following newspapers on 01/02/2018 inviting comments from stakeholders on the Tariff Petitions filed by the Petitioner latest by 31/01/2018:

(a)	Indian Express (English)	:	03/01/2018
(b)	The Pioneer (English)	:	03/01/2018
(c)	Times of India (English)	:	03/01/2018
(d)	Navbharat Times (Hindi)	:	03/01/2018
(e)	Hindustan (Hindi)	:	03/01/2018
(f)	Jadid-in-Dinon (Urdu)	:	03/01/2018
(g)	Educator (Punjabi)	:	03/01/2018

1.17 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.18 The Petitioner also published a Public Notice indicating salient features of its petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 31/01/2018 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	31/12/2017
(b)	Times of India (English)	:	31/12/2017
(c)	Hindustan (Hindi)	:	31/12/2017

(d)	Hindustan Times : Mint (English)	:	01/01/2018
(e)	Qaumi Patrika (Punjabi)	:	02/01/2018
(f)	Inquilab (Urdu)	:	02/01/2018

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

1.20 A copy of the petition was also made available for purchase from the head-office of the Petitioner on any working day between 11 A.M. and 4 P.M. on payment of Rs.100/- for hard copy of each petition either by cash or demand draft/pay order. A copy of the complete petition was also uploaded on the website of the Commission, as well as that of the Petitioner, requesting for comments of the stakeholders thereon.

1.21 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 21/02/2018 for which the public notice was issued in the following newspapers on the respective dates mentioned along side:

(a)	Times of India (English)	:	01/02/2018
(b)	Pioneer (English)	:	01/02/2018
(c)	Indian Express (English)	:	01/02/2018
(d)	Hindustan (Hindi)	:	01/02/2018
(e)	Navbharat Times	:	01/02/2018
(f)	Educator (Punjabi)	:	01/02/2018
(g)	Jadid-in-Dinon (Urdu)	:	01/02/2018

1.22 The Public Notice is available on Commissions website (www.derc.gov.in).

1.23 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, the Commission prepared an Executive Summary and snapshot of ARR highlighting salient features of the Tariff Petition filed by the Petitioner, which was uploaded on the Commission's website. In this regard, three officers of the Commission viz. Joint Director (Tariff-Finance), Joint Director (Engineering) and Joint Director (PS&E) were nominated for discussion on the ARR Petitions. This was duly highlighted in the Public Notices published by the Commission.

1.24 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 23.03.2018 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	09/03/2018
(b)	Time of India (English)	:	09/03/2018
(c)	Mail Today (English)	:	09/03/2018
(d)	The Hindu (English)	:	13/03/2018
(e)	Navbharat Times (Hindi)	:	09/03/2018
(f)	Punjab Kesari (Hindi)	:	09/03/2018
(g)	Dainik Jagran (Hindi)	:	09/03/2018
(h)	Jan Ekta (Punjabi)	:	09/03/2018
(i)	Jadid-in-Dinon (Urdu)	:	09/03/2018

1.25 Copies of the above Public Notices are available on Commissions website (www.derc.gov.in).

1.26 The Commission received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission. The Commission invited all stakeholders, including those who had filed their objections and suggestions, to attend the Public Hearing.

1.27 The Public Hearing was held at the Auditorium of Scope Convention Centre, Scope Complex, New Delhi for all stakeholders on 23.03.2018 to discuss the issues related to the petition filed by the Petitioner. The issues and concerns voiced by various stakeholders have been examined by the Commission. The major issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

LAYOUT OF THE ORDER

1.28 This Order is organised into six Chapters:

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

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

c) **Chapter A3** provides details/analysis of the True up for FY 2016-17 and impact of past period true up based on judgement of Hon'ble APTEL & Review Order of the Commission.

d) **Chapter A4** provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2018-19.

e) **Chapter A5** provides details of the possible options for determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2018-19, and the approach adopted by the Commission in its determination.

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

1.29 The Order contains following Annexure, which are an integral part of the Tariff Order:

a) **Annexure I** - Admission Order.

b) **Annexure II** - List of the stakeholders who submitted their comments on True-up of expense for FY 2016-17 and approval of Aggregate Revenue Requirement & Tariff for FY 2018-19.

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

PERFORMANCE REVIEW

1.30 Regulation 10.2 of the 2nd MYT Distribution Regulations stipulates as follows:

> *"The Distribution Licensee shall submit information as part of annual review on actual performance to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including latest available audited accounts as well as the regulatory accounts in the prescribed formats and the tariff worked out in accordance with these Regulations."*

1.31 The Commission sought inputs on overall Standards of Performance prescribed in Schedule-II of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007. The details submitted by TPDDL for FY 2016-17 are as follows:

Table 2: Standards of Performance during FY 2016-17

Sr. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Standard of Performance achieved FY 16-17
1	**Rectification of Normal fuse-off calls**	Within three hours for Urban areas	At least 99% calls received should be rectified with in prescribed time limits in both Cities and Towns and in Rural areas	98.95%
		Within eight hours for Rural areas		99.86%
2	**Restoration/ Rectification of Line Breakdowns**	Temporary Supply to be restored within four hours from alternate source, wherever feasible.	At least 95% of cases resolved with in time limit in both Cities and Towns and in Rural areas	99.91%
		Rectification of fault and thereafter Restoration of normal power supply with in twelve hours		
3	**Restoration/ Rectification Of Distribution Transformer failure**	Temporary Supply to be restored within four hours from alternate source, wherever feasible.	At least 95% of DTRs to be replaced with in prescribed time limits in both Cities and Towns and in Rural areas	100%
		Rectification of fault and thereafter Restoration of normal power supply with in twelve hours		
4	**Period of scheduled outage (Resolution of following with in Time Limit)**			
	Maximum duration in a single stretch	Max duration shall not exceed 12 hours in a day	At least 95% of cases resolved with in time limit	99.89%
	Restoration of supply by 6:00 PM	Supply to be restored by 6 pm		96.69%
5	**Street Light Faults**			

Sr. No.	Service Area	Prescribed Time Limit/ Measure	Overall Standard of Performance	Standard of Performance achieved FY 16-17
	Rectification of line faults	72 hours	At least 90% cases should be complied with in prescribed time limits	99.28%
	Replacement of fused/ defective unit	72 hours		
6	**Frequency variation**	-	To maintain supply frequency within range as per IEGC	0
7	**Voltage Unbalance**	Computation of Voltage Unbalance is to be specified by the Hon'ble Commission	Maximum of 3% at point of commencement of supply	0
8	**Percentage billing mistakes**	% = Bills required modification/Total number of bills issued	Not exceeding 0.2%	0.021%
9	**Percentage faulty meters**	% = Total Defective Meters/ Total Number of meters in service	Not exceeding 3%	0.50%

1.32 Non achievement of overall Standard of Performance shall be dealt separately as per provisions of "*DERC Supply Code and Performance Standard Regulations, 2007*" and the Electricity Act, 2003.

APPROACH OF THE ORDER

APPROACH FOR FY 2016-17

1.32 The Commission in its DERC Tariff Regulations, 2017, has indicated that True up of FY 2016-17 shall be considered in accordance with 2nd MYT Distribution Regulations. The relevant Regulation, in this regard, is as follows:

"139. Performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011, Delhi Electricity Regulatory Commission

(Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011."

1.33 Accordingly, ARR for FY 2016-17 has been trued up as per 2nd MYT Distribution Regulations.

APPROACH FOR FY 2018-19

1.34 The Commission vide its Notification dated January 31, 2017 had issued the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*. Further, the Commission has issued the Delhi Electricity Regulatory Commission Business Plan Regulations, 2017.

1.35 The ARR for FY 2018-19 is determined inter alia based on the provisions of the Tariff Regulations 2017 read with Business Plan Regulations 2017 relevant to the Distribution Business.

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

A2: RESPONSE FROM STAKEHOLDERS

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

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the distribution licensees, after consideration of all suggestions received from the public and the response of the DISCOMs to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly Public Hearing was held on 23/03/2018 in Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi with consumers to discuss the issues related to the petitions filed by the DISCOMs viz., Tata Power Delhi Distribution Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited & New Delhi Municipal Council for true up of expenses for FY 2016-17 and Annual Revenue Requirement (ARR) for FY 2018-19.

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

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

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

ISSUE 1: PUBLIC HEARING AND OBJECTION PROCESS

STAKEHOLDER'S VIEW

2.6 The date for submission of the comments may be extended by at least six weeks.

2.7 The Commission is functioning with only one Member against full strength of 3 Members, thus resulting in complete anarchy in the Commission.

2.8 DERC should come out with the Tariff Order by 31st March. It is due to delay in release of order that the consumers are bearing the carrying cost.

2.9 The last date to provide the comment was 9th March 2018. What is the hurry in issue of the Tariff Order.

PETITIONER'S SUBMISSION

TPDDL

2.10 The Commission extended the last date for submission of comments by stakeholders to 21st Feb 2018. Thus, the request by stakeholders for providing adequate opportunity for giving suggestions/comments has already been considered by the Commission.

2.11 The last date for submission of comments on petitions is prerogative of the Commission.

BYPL

2.12 BYPL would like to state that the request of our esteemed stakeholder to extend the last date for receipt of comments/suggestions from Stakeholders on Tariff Petitions of BRPL, BYPL & TPDDL is the sole prerogative of the Commission. However, we apprise the esteemed stakeholder that the Commission issued a public notice extending the last date for filing objections and suggestions till 21.02.2018.

2.13 The last date for submission of comments on petitions is prerogative of the Commission.

BRPL

2.14 As regards the stakeholder's plea for extension of time for submission of comments, we trust that the Commission will give due consideration to the plea of the stakeholder.

2.15 The last date for submission of comments on petitions is prerogative of the Commission.

NDMC

2.16 Admittance of the Petitions is a prerogative of the Commission and NDMC believes that the same has been done after examination of the petitions through a rigorous prudence check. So far as true-up of various parameters is concerned, the same is done under the provisions of the Tariff Regulations only. The Commission considers the merits of the submissions made by the Petitioners, analyses the legitimacy of the same as per Tariff Regulations and allows/disallows the submissions based on such principles. The concerns of the Consumers are therefore already getting addressed under the regulatory framework.

2.17 NDMC understands that Commission has provided adequate time for submission of comments by the stakeholders. However, extension of any such timeline is a prerogative of the Commission.

2.18 NDMC submits that the issues raised by consumers do not pertain to NDMC.

COMMISSION'S VIEW

2.19 The Commission published a Public Notice in leading newspapers on 03.01.2018, as detailed on DERC website, inviting comments from stakeholders on the Tariff petitions filed by the Petitioners by 31.01.2018.

2.20 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 21.02.2018, for which the public notice was issued on 01.02.2018 in leading newspapers as detailed on DERC website.

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

> *"9. In view of the above decision, we are to direct all the Commissions to conduct the proceedings irrespective of the quorum since the proceedings before the Commission could be conducted even by a single Member."*
>
> *"12. Therefore, we direct that all the Commissions concerned irrespective of the Regulations with regard to the quorum for a meeting, that Commission, even*

with a single Member despite that there are vacancies of other Members or Chairperson, can continue to hold the proceedings and pass the orders in accordance with the law."

2.22 The Commission has issued this Order on 28/03/2018 which is before the commencement of new FY 2018-19 as per provisions of the Electricity Act, 2003.

ISSUE 2: MYT REGULATION & BUSINESS PLAN

STAKEHOLDER'S VIEW

2.23 The Multi Year Tariff (MYT) should continue for a period of 5 years.

2.24 True up should be completed before the expiry of 2 years of tariff determination.

2.25 Business Plan Regulation, 2017 is wrapped and was adopted by Commission without any proper hearing.

2.26 True Up petition for FY 2016-17 filed is in gross violation of mandatory provisions of MYT Regulations 2011 & MYT Regulations 2017.

2.27 State Commission has failed in carrying out prudence check of data of state DISCOMs.

2.28 ARR of FY 2016-17 needs to have prudence check and trued up after all untenable/illogical claims are disallowed. In case of BYPL, the Revenue collection of Rs. 4991 Cr. is substantially high and there shall be substantial revenue surplus.

PETITIONER'S SUBMISSION

TPDDL

2.29 MYT control period presently of 3 years is more appropriate as the components of ARR undergo through various changes. The various factors impacting ARR like statutory increases, inflation, variation in power purchase cost, sale of power etc. can be conveniently mapped and factored after the 3 year control period. If the said period is considered to be longer to include more years, the same may lead to unrealistic projections and deviations. The 3 year period is in line with provisions of NTP etc. and thus, may be retained.

2.30 We agree with your observation that True up should be completed before the expiry of

2 years of tariff determination, and request Commission to consider the same.

2.31 As per the Regulations, a Licensee has to submit a Business Plan on the various parameters of the ARR for the next control period. This Business Plan has accordingly been filed in compliance with the applicable Regulations.

2.32 Commission has a transparent and effective procedure of public hearing and subsequently issuing the Regulations/Tariff order, as the case may be. Commission has also issued "Statement of Reasons on Business Plan Regulations 2017" where-in they have recorded the Stakeholder's comments/suggestion, followed by views of the Commission.

2.33 Tata Power-DDL has filed the ARR petition as per applicable Regulations, which has been duly admitted by the Commission after following due process.

2.34 Prudence check of data is carried out very strictly/thoroughly by Commission.

BYPL

2.35 Determination of Multiyear period, tariff determination, pension payments is the sole prerogative of Commission. However, we appreciate the concerned raised by Stakeholder and request Commission to kindly address the same while determining the next tariff order.

2.36 Further this all these points are already addressed and decided by the Commission in Business Plan Regulation notified by the Commission.

2.37 With respect to the contention of the stakeholder regarding the notification of Business Plan Regulations, 2017, it is submitted that the Regulations were finalized after considering stakeholder's comments and proper hearing by the Commission in accordance with the Law.

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

2.39 The ARR Petition is prepared in accordance with the provisions of Delhi Electricity regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, & DERC (Terms and Conditions for Determination of Tariff) Regulations, 2011; 2017 and DERC (Business Plan) Regulations, 2017.

2.40 The ARR for the DISCOMs is allowed after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.41 The Commission determines the tariff only after considering the prudency of operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network / infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees.

BRPL

2.42 The Petitioner has submitted Petitions for True Up of expenses up-to FY 2016-17 and Annual Tariff Petition for FY 2018-19.

2.43 Regarding other comments which are directed towards the Commission, we trust the same shall be duly considered by the Commission itself.

2.44 It is submitted that the comments of the stakeholder pertains to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

2.45 We oppose the contentions and prayer of the stakeholder regarding safety measures.

NDMC

2.46 NDMC submits that the issues raised by consumers do not pertain to NDMC

2.47 Admittance of the Petitions is a prerogative of the Commission and NDMC believes that the same has been done after examination of the petitions through a rigorous prudence check. So far as true-up of various parameters is concerned, the same is done under the provisions of the Tariff Regulations only. The Commission considers the merits of the submissions made by the Petitioners, analyses the legitimacy of the same as per Tariff Regulations and allows/disallows the submissions based on such principles. The concerns of the Consumers are therefore already getting addressed under the regulatory framework.

2.48 Most of the issues raised by the Petitioner do not pertain to NDMC.

2.49 However, on the issue of increase in tariff, NDMC submits that approval of true-up and pass through of revenue gap through appropriate means including increase in tariff is a prerogative of the Commission. The Commission may kindly consider the submissions made in the petition and allow the revenue gap based as deemed appropriate

COMMISSION'S VIEW

2.50 The Commission is of the view that the Business plan of 3 years is more appropriate as there are various components of ARR which undergo ~~through various~~ changes. Longer periods may lead to unrealistic projections and deviations. Moreover, the 3 year period is in line with provisions of National Tariff Policy. Further, the Commission has adopted various new methodologies for determination of norms such as O&M expenses based on asset capacities, determination of fixed and variable auxiliary consumption for gas based stations etc. in the Business Plan Regulations, 2017. The Commission feels that the Business plan of 3 years shall be more appropriate to assess the results of these new approaches.

2.51 The principles for determination of tariff have been finalized in Tariff Regulations. The draft Business Plan Regulations had been circulated inviting the stakeholder's comments. A Public hearing was also held on 19.07.2017 and comments received from the stakeholders on the operational norms indicated in draft Business Plan Regulations were considered in the final Business Plan Regulations approved by the Commission.

2.52 The Commission determines the ARR for the DISCOMs after due prudence check as per the provisions of the Regulations.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

2.53 Low targets for purchasing power from Renewable Energy should be mandated to DISCOMS.

2.54 Most of the time DISCOMs have surplus power, thus the RPO targets of energy availability from other plants may be dis-associated from DISCOMs. We request the Commission not to burden the Consumers of Delhi by imposing RPO targets.

2.55 Procurement of REC, burdens the Consumers of Delhi. REC cost of Rs. 179.03 crores for

FY 2018-19 cannot be allowed by the Commission.

2.56 Status of 750 MW Rewa Solar Power (M.P.) Agreement with Delhi Metro be clarified by DISCOMs as also compliance of Renewable norms.

2.57 There is no justification of purchase of Solar Power @ Rs. 15.15/ kWh in true up of FY 2016-17 by TPDDL. This may please be reduced to Rs. 5.03/ kWh.

2.58 For FY 2017-18, the cost of solar power is Rs. 13.93/kWh which is not acceptable.

2.59 Only Rs. 5.05/kWh may be allowed which is the rate of solar power during the relevant period of time.

2.60 For FY 2018-19, the cost of solar power at Rs. 14.64/kWh is not acceptable. Only Rs. 5.05/kWh may be allowed which is the rate of solar power during the relevant period of time.

2.61 Imposing RPOs on DISCOMS would lead to unnecessary burden to the consumers. Net metering should be promoted rather than purchasing RECs.

PETITIONER'S SUBMISSION

TPDDL

2.62 The Commission has mandated the Renewable Power Purchase Obligation on DISCOMs and DISCOMs are bound to fulfil same through either procurement of Renewable Energy or purchase of REC.

2.63 Open Access application by DMRC is under process and Tata Power-DDL is awaiting clarifications from DERC/DMRC in the matter to provide NoC.

2.64 Tata Power-DDL has met its RPO till FY 16-17 and shall continue to meet the renewable targets set by the DERC for future.

2.65 Solar power tariffs are dependent on the year of setting up the plant which range from 2010 onwards when tariffs for solar plants were higher than today and hence prudent tariffs commensurate to year of plant installation should be allowed.

BYPL

2.66 As per RPO Regulations, 2012, any shortfall in the RPO will have to be met either by way of purchase of renewable energy / solar energy from other States or by buying

Renewable Energy Certificate (REC) from the power exchange.

2.67 Given the precarious financial condition of the Petitioner and availability of renewable sources in Delhi, the Petitioner has taken all possible efforts to meet the RPO obligations without further constraining its financial position and passing undue burden on its consumers.

2.68 BYPL is encouraging its consumers for installing roof-top solar under DERC Net Metering Regulations. In FY 2014-15 BYPL had only one Net Metering consumer whereas as on date BYPL has energized 146 connections contributing to approx. 10.5 MW.

2.69 BYPL also have firm long term contracts with Renewable Generators such as SECI (20 MW), MSW (Bawana) (5.74 MW) and EDWPCL (6 MW). BYPL is also is in process for signing long term contract for Wind Power with SECI for 50 MW.

2.70 Despite all above, the Petitioner has fulfilled its solar RPO upto FY 2016-17, however the fulfillment of RPO targets (Non-solar) through REC mechanism will unnecessarily burden the consumers which is against the interest of the electricity consumers of the Petitioner.

2.71 Further, it is agreed that the promotional measure casted upon the Regulatory Commissions of all States of India is a national strategy to deal with climate change. However, it cannot be denied that the consumers of Delhi will be burdened by the additional tariff (by way of REC or otherwise) for promoting the setting up and generation of renewable sources of energy in other States, which do not result in the immediate reduction of accumulated greenhouse emissions in the atmosphere of Delhi. Hence, the consumers of Delhi by bearing the financial burden of RECs will not in any manner be benefited from any reduction in the greenhouse gas emissions in the atmosphere of Delhi.

2.72 In view of the above BYPL has also requested the Commission to reconsider the steep RPO trajectory considering the power surplus situation of Delhi and scarce availability of renewable sources. Also, BYPL has requested the Commission to defer the steep RPO trajectory to future years allowing the consumers of Delhi sufficient time to become consumers of green power by installation of Solar Rooftops.

2.73 The Petitioner has been fulfilling Solar RPO target since FY 2015-16. The Petitioner has taken bonafide measures for meeting the total RPO. The Petitioner has long term agreement from Renewable sources such as SECI, EDWPCL, DMSW (Bawana), and MSW (Okhla). In addition to this Petitioner is also encouraging its customers for installing roof-top solar under the Net metering regulations of this Commission. In FY 14-15 the Petitioner had only 1 Net Metering consumers of 20 KW under net metering regulations which has increased to 63 nos. contributing approx. 3.2 MW. It is submitted that the Petitioner has in place an action plan for meeting the cumulative solar RPO target by FY 2021-22 by way of long term contracts and roof-top solar generating capacity and REC purchase, so as to have a sustained flow of RE fulfilment in future.

2.74 BYPL has requested the Commission to reconsider the steep RPO trajectory considering the power surplus situation of Delhi and scarce availability of renewable resources. Also, BYPL has requested the Commission to defer the steep RPO trajectory to future years allowing the consumers of Delhi sufficient time to become consumers of green power by installation of Solar Rooftops.

2.75 BYPL was first among the DISCOMs in Delhi to have successfully installed solar net metering. BYPL is encouraging its consumers for installing roof-top solar under DERC Net Metering Regulations. Till FY 2016-17 BYPL has energized 64 connections contributing to approx. 3.2 MW.

BRPL

2.76 As regards the stakeholder's observation regarding Delhi Metro's agreement with Rewa Solar Power for procurement of Solar Power, we believe that DMRC has sought procurement of such power under open access. The PPA would need to be approved by the Commission before such power may be procured.

2.77 The petitioner is endeavouring to comply with RPO obligations as far as possible. In this regard, the petitioner has already entered in to multiple Power Purchase Agreements (PPAs) for procurement of renewable power. Some of the initiatives for procurement of renewable power are:

- Signed PPA for 10 MW power from Delhi MSW.

- Signed PPA with PTC 100 MW of wind power through SECI
- Sought 400 MW from SECI through GoNCTD
- Sought 150 MW from wind through SECI from upcoming projects
- Agreed on procurement from SDMC WTE plant - approx. allocation 10 MW
- Actively involved in solar roof-top - current status of 15 MW – currently

2.78 We appreciate the stakeholder's suggestion with respect to Renewable Purchase Obligation (RPO) and promoting Net metering across Delhi.

NDMC

2.79 The queries are specific to the ARR petition filed by TPDDL and are not linked to ARR petition of NDMC.

2.80 NDMC submits that it is the prerogative of the Commission to set the RPO target.

COMMISSION'S VIEW

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

2.82 Section 86 (1) (e) of the Electricity Act 2003 states:

"The State Commission shall discharge the following functions:

Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee"

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

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

2.85 The Commission has already notified the *Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014* and the provision has been specified that the quantum of electricity generated under these Regulations shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee if Renewable Energy Generator is not an obligated entity.

2.86 The agreement between REWA Solar Power (MP) and DMRC is a bilateral agreement and there shall be no impact on the consumers, as the cost of procurement of power from REWA Solar Power by DMRC will not be passed into the ARR of DISCOMs.

2.87 The cost of solar power varies according to the date of commissioning of the respective plants. CERC had determined the benchmark cost and levelized tariff for Solar power from FY 2009-10 to 2017-18, based on the date of commissioning of the plant.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

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

2.89 BTPS status should be clarified whether it is being closed down or re-developed in to UMPP at reduced power purchase cost. Fixed charges for BTPS for FY 2018-19 of Rs. 14.57Cr.cannot be allowed.

2.90 Power Purchase Cost has increased due to increase in Power Purchase cost from central generating stations.

2.91 The average cost of power of Anta, Auraiya and Dadri is very high. This power should not be taken by the licensee for FY 2017-18.

2.92 The disallowances in power purchase cost till last year should be continued to be disallowed.

2.93 The UI sale of 148 MU at Rs. 0.68 is not acceptable under True up of FY 2016-17. The Licensee should have sold through Banking at a much higher rate of Rs. 3.88/ Unit. Commission may please disallow the sale and limit to 54 (MU) and balance be considered at Rs. 3.88/unit.

2.94 Surplus power sold by various DISCOMs along with rates and amount received should be disclosed.

2.95 There cannot be any financing for Power Purchase and Sale in true up of FY 2016-17. Licensee's claim of Rs. 7.05 Crore for normative Power Banking may be disallowed.

2.96 Rithala Gas Power Plant cannot be allowed Fixed Charges of Rs. 128.18 Crore as it has not produced any power during FY 2016-17. For FY 2017-18, the fixed cost of Rs. 96.89 Crores may also be disallowed.

2.97 Contingency limit of 3% on UI set by the DERC to enforce power Banking and bilateral exchange instead of indolently letting the surplus power flow to UI at rock bottom rate. It is only to enforce discipline in Regulatory distribution of power and cannot be questioned. In any case this limit is very reasonable and justified.

2.98 The Power should be re-allocated based on the profile of the consumers, ie. More domestic consumer's area should get cheaper power.

2.99 East Delhi has low revenue, accordingly, if Commission decreases the power purchase cost, DISCOMs will be able to invest more in upgrading network, improving customer services etc.

2.100 Hon'ble Supreme Court Judgment of Apr 2017 has set aside ATE order allowing DISCOMs to charge compensation tariff due to increase in coal cost. Therefore, DISCOMs should refund PPAC charges.

PETITIONER'S SUBMISSION

TPDDL

2.101 Tata Power-DDL has been proactively taking steps to reduce the burden of expensive power on the consumers.

2.102 In order to procure competitive power, Tata Power-DDL has been trying to come out of the legacy Power Purchase Agreements. For the same, Tata Power-DDL has even written to GoNCTD which in turn has written to Ministry of Power, Govt. of India. In the interim, power from some of the stations such as NTPC Koldam Hydro, Tanda II TPS and North Karanpura TPS has been reallocated by Ministry of Power, Govt. of India to other states. Further, Tata Power-DDL has also written to GoNCTD requesting for Renewable Power through MNRE/SECI so as to reduce its Power Procurement Cost and simultaneously, to meet the Renewable Power Purchase Obligation (RPO) mandated by DERC.

2.103 As per the information available with Tata Power-DDL, BTPS should be closed down by July18. Any redevelopment of the same into UMPP is the prerogative of Government / NTPC.

2.104 The actual power generated by Anta, Auriya & Dadri (G) is less during FY 2016-17 and this high Average cost is inclusive of the fixed cost of the station. The same is true for all gas based stations across the country on account of non-availability of cheaper gas.

2.105 UI sale is only 1.32% of the gross power purchased in 2016-17 and is within limits as per the Regulations prescribed by Commission. The sale in UI is not intentional, however, it is due to reasons beyond control such as sudden weather changes, demand reduction, ramp down rates of generators & forced scheduling by Delhi SLDC/NRLDC to maintain grid security.

2.106 Source wise information with respect to sale of surplus power has already been given along with the Audited Certificate of Power Purchase for FY 2016 -17. Page no 67 of the Tariff Petition can be referred for the same.

2.107 Fixed charges have been billed in accordance with Regulations and petition filed with Commission. Availability of affordable gas for running gas based plants is a national issue affecting all Gas based generating stations. Further, fixed costs shall be passed only after prudence check by the Commission.

2.108 Power allocations entered into by DVB/DTL have been entered for Delhi as a whole. The power re-allocation has been done by DERC based on load profile, consumer profile of the respective geographical licensed areas. Further the Commission is bound under the

Electricity Act 2003 not to show any undue preference to any specific consumers of an area.

2.109 DERC cannot decrease power purchase cost for plants regulated by the Hon'ble CERC. Further DISCOMs are allowed schemes based on their criticality and necessity after due prudence by Commission. Power Purchase Costs do not govern the decision for investment in such schemes. Thus if a particular area requires new scheme, up-gradation the same must be pointed out to DERC with data of breakdowns, poor supply, load shedding etc.

2.110 The said case being cited is not applicable to Delhi DISCOMs. In any case, PPAC charges in Delhi are determined as per the mandate of Commission and under well-established judgments, directions issued by Hon'ble Appellate Tribunal for Electricity.

BYPL

2.111 Petitioner has taken various steps for closing down higher cost power stations such as BTPS, Rajghat etc. It is further submitted that the Petitioner has also approached various forums such as CERC, DERC for reduction in Power Purchase Cost

2.112 The DISCOM's are bound with the Long Term Power Purchase agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31st March 2007. The petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Hon'ble Central Electricity Regulatory Commission, Hon'ble Appellate Tribunal for Electricity, MOP etc.

2.113 Petitioner has also filed a Petition in CERC for closure of the plant, pursuant to the direction of "Delhi Pollution Control Committee" (DPCC) to close units of BTPS. Moreover the Petitioner has surplus Power arrangements and does not require power from BTPS.

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

2.115 We would like to humbly submit that the issue raised by Stakeholder pertains to M/s TPDDL hence not commented upon by BYPL.

2.116 BYPL agrees that its expensive power plants need to be reallocated and is pursuing the same at various forums i.e.; both State level and Central level. In addition, BYPL has also requested the Commission to reconsider the steep RPO trajectory considering the power surplus situation of Delhi and scarce availability of renewable resources. Also, BYPL has requested the Commission to defer the steep RPO trajectory to future years allowing the consumers of Delhi sufficient time to become consumers of green power by installation of Solar Rooftops.

2.117 We appreciate the concern of the esteemed stakeholder and agrees that its expensive power plants need to be reallocated and is pursuing the same at various forums i.e.; both State level and Central level. In addition, BYPL has also requested the Commission to reconsider the steep RPO trajectory considering the power surplus situation of Delhi and scarce availability of renewable resources. Also, BYPL has requested the Commission to defer the steep RPO trajectory to future years allowing the consumers of Delhi sufficient time to become consumers of green power by installation of Solar Rooftops.

2.118 BYPL was first among the DISCOMs in Delhi to have successfully installed solar net metering. BYPL is encouraging its consumers for installing roof-top solar under DERC Net Metering Regulations. Till FY 2016-17 BYPL has energized 64 connections contributing to approx. 3.2 MW.

2.119 A major part of power procured by the distribution company comes from the Central Sector Generating Companies whose tariff is regulated by the Central Commission and the State owned Generation Companies whose tariff is regulated by the State Commissions. The Central Commission in its Tariff Regulations has already provided a formula for fuel price adjustment and the charges of the generation companies are increased as and when the fuel prices are increased.

2.120 In view of the present precarious financial conditions of the distribution companies, it is necessary that the State Commissions also to provide for Power Purchase Cost Adjustment Formula as intended in the section 62(4) of the Act to compensate the distribution companies for the increase in cost of power procurement during the financial year. The same has also been directed by the Honb’le Appellate Tribunal for

Electricity to all State Commissions vide its judgment dated 11.11.2011 in O.P. 1 of 2011.

BRPL

2.121 All the power purchase agreements are notified and duly approved by the Commission. The Licensee puts all its efforts to come out of the uneconomical PPAs, if any.

2.122 The petitioner undertakes all due efforts to reduce this cost and has been able to surrender some of its costly power plants (Koldam, Barh, Koderma, Durgapur, Mejia 7-8, Rampur). However, it may be noted that allocation of power as well as surrender of PPA's is subject to the approval of the Commission.

2.123 Determination of PPAC is taken up by the Commission as a separate exercise and the same is done for every quarter. PPAC is intended to reflect any changes in power purchase cost to the licensee so that such cost is not deferred till tariff is determined which usually happens after a gap of 1 to 1.5 years. This is thus, beneficial to consumers as the carrying cost needed to defer such cost is saved and burden on consumers is reduced. Determination of PPAC is prerogative of the Commission and is based on actual power purchase cost incurred by licensee as reflected in the bills raised by generators.

2.124 It is submitted that the comments of the stakeholder pertains to the other licensee, i.e. BYPL, and therefore we are not in a position to respond to the same.

2.125 We appreciate the stakeholder's suggestion with respect to a) Reduction of cost of power procurement from Pragati Bawana & Aravalli Jhajjar stations and b) shut down of Badarpur Thermal Power Station (BTPS).

NDMC

2.126 NDMC welcomes the suggestion of the consumer and requests the Commission not to allocate any costly power from GT for the ensuring FY 2018-19. NDMC has already made a detailed submission regarding allocation of power to NDMC, which may kindly be considered by the Commission.

2.127 NDMC submits that no power has been scheduled from NTPC towards the last quarter of 2017-18. Further for FY 2018-19, only a miniscule quantum of ~100 Mus have been considered from NTPC Badarpur. As per media reports (published in Hindustan Times), the plant is expected to be closed by August 2018.

2.128 Most of the issues raised by the Petitioner do not pertain to NDMC. However, on the issue of increase in tariff, NDMC submits that approval of true-up and pass through of revenue gap through appropriate means including increase in tariff is a prerogative of the Commission. The Commission may kindly consider the submissions made in the petition and allow the revenue gap based as deemed appropriate

2.129 The queries do not pertain to NDMC. However, on the issues raised by the consumer, it is submitted that the true-up petition has been filed based on the provisions of the regulations, regulatory orders and past precedence in the sector. Any deviations from the norms have been substantiated in the petition and the same may be considered by the Commission based on merits of submissions made by the licensees.

COMMISSION'S VIEW

2.130 The long term Power Purchase Agreements are entered into by the Petitioner considering the overall average projected demand of the consumers and likely growth in the demand vis-à-vis the likely availability of Power from various sources. The surplus/shortfall in power availability arising due to difference in demand during peak hours and non-peak hours including seasonal variations is required to be sold/purchased by the Petitioner on need basis. The Commission has directed the Petitioner to optimize such short term transactions and maintain transparency in its short-term power purchases and sales.

2.131 The Commission has specified in Tariff Regulations 2017, as well as in earlier Tariff Orders, that the Merit Order Dispatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also incentive and disincentive mechanism for sale of surplus power to minimize the revenue from sale of surplus power. Further, as per the provision of Delhi Electricity Regulatory Commission Business Plan Regulations, 2017, the contingencies limit for sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.

2.132 The Commission has already approved various PPAs entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21.10.2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.

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

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

2.135 The Commission had projected power purchase cost net of rebate as per the provisions of MYT Regulations, 2011 in which the power purchase cost should be allowed to the distribution licensee after considering maximum normative rebate available for each generating stations.

2.136 The provision for reallocation of power among Delhi DISCOMs has been made in DERC (Terms and Condition for Tariff Determination) Regulations, 2017 as follows:

"The gap between average Power Purchase Cost of the power portfolio allocated

and average revenue due to different consumer mix of all the distribution licensee:

Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India"

2.137 The Supreme Court judgement related to compensatory tariff due to increase in cost of coal is not applicable to Delhi DISCOMs, as there is no allocation / PPA between Delhi DISCOMs and the concerned generating stations.

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.138 Commission is requested to ensure audit of AT&C losses of petitioners from Technocrats such as IITs.

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

2.140 AT & C Losses should have been calculated first and then only targets should have been fixed in Business Plan Regulation 2017.

2.141 High Loss areas should be treated differently than low loss areas.

2.142 Un-necessary electrification of less occupied places is leading to theft.

2.143 There is improvement in power cuts, underground cabling, replacement of old meters with temper proof electronic meters, billing etc., but consumer satisfaction level is still very low because of unsatisfactory complaint resolution and harassment of consumers due to false allegations. It is suggested that the services relating to enforcement/theft be standardised to check genuine cases of theft necessary to plug leakage and avoid any harassment to genuine consumers.

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

2.145 The street lights are found to be on during day time thus leading to wasteful expenditure in the books of accounts of DISCOMs.

2.146 E-Rickshaw Charging should be monitored to prevent theft.

2.147 DISCOM to make extra effort to reduce the DL to a level below 12% in the areas of high loss.

PETITIONER'S SUBMISSION

TPDDL

2.148 Commission has already appointed an Auditor for carrying out Energy Audit.

2.149 Tata Power-DDL has sought AT&C losses achievement in line with approved trajectory of loss reduction target for 2nd MYT Control period by the Commission.

2.150 AT&C targets are a combination of Distribution Loss target and Collection efficiency target. The Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 provided that "Target for Distribution loss and Collection efficiency for a control period shall be specified in the Business Plan Regulations and based on factors including previous targets and past performance."

2.151 Commission has already introduced a concept of stringent power supply performance standards in low loss areas and any further incentive/disincentive may be decided by the Commission.

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

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

2.154 Also, introduction of a separate Tariff category for E-Rickshaw charging, by Commission in Tariff Order FY 17-18, shall encourage such consumers to take legal Electricity Connections, which in turn will reduce theft.

BYPL

2.155 To protect the interest of honest paying consumer we would like to inform that theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken in to account while determining the ARR of the DISCOMs.

2.156 In terms of the provisions of Electricity Act, 2003 and License condition the Petitioner, on application by the owner or occupier of any premises within area of supply, is duty bound to provide supply of electricity in stipulated time as decided by the Commission from time to time.

2.157 Further, the Petitioner always endeavours to minimize the loss on account of theft as it not only impact its revenue but also hamper its performance in terms of AT&C loss. We are pleased to inform that BYPL has brought down its AT&C losses by more than 50% since FY 2002. This has been achieved through various efforts put in by the Petitioner including theft control. In order to further reduce the losses and curb theft, the Petitioner has strengthened and streamlined its enforcement machinery along with the augmentation of requisite infrastructure. Teams of enforcement officers are dedicated for the purpose of detection of theft and bringing to book the offending consumers. We have intensified our drive against those stealing power. A large number of power theft accused in BYPL has also been sent to jail for varying jail terms. However, contribution of our esteemed and honest consumers is always vital in further improvement of the system.

2.158 BYPL has also raised this issue to various forums; till year 2010 BYPL has been allocated support of CISF for curbing activities of theft. From year 2010, the support of CISF has been withdrawn for the DISCOMs. After this we have raised this concerned to GoNCTD for allocation of Delhi Armed Police (DAP) for assisting the DISCOMs in reducing the electricity theft in its areas. However, the suggestion of Stakeholder to restrict the Supply of power to 3 hours a day in high theft prone areas could not be appreciated as there are several genuine and honest consumers in those areas who are making timely payment of their electricity bills and does not indulge in activity of electricity theft and by doing so this may be injustice to those honest consumers.

2.159 The process of Enforcement inspection is conducted as per the provisions of DERC Regulations and the Electricity Act, 2003. BYPL has published on its website, the list of the Authorized officers under section 135 of the Act. The procedure/ steps followed of inspection are:

(A) The Licensee has issued photo identity cards to all the Authorized officers specifically indicating their designation and details of authorization.

(B) The Authorized officer conducts inspection of any premises either suo-moto or on receipt of information regarding unauthorized use / theft of electricity.

(C) The Authorized officer carries his visiting card bearing his photograph and photo identity card issued. Photo ID is shown and the visiting card bearing his photograph is handed over to the consumer.

(D) The authorized officer as the case may be, videographs the entire proceedings, till the completion of inspection at the premises.

(E) The Assessing officer prepares an inspection/site report as per the provisions under the Regulations.

(F) In case the inspection report is refused to be signed by the user /consumer or not allowed to be pasted at a conspicuous place, the same is mentioned in the report.

(G) Hearing in cases of suspected meter tampering cases is not given as per the new regulations. Therefore in case consumer submits his representation after receiving the theft bill and /or the speaking order, the case may be reviewed based on the consumer contention and action taken accordingly. As admitted by the complainant himself in his letter, the inspection team duly informs the user / consumer about the enforcement inspection.

(H) All the consumer complaints are duly handled as per provisions of regulations and as per prescribed timelines. The consumer/ complainant, if so required, is directed to the concerned official to enable him to clarify his stand.

2.160 Subsequently the decision taken is duly communicated to the complainant.

2.161 Further, we would like to humbly submit that the allegation on the officers of the BYPL for unlawful activities is baseless as the Company works toward the betterment of the Consumer only. Further, we would like to state that the BYPL strictly adhere to DERC (Supply Code and performance Regulations) , 2017 where in the detailed procedure for booking of theft cases, false case of misuse, inspection procedure and booking of theft cases are clearly mentioned. Any violation on the above said regulation, attract penalty and compensation as prescribed under the DERC (Supply Code and performance Regulations), 2017.

2.162 In order to curb theft, the Petitioner has strengthened and streamlined its enforcement activities along with the augmentation of requisite infrastructure. Further, teams of enforcement officers are deployed in the theft prone areas to inspect and book the theft cases against offending consumers. BYPL has also approached task forces like Delhi Armed Police for curbing the losses.

2.163 The street lights in Petitioner's area of supply are maintained by the Petitioner as well as by civic agencies like MCD and PWD. The Petitioners street light maintenance team inspects the street lights periodically. However, there could be instances where the street lights glows during odd hours too due to following possible reasons:

(i) Street light not maintained by the Petitioner.

(ii) Maintenance work is in progress.

(iii) Automatic On/Off timer of the street light is faulty.

2.164 In case the consumer finds any of the street light glowing in odd hours, he may register a complaint reporting the instance and if the maintenance of street light in question is the responsibility of the Petitioner, it will strive to resolve the problem within DERC stipulated time.

2.165 DERC in its Tariff Order for FY 2017-18 has introduced a new Tariff Category for charging of batteries of E-Rickshaw at Charging Stations. However, if the E-Rickshaws are being charged at premises other than at Charging Stations, the tariff shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

2.166 "E-Rickshaw/ E-Vehicle on Single delivery point" has already been introduced by the Commission vide its tariff order dated 31st August 2017.

2.167 BYPL has always focused on reduction of AT&C losses which is evident from the aggressive loss reduction of more than 50% ie; from 61.89% in July'03 to 12.70% in March'17.

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

BRPL

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

2.170 We appreciate your concern on electricity theft by E rickshaw as most of them are charged through direct theft. Not only theft is severely impacting AT&C Losses of the Licensee but at the same time open conductors being used for such theft is exposing danger to human life and animals. We have communicated to the Commission regarding charging stations for E rickshaws. We trust, the Commission would give due cognizance to this aspect.

2.171 We appreciate your comments relating to deployment of paramilitary forces along with BSES Enforcement team. Electricity theft has been one of the most aggressively pursued agendas of the Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction. Given this background control of power theft needs active participation and support from all stake holders including Electricity theft has been one of the most aggressively pursued agendas of the Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction.

2.172 We appreciate your concern on electricity theft by E-rickshaw as most of them are charged through direct theft. Not only theft is severely impacting AT&C Losses of the Licensee but at the same time open conductors being used for such theft is exposing danger to human life and animals. We have communicated to the Commission regarding charging stations for E rickshaws. We trust, the Commission would give due cognizance to this aspect.

NDMC

2.173 The Issues does not pertain to NDMC. However, NDMC reiterates its submission in it petition that no such liability should be considered as part of ARR for NDMC. The consumers in NDMC license area therefore should not be burdened with such liabilities of other discoms.

2.174 NDMC agrees with the contention of the consumer that Honest Consumers should not be burdened on account of dishonest consumers. NDMC is aggressively pursuing any likely cases of thefts in its area through its enforcement team. NDMC is committed to ensure that all consumers are served electricity through meters and that there are no events of theft/pilferages in its license area.

2.175 In NDMC area, streetlights are run through Auto Switches only.

COMMISSION'S VIEW

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

2.177 The Commission is of the view that Distribution loss is an inherent loss in the System which can be minimized up to the technical permissible limit, whereas the losses also include the theft which can be controlled by DISCOMs.

2.178 The DISCOMs are given an incentive if the distribution losses are reduced below the target fixed. If the losses are more than the target fixed, the loss above the target fixed is fully to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone, and will get reflected in the true-up of ARR of the respective DISCOMS.

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

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

2.181 The Commission has already made a provision in the Tariff Order for FY 2017-18 that the E-rickshaws/Electric vehicles can be charged from any of the metered connections and the tariff shall be charged for that relevant category. Further, in case the E-rickshaws/Electric vehicles are charged at a charging station, the Commission has specified separate tariff category in its Tariff schedule.

2.182 The Commission has already appointed Energy Auditors to verify the actual Technical & Commercial Loss Levels at various Voltage levels of DISCOMs. The assignment is under progress.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.183 All Bare Conductors should be replaced with Cables to ensure safety and prevent Electrocution and should not be limited to only prevent Theft activity. Tariff should not be hiked till bare conductors are replaced with cables.

2.184 Electricity consumers should not be linked with Aadhar card.

2.185 DSM expense of Rs. 6.16 Crore may be disallowed.

2.186 For FY 2017-18, the DSM charges of Rs. 5.05 Cr. may be disallowed.

PETITIONER'S SUBMISSION

TPDDL

2.187 We would rather suggest that Aadhar should be captured from Consumers as it will help in linking with Digital Initiatives being under taken by Govt. of India and request Commission to consider it appropriately.

2.188 DSM expenditure of Rs. 6.16 Cr has been done only with the prior approval of the Commission against the approved budget of Rs. 20 Cr. in order to promote DSM activities especially replacement of old AC's with 5 star rated AC's. Against this approved fund, Tata Power-DDL has sought an amount of Rs. 6.16 Cr as DSM expenses on actual basis.

2.189 Tata Power-DDL is equally concerned with public safety and has taken several initiatives towards this cause. Adequate safety as per statutory requirement is always adhered to and necessary clearances are maintained. However, in many cases, this has been breached by unauthorised constructions and extensions by public, violating all the safety norms. We are willing to convert our Overhead Network to Underground Cables but would require an estimated expenditure of around Rs. 3000 Crs., phased out over next 5 years and would also require prior approval from Commission.

2.190 There have been many cases where the Right-of-Way of the utility is violated and the demolition orders have been issued by the competent Authority. The alteration of network without compliance to these orders would further encourage such illegal activities and lead to civil disorder.

2.191 Further, Tariff setting has nothing to do with replacement of Bare Conductors by Cables, as this problem has arisen because of rampant encroachment due to unauthorised construction.

BYPL

2.192 This issue raised by the Stakeholder is regarding safety measures pertaining to M/s TPDDL and hence is not commented upon BYPL

BRPL

2.193 It is submitted that the comments of the stakeholder pertains to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

NDMC

2.194 The queries are specific to the ARR petition filed by TPDDL and are not linked to ARR petition of NDMC.

2.195 The issue does not pertain to NDMC. However, NDMC strongly supports the view that adequate safety measures need to be adopted in line with statutory requirements so that life of human beings and animals is not lost on account of any unsafe operations.

COMMISSION'S VIEW

2.196 The Central Electricity Authority (CEA) has notified Measures relating to Safety and Electric Supply Regulations, 2010. The Commission in its DERC (Supply Code and Performance Standards) Regulations, 2017 has directed the Distribution Licensee and the consumers to follow the provision of the Safety Regulations. The Bare conductors are being replaced with the cables in phased manner by the Distribution Licensees on case to case basis.

2.197 The Commission accords 'In-principle' approval to the DSM proposals of Distribution Licensees as per provisions of DSM Regulations, 2014 notified by the Commission.

ISSUE 7: O&M EXPENSES

STAKEHOLDERS' VIEW

2.198 DISCOMs by inflating their employee expenses are showing reduced profit.

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

2.200 Pay parity of all employees of Tata Power-DDL with FRSR employees cannot be allowed based on Pay Commission.

2.201 Licensee has submitted O&M expenses of Rs. 788.24 Crore for FY 2017-18 which is very high and may not be allowed. Further, the legal expenses of Rs.14.88 Crores may not be allowed as the Licensees hire top notch lawyers at exorbitant fee when lawyers with fewer fees can meet the same purpose. A normative legal expense of Rs. 1 Crore may be allowed for fighting in the civil court for cases related to power theft etc.

2.202 Additional O&M expenses of BYPL may be disallowed. No Charges for SMS Service can be allowed.

PETITIONER'S SUBMISSION

TPDDL

2.203 Employee's expense is allowed as normative O&M expense, hence any amount incurred over and above normative levels is to the account of utility and not adversely affecting the consumers for the purpose of ARR.

2.204 It is worthwhile to mention that books of accounts of Tata Power-DDL is subject to various audits which are done by reputed professionals and prepared as per the guidelines issued by ICAI and Companies Act.

2.205 The methodology for determination of O&M expenses is as per the Delhi Electricity Regulatory Commission Business Plan Regulations, 2017

2.206 O&M expenses have been sought as per Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

BYPL

2.207 In order to cater to the increase in demand due to rise in the consumer base over a period of time additional resources are deployed. Further, the stakeholder must appreciate the improvement in quality of supply and services being provided by the Petitioner. All our employees strive hard to provide the best in class services to our esteemed consumers and fast resolution of their complaints. Further, benefits to the employees are provided as per the policy of the company which is at par with the industry practice.

2.208 We appreciate the Commission to kindly consider points raised by the stakeholder while determining the tariff for FY 2018-19 and reduce the cross subsidization and approve minimum tariff keeping in view the cost of procurement of power plus other components of ARR.

2.209 The Petitioner has projected additional O&M expenses in terms of Regulation 11(9) of the Tariff Regulations, 2017 which stipulates that the Distribution Licensee shall submit the ARR which shall contain actual and expected additional expenses on account of O&M expenses beyond the control of Licensee for the ensuing year and previous year respectively. No charges for SMS charges have been claimed by the Petitioner in the present ARR Petition.

BRPL

2.210 The expenses of the licensee are the lowest amongst the three DISCOMs in Delhi. As the Commission has not provided any targets for FY 2016-17, the licensee has submitted the same on actual. The Commission while approving the said expenses, conducts comprehensive prudence checks and technical validation sessions

NDMC

2.211 The queries are specific to the ARR petition filed by TPDDL and are not linked to ARR petition of NDMC.

COMMISSION'S VIEW

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

2.213 The Commission is of the view that the O&M expenses are directly related to actual assets installed at site and its maintenance to provide services to the consumer. O&M Expenses varies as per the consumer mix i.e., Domestic/Non Domestic/Industrial etc. & supply at different voltage levels i.e., LT/11kV/33kV/66kV. The O&M Expenses upto

11kV level majorly varies as per the line length of the network whereas for LT level the Consumer mix play a vital role. Therefore, the Commission has adopted the new methodology and computed the O&M expenses on the basis of capacity of assets installed at site i.e., per circuit km of line & per MVA capacity of transformation at various voltage levels.

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

ISSUE 8: POWER FOR SELF CONSUMPTION

STAKEHOLDER'S VIEW

2.215 DISCOMs are billing their own premises at Zero Tariff and evading Electricity Tax.

2.216 DISCOMs own consumptions should not be treated as sales but technical loss.

PETITIONER'S SUBMISSION

TPDDL

2.217 Based on the directive given by the Commission in its Tariff Order, DISCOMs avail credit at zero tariff upto normative limit of own consumption. Over and above the normative own consumption limit, DISCOM has to pay at non-domestic tariff.

2.218 It is worth to mention that any applicability of electricity tax on own consumption of DISCOMs would ultimately increase the ARR.

2.219 The Commission has fixed normative norms for Own consumption. As per directive of the Commission DISCOMs may avail credit at zero tariff up to normative limit of own consumption. Any excess consumption beyond norms are charged as per applicable tariff categories and treated as a sale for the purpose of ARR.

BYPL

2.220 The Petitioner's consumption of electricity falls under the non-domestic category. Accordingly the Petitioner bills its own establishments as per the directive of the Commission at Non-domestic tariff. As per the said directive the Petitioner avails credit at zero tariffs to the extent of normative limit at the end of the financial year.

2.221 Own consumption includes the energy consumed at various offices, buildings and sub-stations of the Petitioner. Presently, the energy meters installed for accounting of energy consumption at the premises of the petitioner are read and billed on monthly basis. Based on the directive given by the Commission in its Tariff Order, DISCOMs avail credit at zero tariff upto normative limit, however, any consumption over and above the normative limit, is considered at non domestic tariff for consideration of revenue by the Commission.

BRPL

2.222 All establishments of the Petitioner are already metered and metered bills are raised on monthly basis for such consumption. Own consumption at zero tariff is only allowed up to a normative limit as prescribed by the Commission. Consumption beyond this limit is to be billed at non-domestic rates and the same is not allowed to be passed on in the ARR of the licensee.

2.223 As regards the stakeholder's observations pertaining to self-consumption, it is submitted that self-consumption can never be treated as losses. Any utility, be it a distribution, transmission or generation utility, will always consume some energy for its own operations. As such, such consumption up to a reasonable limit should be allowed an expense in the Aggregate Revenue Requirement. Even the CERC (Central Electricity Regulatory Commission) allows self- consumption / auxiliary consumption got generating utilities.

NDMC

2.224 NDMC submits that it is billing its own buildings as per applicable rates.

2.225 NDMC submits that it is accounting the units consumed in its buildings, premises as per the prescribed rates. Since the consumption in such premises is being billed, therefore it would be imprudent to consider the same as technical losses in the system.

COMMISSION'S VIEW

2.226 DISCOMs levy applicable electricity duty on the consumption which is over and above the normative consumption. O&M expenses are controllable expenses and are allowed on a normative basis. The electricity consumed forms part of the normative O&M expenses and thus there should not be any additional impact on the ARR of the DISCOMs.

2.227 The Commission has already given directive to the DISCOMs to provide appropriate meters to record electricity consumption every month in the substations, offices, collection centres etc related to own consumption of the DISCOMs. Furthermore, in order to promote conservation of energy under Own Consumption, the Commission has fixed norms for Own Consumption based on total sales during the year. Any excess consumption beyond norms are charged as per applicable tariff categories, which shall not be allowed to be passed on in ARR of the Petitioner.

ISSUE 9: CAPITALISATION & DEPRECIATION

STAKEHOLDERS' VIEW:

2.228 Physical Verification of Assets should be done on a yearly basis.

2.229 Prudence check for correct assessments of GFA and depreciation is required.

2.230 Depreciation of 5.2% sought is very high and may be reduced to 3.6%.

2.231 True up of Capital Cost / Capitalization is pending since FY 2006-07 till 2016-17 and hence Tariff Petitions may be rejected.

PETITIONER'S SUBMISSION

TPDDL

2.232 We agree with the observation and Commission has already started carrying out the said activity on Quarterly Basis.

2.233 Commission always carries out prudence check and for True Up of FY 2016-17, they have also appointed an Auditor to carry out the prudence check.

2.234 Depreciation expenses have been claimed in line with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

2.235 It is submitted the DISCOMs have been regularly filing True Up petition including for true up of capitalization since the beginning. However, the Commission has done provisional true up of capitalization on account of ongoing and pending physical verification exercise by agency appointed by the Commission and shall be considered by Commission once finalized.

BYPL

2.236 Commission has appointed the consultant for audit of capex and physical verification of assets of DISCOMs which is in process. BYPL has always provided and is providing full cooperation to the Commission's officials/Auditors for efficient and timely completion of the same.

BRPL

2.237 As regards physical verification of assets, it is submitted Commission appointed M/s Feedback Ventures Limited as consultant for physical verification of assets. The Petitioner has already provided all information to the consultant and has extended its cooperation in completing the physical verification of assets. The Petitioner has time and again reiterated the urgency for completion of this exercise so that all capex related costs are allowed to the Petitioner at the earliest. Not only will this help the petitioner to offer un-interrupted power to its consumers, but the same will also result in lower tariff for end consumers by way of lower carrying costs.

NDMC

2.238 The queries are specific to the ARR petition filed by TPDDL and are not linked to ARR petition of NDMC.

2.239 Admittance of the Petitions is a prerogative of the Commission and NDMC believes that the same has been done after examination of the petitions through a rigorous prudence check. So far as true-up of various parameters is concerned, the same is done under the provisions of the Tariff Regulations only. The Commission considers the merits of the submissions made by the Petitioners, analyses the legitimacy of the same as per Tariff Regulations and allows/disallows the submissions based on such principles. The concerns of the Consumers are therefore already getting addressed under the regulatory framework.

COMMISSION'S VIEW

2.240 Asset wise Depreciation rates are specified in the Appendix-1 of the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* and are accordingly allowed in the ARR of the Utilities. Detailed basis for determination of depreciation rates has been explained in the statement of reasons of the Regulations.

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

ISSUE 10: OTHER BUSINESS INCOME

STAKEHOLDER'S VIEW

2.242 Shastri park Hotel being at prime location is leased at high revenue without showing the revenue in balance sheet.

2.243 Collection of Electricity Duty does not involve extra cost. Hence, no payment is due for this expenditure as it is covered under A&G expenses

PETITIONER'S SUBMISSION

TPDDL

2.244 No Response.

BYPL

2.245 Under the Electricity Act' 03, the activity of collection of electricity duty has nothing to do with the functions of a distribution licensee. Since such function is carried out using the assets of the distribution business, such function is clearly attributable to other business income.

BRPL

2.246 Unaware of the issue of Shastri Park Hotel.

NDMC

2.247 The last date for submission of comments on petitions is prerogative of the Commission.

COMMISSION'S VIEW

2.248 In the event a Licensee engages in any other business for optimization of the assets, any income arising out of such engagement is liable to be treated as other business income of the Licensee as per provisions of *Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005*, as amended from time to time. As per the applicable Regulations, the Licensee shall retain 40% of the revenues arising on account of Other Business and pass on the remaining 60% of the revenues to the regulated business owing to use of the assets used for power distribution which is the main function of the Licensee.

2.249 The commission on Electricity Duty is already part of NTI.

ISSUE 11: APTEL DIRECTIVES

STAKEHOLDER'S VIEW

2.250 Certain direction of the Hon'ble ATE was in excess of jurisdiction and only directory in nature.

2.251 The details of various judgments, as well as the reasons on the basis of which, DISCOMs have claimed various expenses may be provided.

2.252 As noted from the petition, DERC has not implemented the ATE judgement which mount to a large sum. DERC should either levy the cost on the consumers if the claims are genuine, else should impose penalty on the DISCOMs for any wrong information provided.

PETITIONER'S SUBMISSION

TPDDL

2.253 No Response.

BYPL

2.254 Timely Implementation of APTEL orders by the Commission is in overall consumer interest as it will prevent carrying cost burden on consumers. Hon'ble APTEL has observed in its judgments that its judgment, orders are to be implemented promptly, in cases, where its judgments have been passed and no stay order has been granted by Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation.

2.255 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, Hon'ble APTEL vide its various judgments has issued specific directions to the Commission with respect to implementation of the issues challenged by the Petitioner. Accordingly, the Petitioner has claimed the impact of implementation of APTEL Judgments to be allowed in the next Tariff Order. Further, it is submitted that the issue wise claim along with computation is explained in detail at Para 3.8 of the ARR Petition. The same is not reiterated for the sake of brevity.

2.256 The Commission considers all the judgment/Orders passed by the Hon'ble APTEL/High Court/Supreme Court while exercising the prudence check for finalisation of ARR of the Petitioner. Further, the issues decided by the Hon'ble APTEL, in which there is no stay by the Hon'ble Supreme Court or review/clarification application pending before Hon'ble APTEL, are implemented by the Commission.

BRPL

2.257 The comments of the stakeholder pertain to the other licensee, i.e. TPDDL/BYPL, and therefore we are not in a position to respond to the same.

2.258 The Hon'ble ATE has given several directions to the Commission in Various Judgments. The list of judgments is provided in Table 3.24 on Page number 133 and 134 of BRPL's ARR petition submitted to DERC.

2.259 As regards the judgments and directions of the Appellate Tribunal, it is submitted that the Commission is a quasi-judicial body under the Electricity Act, which is bound to follow the orders and directions of the Appellate Tribunal. The principle of judicial discipline and propriety calls for implementation of the Appellate Tribunal's orders by the Commission in true letter and spirit.

NDMC

2.260 The last date for submission of comments on petitions is prerogative of the Commission.

COMMISSION'S VIEW

2.261 The Commission considers all the judgement/Orders passed by the Hon'ble APTEL/High Court/Supreme Court while exercising the prudence check for finalisation of ARR of the Petitioner. Further, the issues decided by the Hon'ble APTEL, in which there is no stay by the Hon'ble Supreme Court or review/clarification application pending before Hon'ble APTEL, are implemented by the Commission.

ISSUE 12: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.262 DERC has to devise methodology to clear Regulatory Assets and Carrying Cost thereof.

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

2.264 Average Power Purchase cost is Rs. 5.49 per unit and Billing Rate is Rs. 7.23 per unit, hence revenue gap should not exist.

2.265 Accumulated revenue gap projected by Petitioners is arbitrary. Due to non-furnishing of true data by Petitioners, Commission has not been able to get prudence check exercise conducted.

2.266 In absence of any Prudence check, there is serious apprehension on computation of Gap on account of Regulatory Assets.

2.267 Regulatory Gaps disclosed in DISCOMs balance sheet are not in sync with amount approved by the Commission.

2.268 Executive Summary does not contain any disclosure about the accumulated Regulatory Assets gap approved by the Commission and its carrying cost.

2.269 The Regulatory Assets projections by DISCOMs are totally imaginary, irrational and incorrect. The Petitioner has claimed average carrying cost of 14% whereas the Commission has earlier allowed 11.81% average carrying cost, which is much higher than schedule of rates prescribed. The inflated revenue gap is disallowed as it is not a regular feature in the ARR projections but a chronic disease for the consumers and needs to be eradicated urgently.

2.270 The surcharge of TPDDL should be reduced from 8% as its regulatory assets have gone down substantially.

PETITIONER'S SUBMISSION

TPDDL

2.271 We agree with the comment of the stakeholder and even National Tariff Policy mandates the same. The Commission has brought into effect a mechanism for dealing with Regulatory Assets. Even in past, DISCOMS have been advocating at various Forums for time bound recovery of Regulatory Assets.

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

2.273 Revenue Gap is the difference between the ACS (Average Cost to Supply) and ABR (Average Billing Rate), where ACS includes Power Purchase Cost, O&M Cost, Cost related to Capitalization i.e. Depreciation, Cost of Funding, Interest for working capital, Income Tax and Carrying Cost.

2.274 Therefore, it is not appropriate to consider only one of the parameter i.e. Power Purchase Cost of ACS visa-a-vis ABR and conclude that no revenue gap should exist if ABR is higher than the Power Purchase Cost.

2.275 Tata Power-DDL has already provided its detailed justifications, assumptions, clarification and computation with respect to each claim including carrying cost as sought for the respective year's ARR in its current Tariff Petition.

2.276 Further copy of Audited Financial Statement is also attached as Annexure A-2 in volume II of the Tariff Petition.

2.277 Prudence check of DISCOMs True-up Petition for FY 2016-17 is already going on by CAG

Empanelled Audit Firm appointed by Commission, in addition to the prudence check being done by the Commission itself.

2.278 Accumulated Regulatory Assets for the purpose of the Balance Sheet is considered in accordance with IND-AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.279 Whereas Regulatory Assets for the purpose of Tariff fixation has been considered in line with applicable Regulations, Various Judgments, methodology followed by the Commission, etc.

2.280 Information with respect to Accumulated Revenue Gap as sought up-to FY 2018-19 is given on Page No 10. of the Executive summary published by the Commission. Further, the copy of the Petition for True Up for FY 2016-17 and ARR for FY 2018-19 is publicly available on Commission's website as well as DISCOM's website and Tata Power-DDL has given detailed methodology/assumptions and computation for each parameter of the respective years' ARR in its tariff petition. Thus, the consumers are free to give their suggestions based on the Tariff Petition.

BYPL

2.281 The Yearly Increase in Regulatory Asset of all DISCOMs is recognized by the Commission and vide tariff order dated 13th July 2012 allowed 8% Surcharge for recovery of the accumulated deficit (Regulatory Asset). However, the 8% Surcharge towards recovery of Regulatory Asset is not even sufficient to recover the carrying cost. We appreciate the concern raised by the Stakeholder and request the Commission to kindly consider this in this Tariff Proceedings.

2.282 We appreciate the concern raised by Stakeholder and request the Commission to suitably advice the Government of India for bailout package for attaining financial stability. Since, all the 3 DISCOMs of Delhi has done a tremendous work in terms of loss reduction, Quality of Power, Quality of services being offered by them as compared to the erstwhile DVB period. The performance of any DISCOM is not even hampered in the situation of financial crises too. Further, the bailout package will help the citizens of Delhi directly.

2.283 Suitable disclosure of facts and detailed explanation thereof has been provided in the Petition filed by the BYPL. Additionally the detailed computation of Regulatory asset claimed by the BYPL and proposed recovery of the same has also been provided in the Petition.

2.284 The ARR for the DISCOMs is allowed after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.285 Company's Balance sheet and annual accounts is duly audited by the Statutory Auditors. Also Commission conducts a comprehensive prudence check before allowing any costs in the ARR. The Commission determines the tariff after considering the operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network / infrastructure to meet the load requirements of the consumer. Accordingly, Commission will take into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees.

2.286 The Petitioner is its ARR Petition has claimed impact on account of implementation of issues which are upheld by the Hon'ble Tribunal and yet to be given effect by the Commission. The Petitioner has projected revenue gap/regulatory assets after considering the impact on account of implementation of APTEL judgments and past year claims over and above the RA of Rs. 2662 Crs. as recognised by the Commission upto FY 2015-16.

BRPL

2.287 It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission itself has recognised Regulatory Assets of Rs. 4232.68 Crore upto FY 2015-16 in Tariff Order dated August 31, 2017. The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost reflective Tariff, huge Regulatory Assets has been created. As regards the issue of tariff and accumulation of regulatory assets thereof, we would like to state that the determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.288 It is upto the Commission to issue Statutory Advice to the Government under the provisions of the Electricity Act. However, we appreciate your suggestion with respect to a Bail Out package and cheaper loans to be provided to Delhi DISCOMs in order to recover the Regulatory Assets for past years as being provided to consumers of other state DISCOMs. We hope that your suggestion will be considered by the Commission.

2.289 The Petitioner has undertaken several measures to reduce the revenue gap and consequently reduce the tariff burden on consumers. Some of these efforts are:

a) Engaging in other businesses such as consulting for generation of non-tariff income. Benefit of such income is passed on to consumers reducing their tariff burden.
b) Optimization of operation and maintenance expenses by outsourcing maintenance contracts wherever possible.
c) Optimization in employee expenses.
d) Surrender of costly and inefficient power plants as highlighted earlier.

2.290 As regards revenue gap submitted during FY 2014-15 and FY 2015-16, it is submitted that the revenue gap has been computed based on the expenses and revenue computed in accordance with DERC MYT Tariff Regulations. In the Petition, the Petitioner has given detailed justification for the expenses and revenue claimed for FY 2014-15, FY 2015-16 and FY 2016-17. Also, the Petitioner in the ARR Petitions has listed the major reasons for revenue gap during FY 2014-15, FY 2015-16 and FY 2016-17.

2.291 The Executive summary has been prepared by the Commission on the basis of the ARR Petitions submitted by the licensee. As the name suggests, it is merely a summary of the claims and contentions of the licensees. A detailed and comprehensive discussion on the issue of Regulatory Assets/ Gap and carrying costs thereof, is contained in Chapter 5 of the ARR Petition submitted by the licensee. Further, the copies of the ARR Petition are available at the office of the licensee, as per the instructions of the Commission. The public notice has also been published as per for format provided and approved by the Commission.

2.292 It is submitted that revenue gap has been computed by the Petitioner based on the expenses and revenue in accordance with DERC MYT Tariff Regulations. In the Petition, the Petitioner has given detailed justification for the expenses and revenue claimed for FY 2014-15, FY 2015-16 and FY 2016-17. Also, the Petitioner in the ARR Petitions has listed the major reasons for revenue gap during FY 2014-15, FY 2015-16 and FY 2016-17.

2.293 Further, the Petitioner has requested the Commission to allow the impact on account of various directions given by Hon'ble APTEL in the Judgments pronounced in matter of Appeals filed by the Petitioner. The Petitioner has also given the details of the impact claimed on account of these APTEL Directions in the ARR Petition.

2.294 Since these directions are pending to be implemented since FY 2004-05, the same is being funded by the Petitioner. Accordingly the Petitioner has claimed the impact along with the carrying cost upto FY 2016-17. The Petitioner in its Petition has also requested the Commission to expeditiously implement the directions of Hon'ble APTEL so as to avoid further accumulation of carrying costs.

NDMC

2.295 This suggestion does not pertain to NDMC. The Commission may consider the suggestion appropriately.

2.296 The Issues does not pertain to NDMC. However, NDMC reiterates its submission in it petition that no such liability should be considered as part of ARR for NDMC. The consumers in NDMC license area therefore should not be burdened with such liabilities of other discoms.

2.297 The queries are specific to the ARR petitions filed by BYPL, BRPL and TPDDL and are therefore not linked to ARR petition of NDMC.

COMMISSION'S VIEW

2.298 Recovery of accumulated revenue gap, Regulatory Asset as envisaged in clause 8.2.2 of Tariff policy is as under:

a) *"Carrying cost of Regulatory Assets should be allowed to the utilities.*
b) *Recovery of Regulatory Assets to be time bound and within a period not exceeding three years at the most, preferably within the control period.*
c) *The use of the facility of Regulatory Assets should not be retrospective.*

d) In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of licensee to borrow is not adversely affected".

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

2.300 The Commission is guided by the National Tariff Policy and in accordance with the Hon'ble APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the revised Tariff, in tariff order dated July 13, 2012, and has been revising tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

2.301 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.

2.302 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over a time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.303 The Commission has submitted before the Hon'ble Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.

2.304 UDAY scheme is not applicable to private distribution licensees.

2.305 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2018-19, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up of FY 2016-17 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 13: PENSION TRUST

STAKEHOLDERS' VIEW

2.306 The pension payments of erstwhile employees should not be borne by Consumers. It is almost over 15 years since private DISCOMs took over DVB, so why is pension surcharge being levied now?

2.307 How much money is there with the pension trust and has it been invested in government bonds and securities or paid as pension?

2.308 The mishandling of data and funds by the pension trust, the subsequent contribution by successor entities of DVB and the issues of underfunding of the corpus of the pension trust has to be resolved. On one hand the Commission has recommended for a forensic audit and on the other hand why the Commission has allowed an exorbitant amount of Rs. 693 crore for FY 2017-18 in addition to earlier adhoc payments based on the recommendation of GoNCTD without verifying the facts of underfunding?

2.309 No compliance report/Reconciliation statement of payment made to Pension Trust given during FY 2016-17 & 2017-18 to Commission.

2.310 Expenses and Liabilities of Pensioners in ARR are part of O&M expenses under tariff but DISCOMs have not projected liability of DVB pensioners in its Petition.

2.311 Hon'ble Supreme Court in Civil Appeal no. 4269 of 2006 of 4270 of 2006 NDPL Vs. GoNCTD and BRPL and Ors Vs. GoNCTD vide judgment dated 03.05.2010 also relied upon by the Commission in its Tariff orders mandates innate responsibility of DISCOMs to fund the Pension Trust established for the benefit of the personnel and the existing Pensioners.

2.312 No projection of the Pensioners Liability of DVB pensioners is against the provisions of Companies Act, not befitting to the principles/ethics of the Companies. The petitioner has claimed employees expenses on account of 7th Pay Commission but has intentionally avoided projecting liability of DVB pensioners. The expenses and liability of the Pensioners in ARR petition is part of O&M expenses under the tariff.

2.313 The requirement of the Pension Trust in FY 2018-19 after implementation of the interim recommendation of WRC and estimated impact w.e.f. 01.01.2016 for about 23000 pensioners for funding by the successor utilities of DVB is estimated approximately Rs. 780 cr.

2.314 Pension is a right to DVB pensioners which is not a bounty or gratuitous payment by three DISCOMs.

2.315 Consistent violation of the provisions of the Reforms Act and Transfer Scheme by the Petitioner in not paying pro-rata amount in respect of Pension and Terminal Benefits have resulted in complete extinction of the fund established by GoNCTD and has jeopardised life of the pensioners.

2.316 DISCOMS are evading payments to the trust and have created serious impediments in reforms process of Power Industry in India. Arbitrary action by DISCOMs in perpetuating labour unrest among the beneficiaries of Pension trust

2.317 Non-Payment of liability of Rs. 2670 Crore as on 31.03.2013, assessed by LIC in actuarial valuation carried out for Pension Trust.

2.318 Tata Power-DDL has now filed Writ Petition No. 8973 of 2017 before Hon'ble Delhi High Court that GoNCTD should liquidate amount estimated in Actuarial Valuation. Tata Power-DDL has been misrepresenting facts and raising frivolous multi-litigation by way of forum shopping.

2.319 Commission has been allowing ad-hoc payment to Pension Trust by DISCOMs which is inadequate. Commission should frame Regulations for smooth flow of funds to Pension Trust and allow recovery in ARR of DISCOMs for FY 2016-17 to FY 2020-21 and till that time allow recovery on account of payment for pensioners as separate surcharge.

2.320 Commission may frame Regulations for smooth flow of funds to Pension Trust by DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.321 Reconciliation statement has already been submitted to the Commission.

2.322 Tata Power-DDL has projected O&M expenses as per MYT Regulations.

2.323 The LIC actuarial valuation report was not accepted, endorsed by Tata Power-DDL or other DISCOMs. The LIC valuation was an attempt to estimate the amount of liability. GoNCTD has to bear the liability for any shortfall in pension Trust funds. The Matter of underfunding is sub judice in Hon'ble Delhi High Court.

2.324 The allegations of the forum shopping and misrepresentation on Tata Power-DDL are incorrect. The writ petition being referred has been filed on legal advice and is in response to the Writ Petition of 2010. Tata Power-DDL is well within its rights to raise important issues in the interest of all stakeholders.

2.325 Commission may like to comment on the same.

BYPL

2.326 We appreciate the concerned raised by Stakeholder and request Commission to kindly address the same while determining the next tariff order.

2.327 It is submitted that the answering Petitioner is complying with the directions of the Commission for contribution of the funds of the DVB ETBF 2002(Pension Trust) which is established by the GoNCTD for payment of pension & terminal benefits to the erstwhile DVB employees.

2.328 The ARR Petition is prepared in accordance with the provisions of Delhi Electricity regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, & DERC (Terms and Conditions for Determination of Tariff) Regulations, 2011; 2017 and DERC (Business Plan) Regulations, 2017. These Regulations or any other directive issued by the Commission does not mandate the

Petitioner to project pension liability of DVB pensioners. However, the Commission in the Tariff Order for FY 2015-16 has directed M/s DTL to project pension liability from FY 2016-17 onwards. Further, DERC in its last Tariff Order has approved a mechanism for recovery of amount towards Pension payments through a separate surcharge of 3.70% w.e.f from Sep'17. Accordingly the Petitioner is billing and collecting the same from the consumers for onward payment to the Pension Trust on monthly basis.

2.329 It is submitted that the said Supreme Court judgement does not cover the pensioner issues. The issue before the Hon'ble Supreme Court was with respect to the contingent liabilities of the employees who got separated from the erstwhile DVB at the time of unbundling of the erstwhile DVB.

2.330 The Petitioner in the ARR Petition has sought for implementation of 7th Pay Commission for the employees in service. However, there will be additional liability on account of increase in the pension liability and the same has to be allowed by the Commission in the ARR petition

2.331 The payment of pension to the retirees is the responsibility of the Pension Trust and not DISCOMS. The answering DISCOM is regularly depositing month wise LSC & PC contribution with respect to the regular on roll employees of FR & SR structure who are transferred to them after unbundling of the erstwhile DVB.

2.332 Petitioner is one of the successor entities with respect to the payment of LSC & PC every month for FR & SR structure employees of erstwhile DVB. There is no violation of the Reforms Act and Transfer Scheme by the answering Petitioner as alleged in the petition.

2.333 It is denied that the DISCOMS are evading their part of payment to the Pension Trust which is creating serious impediments in the reforms process of Power Industry in India. It is denied that there is any arbitrary action by DISCOMS in perpetuating labour unrest amongst the beneficiaries of the Pension Trust.

2.334 The Pension Trust was created after the unbundling of the DVB for the purpose of payment of pension and terminal benefits to the employees of erstwhile DVB on their superannuation with the initial corpus of Rs. 1329.10 crs. It is submitted that there was an initial underfunding to the Pension Trust by the GoNCTD/DVB to the tune of Rs. 1254

Crores and the matter with regard to the underfunding of the Pension Trust is already sub-judice before the Hon'ble High Court of Delhi, as the majority Union namely Delhi State Electricity Workers Union has filed a writ petition no. 1698/2010 and is scheduled for hearing on 08.03.2018. As per the provisions of the Pension Trust Deed, the Pension Trust to carry out annually actuarial exercise, which they have failed to do so.

2.335 There is no actuarial valuation done by LIC. In fact there was once a proposal to the pension to be disbursed by LIC of India, but it did not materialise.

BRPL

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

NDMC

2.337 The Issues does not pertain to NDMC. However, NDMC reiterates its submission in it petition that no such liability should be considered as part of ARR for NDMC. The consumers in NDMC license area therefore should not be burdened with such liabilities of other discoms.

COMMISSION'S VIEW

2.338 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreements executed by the GoNCTD with unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreements, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by the GoNCTD. The issue of underfunding of corpus fund of the pension trust is sub-judice in W.P. (C) 1698/2010 in the Hon'ble High Court of Delhi. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in the DTL Tariff orders from FY 2011-12 onwards up to FY 2014-15. Further, in the tariff order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of past practice of routing it through DTL.

2.339 Section 86 of the Electricity Act, 2003, which defines functions of State Commission, does not provide for issuing Regulations of Pension Trust. The fact has also been appreciated by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that " the learned state Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". The Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame Regulations in this regard.

2.340 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11.09.2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the proceedings before the court and explore other avenues for settlement of dispute.

2.341 The Commission has already made provision on ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Crore, Rs. 470 Crore, Rs. 573 Crore, Rs. 573 Crore and Rs. 694 Crore for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18 respectively in applicable Tariff Orders for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.

2.342 The Commission vide letter dated 08.12.2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 792 Crore sought for FY 2018-19 by the Pension Trust on an ad-hoc basis recommended by GoNCTD vide it's letter dated 16.03.2018.

ISSUE 14: OPEN ACCESS

STAKEHOLDERS' VIEW

2.343 Open Access System to be put on hold.

PETITIONER'S SUBMISSION

TPDDL

2.344 Electricity Act mandates promoting of Open Access. However, to address the issue of surplus power and burden on consumers thereof, Commission may take up with Ministry of Power, Govt. of India for surrender of expensive power of Delhi and re-allocation of the same to needy states.

BYPL

2.345 No Response.

BRPL

2.346 Regarding other comments which are directed towards the Commission, we trust the same shall be duly considered by the Commission itself.

NDMC

2.347 The last date for submission of comments on petitions is prerogative of the Commission.

COMMISSION'S VIEW

2.348 Section 42 of the Electricity Act, 2003 provides for non-discriminatory open access to consumers as per the provisions specified by the Commission. Accordingly, the Commission has already notified Regulations for allowing open access to consumers whose contract demand is 1 MW and above. The Commission has decided to allow Transmission and Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge and other applicable charges under Open Access keeping in view the provisions of the Electricity Act, 2003, National Electricity Policy, National Tariff Policy and the Open Access Regulations of the Commission.

ISSUE 15: CASH COLLECTION

STAKEHOLDERS' VIEW:

2.349 Promoting Digital Payment is contrary to exemption of cash limit and hence, should be reduced to Rs. 2000/-

2.350 Increase the cash limit above Rs. 4000/- for payment of electricity bills.

2.351 Mobile Cash Vans/ cash counters may be arranged at convenient locations for consumers.

PETITIONER'S SUBMISSION

TPDDL

2.352 Commission may like to decide on the issue of cash limit.

BYPL

2.353 Determining the cash limit for payment of bills is the sole prerogative of the Commission. The Commission may determine the cash limit considering the convenience of the consumers.

2.354 Commission in previous Tariff Orders has directed that in case the bill for consumption of electricity is more than Rs 4,000/- payment for the bill shall only be accepted by the DISCOM by means of an Account Payee cheque/ DD.

2.355 BYPL has been complying with the said directive of the Commission; however, considerable resistance has been faced by divisional offices/collection centers from low income consumer groups.

2.356 In view of the ground realities, we have time and again requested the Commission to enhance the limit of acceptance of cash payment for convenience of the consumers and avoid revenue loss in the ARR.

BRPL

2.357 The petitioner has instituted several initiatives to promote digital payments in line with the mandate for the Government to promote such payment. We strongly believe that digital payments will significantly promote transparency, easy accounting and bring in greater efficiency. On the other hand, the Petitioner also accepts cash payments up to the limit of Rs.4000. for those consumers who are not so conversant with digital payments. However, it is to be noted that the limit of cash acceptance has been fixed by the Commission.

NDMC

2.358 The issue does not pertain to NDMC.

COMMISSION'S VIEW

2.359 The Commission has taken a conscious decision that in case the bill for consumption of electricity is more than Rs. 4000/-, payment of the bill be accepted by the Petitioner by means of Account Payee Cheque/DD. However, payment of any amount can be made through net banking payment. The Commission has also directed the petitioner to accept the cash payment of more than Rs. 4000/- for payment of electricity bill in the case of visually impaired consumers only. The Commission vide letter dated 22.01.2016 has directed that in cases of settlement done on the order of a Court, the licensee can accept the settlement amount in cash from the litigant along with order of the Court. Further, based on the stakeholder's request the Commission has decided to allow cash deposit upto Rs.50000/- against electricity bills in scheduled commercial bank account of the Petitioner.

2.360 The Commission in its DERC (Supply Code and Performance Standards) Regulations, 2017 has directed the Distribution Licensee to establish sufficient number of collection centres, including mobile collection centres at suitable locations with necessary facilities.

ISSUE 16: TARIFF HIKE

STAKEHOLDERS' VIEW

2.361 Tariff shouldn't be increased as Companies are already earning huge profit.

2.362 Minimum tariff should not be less than sum of procurement cost and O&M expenses.

2.363 Tariff may be hiked in order to get better services.

2.364 Incentivize DISCOMs for maintaining reliable power supply.

2.365 Allow tariff in the manner that the financial viability of the sector is restored.

PETITIONER'S SUBMISSION

TPDDL

2.366 Tariff for the year is determined based on the principle that there should be 100% recovery of ARR requirement for that respective year. If ARR requirement is going to be increased/decreased, correspondingly tariff has to be changed for the financial viability of the sector. Thus, if there is no increase in tariff, there would be a situation of revenue deficit, which ultimately has to be recovered from consumers in ensuing years along with the carrying cost. The absence of the cost reflective tariff in the past years has resulted in creation of the Regulatory Asset and Delhi DISCOMs have already been facing problem of non-liquidation of this accumulated Revenue Gap in time bound manner creating a liquidity crunch situation.

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

2.368 Therefore in the interest of consumer and financial viability of the power sector, Tariff hike is proposed to recover the entire ARR for ensuing year along with the recovery of past accumulated Revenue Gap and its carrying cost.

BYPL

2.369 The determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003

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

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

2.371 BYPL welcomes the observation of consumer and requests to the Commission to not just penalize but also incentivize Discoms for providing reliable power supply to the consumers. This will motivate the Discoms for further improvement.

BRPL

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

2.373 We appreciate the stakeholder's suggestion with respect to increase in electricity prices for quality power. However we would like to state that determination of tariff to be charged from consumers is the sole prerogative of the Commission under section 45 of the Electricity Act 2003.

2.374 BRPL has been consistent in delivering high performance meeting the performance standards prescribed by the Commission.

NDMC

2.375 NDMC in its tariff petition has submitted details of expenses and revenue and requested to the Commission to consider the same. Increase in tariff is exclusive right of the Commission. The Commission may consider increase in tariff on the basis of merits.

2.376 While the query does not pertain to NDMC as NDMC is not earning profits. On the other side, NDMC submits that approval of true-up and pass through of revenue gap through appropriate means including increase in tariff is a prerogative of the Commission. The Commission may kindly consider the submissions made in the petition and allow the revenue gap based as deemed appropriate.

COMMISSION'S VIEW

2.377 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2018-19, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up to FY 2016-17 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.378 The tariff of the Distribution Licensees varies according to the cost of supply to the consumers and corresponding revenues earned at Existing Tariff from the units sold to the consumers.

ISSUE 17: CAG AUDIT

STAKEHOLDERS' VIEW

2.379 CAG Audit report to be made public.

2.380 What is the purpose of Regulatory Audit by CAG empanelled auditors, when CAG Audit is being done?

2.381 Tariff Petition should pass through Regulatory Audit in consumer interest.

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

PETITIONER'S SUBMISSION

TPDDL

2.383 The Hon'ble High Court of Delhi vide it Judgment dated 30.10.2015 set aside the decision of entrustment of audit of DISCOMs by CAG. Thus the whole audit exercise was declared void and illegal and hence, there is no question of any report of CAG to be made public. However, the matter of CAG audit is sub-judice before the Hon'ble Supreme Court of India.

2.384 Commission has already appointed a CAG empanelled Auditor for carrying out

Regulatory Audit for DISCOMs of NCT of Delhi for True-Up of FY 2016-17.

BYPL

2.385 CAG Audit was commenced pursuant to the GoNCTD's letter dated 07.01.2014 to which the Petitioner has provided its full co-operation. However, the audit was challenged before High Court of Delhi and the Hon'ble High Court of Delhi vide judgment dated 30.10.2015 set aside the direction of GoNCTD for audit of the Delhi DISCOMs by CAG and all actions undertaken in pursuance to above directive are also rendered inoperative and to no effect.

2.386 Further, the Hon'ble High Court has observed that determination of tariff is sole domain of DERC, which is well empowered to itself conduct the same or have the same conducted.

2.387 The Petitioner is a company established under the Companies Act 1956. Accordingly the accounts of the Petitioner are audited both internally and externally by statutory auditors as per the requirements of the Companies Act, 1956. The Commission also undertakes detailed scrutiny of the accounting statements before admitting the expenses in the ARR proceedings.

BRPL

2.388 The matter is pending before the Hon'ble Supreme Court

2.389 As regards to CAG Audit of Discoms, it is submitted that the Delhi High Court judgment dated 30.10.2015 has been challenged before Supreme Court in SLP(C) 35614 of 2015 in the matter of United Raws Joint Action V/s. Union of India. DERC is also a party to the petition before the Supreme Court. Presently the matter is sub-judice before the Supreme Court.

NDMC

2.390 The issues raised by the consumer do not pertain to NDMC. Moreover, NDMC is subject to periodic CAG Audits, hence the query does not pertain to NDMC.

COMMISSION'S VIEW

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

2.392 Audit is crucial for preventing mis-statements in the company's records and reports. The DISCOMs get the internal and statutory audit conducted under the Companies Act 2013, which forms the basis for financial submission in Tariff Petition of the Commission. The provision of the financial reporting may vary from the regulatory reporting as defined by the Commission from time to time under the Electricity Act, 2003. Therefore, the Commission felt the need of conducting regulatory audit in order to refine the prudence check methodology adopted with the help of an independent CAG empanelled auditor.

ISSUE 18: TIME OF DAY TARIFF

STAKEHOLDERS' VIEW

2.393 ToD metering should be made available to all consumers.

PETITIONER'S SUBMISSION

TPDDL

2.394 Commission has already come out with a Public Notice proposing mandatory ToD for Consumers with Sanctioned load/MDI >25kW /27kVA and Optional for Consumers with 11kW /12kVA < Sanctioned load/MDI < 25kW /27kVA (other than Domestic Consumers).

BYPL

2.395 No Response.

BRPL

2.396 No Response.

COMMISSION'S VIEW

2.397 The Commission has made ToD Tariff mandatory for all consumers (other than domestic) whose sanctioned load / MDI (whichever is higher) is 10 kW/ 11 kVA and above.

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

ISSUE 19: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.399 Tariff should be hiked for those who waste electricity such as hoardings.

2.400 Domestic Tariff instead of Commercial tariff may be charged for organization providing free spiritual charitable services, which are akin to the temples.

2.401 Private Hostel (Paying Guest) should also be charged at Domestic Rate as for Government Hostel.

2.402 Fixed charges to be abolished in case of 11kV SPD GHS connection. There should be no division for GHS and its individual members. Tariff should be fixed for GHS only and not for individual members.

2.403 Tariff should not be hiked in 11kV SPD GHS category.

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

2.405 No. of tariff categories should be reduced and Cross Subsidy among Categories should be discouraged.

2.406 Subsidy on electricity should be provided to the mils which run 'daal' processing units, as provided by Government to produce agricultural products.

PETITIONER'S SUBMISSION

TPDDL

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

2.408 Commission has already clarified that Non Domestic Tariff category would be applicable for Paying Guest Accommodation.

2.409 We also feel that there should be lesser number of Categories so as to further simplify the tariff Structure and to also reflect the true cost of service.

2.410 Even, Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the principle that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by Commission.

2.411 Even National Tariff Policy states that tariff design shall be linked to cost of service and tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.

BYPL

2.412 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 efficient and prudent cost of supply of electricity. Accordingly, for achieving the objective that the tariff progressively reflects the cost of supply of electricity, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.413 Further, determination of electricity Tariff to be charged from a category of consumer is the prerogative of the Commission, in terms of the provisions of the Electricity Act, 2003; Licensee is bound to follow the same.

2.414 Reduce the cross subsidization and approve minimum tariff keeping in view the cost of procurement of power plus other components of ARR.

2.415 Commission in its Tariff Order dated 31.07.2017 has stated that the Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

2.416 In addition, the Commission has approved the modalities for passing on the subsidy @ 50% on the existing tariff to the individual members residing in the group hosing societies. For purpose of the same, the actual consumption recorded from the meter of the individual members of the society must be taken and audited by the CAG empanelled auditor. This is also being done to reduce the possibility of inflated tariff being charged by GHS from its individual members and accordingly the GHS may be able to recover the whole cost of electricity supplied to its members.

2.417 In BYPL area, individual members of two group housing societies are complying with the directions of the Commission and hence are getting the benefit of subsidy @ 50%.

2.418 Section 61 of Electricity Act 2003 mandates that while determining tariff the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner. The Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The ARR for the DISCOMs is allowed after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification. It is in the consumer's overall interest, that the gap between Revenue available and Revenue required is to be filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

BRPL

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

2.420 As regards the issue of tariff rates, fixed charges and tariff slabs, we would like to state that the determination of electricity tariff to be charged from a consumer and a particular consumer slab is the sole prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.421 As far as the modalities of claiming the subsidy is concerned, the same has been framed by the Commission as per the letter dated 23.03.2016 issued by GoNCTD. We hope the comments shall be duly considered by DERC/ GoNCTD.

2.422 As regards the issue of tariff revision, we would like to state that the determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.423 As regards your concern for personal hearing, we trust the same shall be duly considered by the Commission.

NDMC

2.424 NDMC submits that running of hostels is a commercial activity and the request of the consumer cannot be considered under the current tariff structure.

2.425 NDMC submits that determination of tariff is a prerogative of the Commission. While the consumers have raised specific concerns about tariff in Rohini area, however, the directives of the Commission regarding levy/relaxation of tariff will be implemented by NDMC as applicable in its license area.

COMMISSION'S VIEW

2.426 The Commission has reduced the number of Tariff Categories and slabs in the Tariff Order.

2.427 The Commission has levied Fixed Charges @ 250 Rs./kVA/month on the connections under Advertisements & Hoardings category which was earlier not linked to load.

2.428 The applicability of Domestic Tariff category has been expanded by including "Paying Guests" at the premises having Domestic Connection with a sanctioned load upto 5 kW.

2.429 Subsidy is the prerogative of the Govt as per provisions of the Act.

ISSUE 20: TARIFF FOR DMRC

STAKEHOLDER'S VIEW

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

2.431 ToD Tariff should not be imposed on DMRC.

2.432 Fixed Charges should not be levied on DMRC.

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

2.438 Any exemption in tariff is prerogative of the Commission.

BYPL

2.439 No Response.

BRPL

2.440 In view of the role played by DMRC as a public utility service, we have special consideration for maintaining quality of Supply. The Licensee endeavors to maintain the uninterrupted supply to Railways despite acute shortage in Northern Grid. These arrangements ensured uninterrupted & better quality of services to such Public utilities. All these have associated cost & need to be factored in tariff determination for supply to DMRC and other essential Utility services.

2.441 We would like to mention that the cost of producing electricity varies from hour to hour. The marginal cost of producing electricity varies widely, depending upon the total load and the particular generating units used to serve this load. The theory behind time-of-day rates is simply to vary the price of electricity in accordance with fluctuations in production costs. When the cost of production is high, the price would also be high. Conversely, when the cost of production is low, the price would be low. The equity advantages of time-of-day pricing are also apparent. Under a time-of-day pricing system, this inequity can be corrected because the off-peak user is charged less than the peak-hour consumer. The concept of time-differentiated tariff aims at shifting time of peak demand, thereby flattening the load curve for which the Utility provides incentives to shift consumption to off-peak hours and offers dis-incentives for consumption during peak hours. The concern is as to how to encourage shifting of energy consumption from peak hour to non-peak hours to reduce the marginal cost of power required for meeting the peak demand. ToD Tariff as a concept is quite beneficial for the stakeholders. The Commission in its Tariff Order dated July 13, 2012 had for the first time has introduced Time-of-Day Tariff for large industrial and commercial category with sanctioned load/ MDI (whichever is higher) of more than 300KVA which is applicable till date. In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above. In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA, which is applicable till date.

2.442 Further the Commission in the Public Notice on the ARR Petition has mentioned that as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours had decided to lower the applicability limit for ToD Tariff with a view to reduce peak hour consumption and increase consumption during off-peak hours.

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

"2.24 The Commission is of the view that DMRC has already been considered

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

2.444 It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission itself has recognised Regulatory Assets of Rs. 4232.68 Crore upto FY 2015-16 in Tariff Order dated August 31, 2017. The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost reflective Tariff, huge Regulatory Assets has been created. Further in order to recover the Regulatory Assets, the Commission has determined surcharge of 8% along with the reasons for the levy of the same which is reproduced below:

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

2.445 It is noteworthy to mention here that the surcharge of 8% is not even enough to recovery the carrying cost borne by the Petitioner for funding the Regulatory Asset. The Commission has also recognized this fact in its statutory advice dated Feb 1, 2013 that not only have tariffs increased significantly in the last 2 years, but the residual revenue gap has also built up to alarming levels. A fuel surcharge was levied in addition to the said tariff increase. Further, in a time span of less than a year, w.e.f 1st July 2012, a tariff hike of 23% was announced with an additional surcharge of 8% in order to start recovery of accumulated shortfall. However, this surcharge has not made any significant dent in reduction of accumulated shortfall as it has mainly contributed towards meeting the carrying cost of the accumulated shortfall.

2.446 Hence the Petitioner has prayed before the Commission for a cost-reflective tariff with appropriate recovery of principal amount of Regulatory Asset along with the carrying cost which will ensure uninterrupted and quality supply of power and financial viability of the Utilities.

2.447 As regards the comments on the Open Access are concerned, we restrict our comments to ARR petition only. Matters relating to Open Access have been dealt separately by The Commission.

2.448 We appreciate the role played by DMRC in the capital. In view of the role played by DMRC as a public utility service, we have special consideration for maintaining quality of Supply. The Licensee endeavours to maintain the uninterrupted supply to Railways despite acute shortage in Northern Grid. These arrangements ensured uninterrupted & better quality of services to such Public utilities. All these have associated cost & need to be factored in tariff determination for supply to DMRC and other essential Utility services.

2.449 We would like to state that the determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

NDMC

2.450 NDMC understands that the Commission has been considering DMRC tariff under special service category and accordingly its tariff is lower than other HT categories in NDMC license area. Further, determination of tariff is a prerogative of the Commission and the tariff for 2018-19 may be considered based on prudence check and merits of submissions made by NDMC in its petition.

2.451 NDMC submits that determination of tariff is a prerogative of the Commission and therefore any consideration given to DMRC in tariff will be applied by NDMC for supply in its license area. In this aspect, NDMC however submits that DMRC is supplying power to commercial establishments in its stations premises. This aspect of redistribution of power needs to be examined by the Commission in light of the provisions of Electricity Act 2003 since DMRC is not a licensee. Further, the right to supply power to such commercial establishments should rest with the distribution licensee and Commission is requested to provide appropriate directive to DMRC in this regard.

2.452 NDMC understands that the Commission has been considering DMRC tariff under special service category and accordingly its tariff is lower than other HT categories in NDMC license area. Further, determination of tariff is a prerogative of the Commission and the tariff for 2018-19 may be considered based on prudence check and merits of submissions made by NDMC in its petition.

COMMISSION'S VIEW

2.453 The DMRC has been considered under the special category of *"Public Utilities"* and the issue of drawing power at higher voltage and rebate thereon has been inbuilt in the Tariff design.

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

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

ISSUE 21: COST OF FINANCE

STAKEHOLDER'S VIEW

2.456 No justification has been provided by Tata Power-DDL for abrupt increase in loan interest rate claimed for FY 2015-16 as compared to interest rate for previous five financial years.

2.457 BRPL and BYPL are also claiming carrying cost in addition to the interest on loan amount which is added in the revenue gap. The claims by the DISCOMs are unjustified and illegal and thus needs to be rejected.

2.458 DERC to act as enabler and allow appropriate interest rates so that the DISCOMs are able to raise funds to carry out necessary network augmentation.

2.459 Commission is requested to advice Delhi and Central Govt to provide cheaper loans to DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.460 Rate of interest on debt is driven by many factors like Global and Indian Economy, credit rating, sector risk factors, credit worthiness of the client, & many other factors and accordingly, lenders charge rate of interest on which Tata Power-DDL has no control. Further, Tata Power-DDL is seeking the interest rate for Capex/working capital/carrying cost based on applicable Tariff Regulations.

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

BYPL

2.462 Petitioner's constant effort is to maintain the quality service, strengthening and modernizing the distribution network. However, further augmentation is required for network assets replacement such as transformers, cables, poles etc. These activities require adequate Capex/Opex which has to be allowed by the Commission in the ARR.

2.463 The allowance of carrying cost is based on the financial principal that whenever the recovery of the cost is to be deferred, the financing of the gap in cash flow arranged by the Discom has to be paid for by the way of carrying cost. The carrying cost is a legitimate expense and therefore recovery of such carrying cost is a legitimate expectation of the Discom.

BRPL

2.464 Since ATE directions are pending to be implemented since FY 2004-05, the same is being funded by the Petitioner. Accordingly the Petitioner has claimed the impact along with the carrying cost upto FY 2016-17. The Petitioner in its Petition has also requested the Commission to expeditiously implement the directions of Hon'ble ATE so as to avoid further accumulation of carrying costs. Syndication fees are the charges which are incurred by any Utility while raising loans. The Petitioner has incurred syndication fees only on account of funding of RA. In case the Commission would not have created RA, the syndication fees would not have been borne by the Petitioner.

2.465 The respondent has raised several pertinent issues pertaining to challenges relating to inadequacy of space, need for underground cabling, etc. All the aforementioned issues are directed towards the Commission. We trust that all the issues raised by the stakeholder would be given due cognizance by the Commission.

2.466 However, we appreciate your suggestion with respect to a Bail Out package and cheaper loans to be provided to Delhi DISCOMs in order to recover the Regulatory Assets for past years as being provided to consumers of other state DISCOMs. We hope that your suggestion will be considered by the Commission.

NDMC

2.467 The Issues does not pertain to NDMC. However, NDMC reiterates its submission in it petition that no such liability should be considered as part of ARR for NDMC. The consumers in NDMC license area therefore should not be burdened with such liabilities of other discoms.

COMMISSION'S VIEW

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

ISSUE 22: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.469 CSR expenses of Rs. 8.12 Cr cannot be booked into Tariff for true up of FY 2016-17.

2.470 Incentive towards Street Light of Rs. 1.60 Crore for FY 2016-17 may be disallowed as there is virtually no expense for maintaining the same.

2.471 DISCOMs are getting 16% as RoE, while as per current scenario a Fixed Deposit cannot give a return of more than 6%. Commission is requested to reduce RoE.

2.472 All Surcharges being levied may be withdrawn.

2.473 DERC while issuing retail supply order dated 31.07.2013 and 23.07.2014 of DISCOMs had allowed a surcharge of 8% to liquidate the past dues of DISCOMs. But in spite of additional surcharge, BYPL and BRPL have not paid any amount since Oct 2010 i.e. past/current outstanding of dues of DTL. The direction of Hon'ble Supreme Court of paying the current outstanding dues has also not been compiled upon by BYPL & BRPL. The Commission is requested to make the provision of Escrow in which BYPL & BRPL have to deposit all their receivables and the payments will be released to the DTL for current as well as past dues.

2.474 Discrepancy in the Intra state Transmission charges and losses as submitted by NDMC.

PETITIONER'S SUBMISSION

TPDDL

2.475 CSR expenses are sought as statutory levies, which is in line with the applicable provision of the Companies Act.

2.476 Incentive towards Street light maintenance is claimed in line with the Commission's guidelines / order with respect to Street Light Maintenance.

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

BYPL

2.478 The determination of electricity tariff and surcharges (part of tariff thereof) to be charged from a category of consumer is the sole prerogative of the Commission, in terms of the provisions of the Electricity Act, 2003.

BRPL

2.479 As regards the stakeholder's observation regarding removal of surcharges, it is submitted that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of principal component of the huge accumulated regulatory assets. The Petitioner is financially distressed due to accumulation of regulatory assets. Removal of this surcharge would not only effect the Petitioner's ability to supply un-interrupted and quality power to its consumers but will also increase the tariffs of the consumers due to greater carrying costs.

NDMC

2.480 The queries are specific to the ARR petition filed by TPDDL and are not linked to ARR petition of NDMC.

2.481 NDMC has rectified this discrepancy in the supplementary submission to DERC and has considered the correct value of 0.98% for FY 2016-17.

COMMISSION'S VIEW

2.482 CSR expenses are not allowed to the DISCOMs in their ARR, as CSR expenses are charged on the profit of the company as per the Companies Act, 2013.

2.483 The incentive towards the maintenance of street light is provided by civic agencies for performance above the norms prescribed by the Commission and after necessary certification by the civic agency.

2.484 RoE has been determined as per the provisions of Business Plan Regulations, 2017. Distribution Business involves higher risk as compare to Generation & Transmission. This aspect has been duly recognized by the sector, and even CERC in its Tariff Regulations 2014 has also approved the different base rates of return on equity at 15.5% and 16.5% for the Generation & Transmission system respectively. 16% RoE approved for the Distribution Business includes 14% for Wheeling and 2% for Retail Supply.

2.485 Surcharge of 3.80% has been allowed towards recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD.

A3: TRUE UP FOR FY 2016-17

BACKGROUND

3.1 The Commission Approved the Aggregate Revenue Requirement (ARR) of the Petitioner for each year of the Multi Year Tariff Control Period (FY 2012-13 to FY 2014-15) in its Multi Year Tariff Order dated 13/07/2012 (hereinafter referred as 2nd MYT Order).

3.2 The Commission in its DERC Tariff Regulations, 2017, has indicated that True up of FY 2016-17 shall be considered in accordance DERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011. The relevant Regulation, in this regard, is as follows:

> *"139. Performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011."*

3.3 Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 provides basis for truing up of controllable and uncontrollable parameters at the end of each year of the control period based on the audited figures & prudence check by the Commission.

3.4 The Petitioner in its Petition has sought truing up of the expenditure and revenue for FY 2016-17 along with impact of prior period true up on account of implementation of various judgments.

3.5 The Commission appointed C&AG empanelled Auditor (M/s PDMAG & Co.) for Regulatory Audit of the books of Account of the Petitioner for FY 2016-17. M/s PDMAG & Co. (hereinafter referred to as "auditor") has submitted the report based on the detail scope of work specified in the Tender document. Major areas of reconciliation under the scope of work are as follows:

(I) Reconciliation of Power purchase quantum, cost through:

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

a. Fixed Cost

b. Variable Cost

c. Arrears

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

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

(II) Reconciliation of Transmission Charges

(1) Central Transmission Utility

(2) State Transmission Utility

(3) Open Access

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

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

(V) Violation of Merit Order Dispatch Principle

(VI) Overlapping in Banking and Bilateral transactions

(VII) Contingency limit under UI

(VIII) Incentive for bulk sale of Power

(IX) Violation of cash receipt from consumers exceeding the limit

(X) Reconciliation of Category-wise Revenue Billed on account of

a) Fixed charges

b) Energy charges

c) Theft / Misuse / Enforcement

d) PPAC

e) 8% Surcharge

f) Load violation surcharge (Maximum Demand)

g) ToD Surcharge/ Rebate

h) Electricity Duty / Tax

i) Late Payment Surcharge (LPSC)

j) Voltage Discount, etc.

(XI) Reconciliation of Category-wise Revenue Collected

a) 8% Surcharge

b) Electricity Duty / Tax

c) Late Payment Surcharge (LPSC)

d) Street Light Maintenance charges

e) Incentive on Street Light Maintenance charges

f) Theft / Misuse / Enforcement

g) Net Revenue

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

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

(XIV) Direct expenses of other business,

(XV) Revenue billed on account of Own Consumption,

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

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

(XVIII) Related party transactions

(XIX) Inter DISCOM fund transfer

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

(a) Equity

(b) Debt

(c) Consumer Contribution

(d) Grant etc.

(XXI) Prudency of Cost of Debt Financing

(XXII) Hedging policy and Hedging Cost incurred

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

(a) Capitalisation

(b) Working Capital

(c) Accumulated revenue Gap

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

(XXV) Reconciliation of Debtors and Computation of Collection Efficiency

(XXVI) Actual O&M expenses :

(a) Employee

(b) Administrative & General

(c) Repair & Maintenance

(XXVII) Actual Other expenses

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

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

3.6 The report of the Auditor has been considered by the Commission in True up of various parameters of ARR for FY 2016-17 as per Petition filed by the Petitioner in accordance with the principles laid down under the Policy Direction Period guidelines, 1st MYT Regulations and 2nd MYT Regulations and books of accounts maintained as per Companies Act.

TRUE UP OF PAST PERIOD

PETITIONER'S SUBMISSION

3.7 The Petitioner has submitted that the issues in the table below are pending adjudication before the Hon'ble Commission/ Hon'ble APTEL/ Hon'ble Delhi High Court and Hon'ble Supreme Court against various petitions/ clarifications letters/writ/ appeals/Tariff Orders for previous years (collectively referred to as Pending Matter).

Table 3: Petitioner Submission – Past Period Claims

Forum	Number	Brief Description
DERC	P 49/2013	To correct the clerical error in past Tariff Orders inadvertently allowing incentive earned by TPDDL for street light maintenance as a pass through in ARR
DERC	P 04/2014	Seeking allowance of service tax and material cost in respect of street light maintenance services
DERC	P 49/2017	Petition for seeking Review/Revision/clarification of the Commission's Tariff Order dated 31.08.2017 in Petition No. 17/2017 and 24/2017 filed by TPDDL
APTEL	A 246/2014	Against the Tariff Order of the Hon'ble Commission for FY 2014-15
APTEL	A 301/2015	Against the Tariff Order of the Hon'ble Commission for FY 2015-16
APTEL	A 82/15, 136/15, 274/15, 285/16, 58/16	Appeal against various orders of the DERC determining the applicable tariff and approving terms and conditions for procurement of solar power from 4 of the Petitioner's Solar PV plants set up in the Petitioner's Licensed Area.
APTEL	Appeal 71/2016	Against the order of the DERC dt. 09.01.2016 against Petition 39/2015 challenging the provisional de-capitalisation of TPDDL assets
Supreme Court	C.A. 7910/2011	Appeal Against the Judgment of APTEL in Appeal No. 52/2008
Supreme Court	C.A. 4343/2014	Appeal Against the Judgment of APTEL in Appeal No. 14/2012
Supreme Court	C.A. 6169/2015	Appeal Against the Judgment of APTEL in Appeal No. 171/2012
Supreme Court	SLP 35062/2016	Appeal against the judgment of Hon'ble Delhi High Court in W.P. 203/2012 which challenged the MYT Regulations, 2011
Supreme Court	C.A. 7362/2016	Appeal against the judgment of APTEL in Appeal 186 of 2015.

3.8 The Petitioner has requested the Commission to implement and consider the financial impact along with carrying cost for those issues decided by any of above judicial authority in favour of the Petitioner or conceded by the other respondent party in such proceedings, if any, before issuance of next Tariff order.

3.9 In addition to above, Petitioner has further mentioned that in various appeals filed by State Generating Stations / Transmission Licensee, they are also a party of said appeals, hence if any of said appeal is decided before issuing of next Tariff Order, it is requested to the Commission to consider the financial impact of the same also.

COMMISSION'S ANALYSIS

3.10 The Commission has analysed the submissions of the Petitioner and it is observed that the Hon'ble APTEL vide its judgement dtd. 31/10/2017 has held three out of ten issues in the favour of the Petitioner as follows:

" 6. It is then averred that the DERC is facing certain difficulties in implementation of the said directions and hence the present application for clarification is being filed.

…

7. Paragraph 4 and 5 set out the issues covered by Points A & B above. These issues are as under:

(i) Truing up of interest rate of loans

(ii) Change in methodology for computation of AT&C losses

(iii) Fixation of AT&C loss target for FY 2011-12

(iv) SVRS Terminal benefit payment

(v) Disallowance due to wrong valuation of sales in KwH figures for FY 2009-10.

(vi) Efficiency Factor for MYT Control Period FY 2012-13 to FY 2014-15 as well as FY 2011-12.

(vii) Arbitrary computation of efficiency factor

(viii) Food and Children Education Allowance

(ix) Reviewing the FRSR and Non-FRSR employee costs for the MYT control period

(x) Repayment of loan while calculation of WACC.

….

13. Moreover seven issues out of the ten issues have been challenged by the DERC in the Supreme Court. The status of the said matters is as under:

(i) Truing up of interest rate of loans(Pending in Civil Appeal 6959-6960 of 2015 filed against Judgement dated 02/03/2015 in Appeal Nos. 177 and 178 of 2012)

(ii) Change in methodology for computation of AT&C losses(Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012)

(iii) Fixation of AT&C loss target for FY 2011-12(Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012)

(iv) SVRS Terminal benefit payment (Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012 and Civil Appeal No.884 of 2010)

(v) Disallowance due to wrong valuation of sales in KwH figures for FY 2009-10. (Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012)

(vi) Arbitrary computation of efficiency factor(Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012)

(vii) Repayment of loan while calculation of WACC (Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012).”

3.11 The Commission considers the impact of Efficiency Factor for MYT Control Period as per above mentioned judgement of Hon’ble APTEL.

3.12 Further, the Petitioner had filed a Petition for review/revision/clarification of various issues as contained in the Commission’s Tariff Order dated 31.08.2017. The Commission disposed of the review Petition vide its Review Order dtd. 12/12/2017 and impact on following issues has been considered in this order:

- Power Purchase Cost of Rs. 1846.15 Cr. for FY 2007-08 instead of Rs. 1882.10 Cr
- Disallowance of expenses relating to Income from Other Business
- Past arrears for Anta, Auraiya & Dadri Plants of NTPC
- Interest on Short term gain FY 2012-13
- Direct expenses and profit share not allowed for FY 2014-15 & FY 2015-16
- Revision of Penalty in terms of Direction 5.96 of Tariff Order dated 31.07.2013
- Revision of Carrying cost rate for FY 2014-15
- Adjustment for the amount deducted on account of Overlapping of Banking Transaction

3.13 The Commission had disallowed Rs. 49.11 Cr. under the violation of this principle as follows:

> *"3.259 Therefore, avoided Power Purchase Cost due to scheduling of Power without considering Merit Order Dispatch Principle by the Petitioner is Rs. 49.11 Crore which has been computed based on slot wise and plant wise energy details received from SLDC and considering the actual station wise average Variable rates for FY 2013-14. The said amount has not been considered in the Power Purchase Cost of FY 2013-14."*

3.14 The Commission has re-considered the treatment of disallowance under Merit Order Despatch principle for FY 2013-14 in line with the replies filed before Hon'ble APTEL and practice followed in Tariff Order dtd. 31/08/2017 as follows:

> *"3.369 Therefore, the Commission has excluded various power stations from Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the Islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule."*

3.15 Accordingly, the Commission has revised the disallowance from Merit Order Despatch principle for FY 2013-14 from Rs. 49.11 Cr. to Rs. 45.80 Cr. and has allowed Rs. 3.31 Cr. in FY 2013-14.

3.16 The Petitioner has filed an Appeal before Hon'ble APTEL against Tariff Order dtd. 31/08/2017 and 29/09/2015. The Commission has analysed these Appeals and following issues pertaining to past period has been considered now based on their justification in the Appeal:

(a) Incentive for Street Light for FY 2012-13 of Rs. 1.66 Cr.

(b) Rebate on Surplus Power not considered while computation of net Power Purchase Cost in FY 2012-13, FY 2013-14 & FY 2014-15 of Rs. 6.68 Cr., Rs. 4.41Cr. & Rs. 2.41 Cr. respectively based on audited Financial statements of the respective years.

(c) Adjustment of amount paid on account of SVRS pension for FY 2014-15 & FY 2015-16 of Rs. (-) 0.66 Cr. & Rs. 3.29 Cr. based on audited Financial statements of the respective years.

(d) Adjustment of efficiency towards amount paid on account of 6th Pay Arrears for FY 2009-10 of Rs. 1.47 Cr. based on audited Financial statements of the respective years.

(e) Adjustment of financing cost of LPSC based on Working Capital Interest rate approved in MYT Order dtd. 13/07/2012 for FY 2014-15 & FY 2015-16 of Rs. 1.50 Cr. & Rs. 1.13 Cr. respectively.

3.17 The Commission has decided that the following issues shall be considered in next Tariff Order:

(a) Refund of RPO penalty based on the Commission's Order dtd. 28/02/2018 of Rs. 25.13 Cr.

(b) Rectification of additional allowance of past period True up of CISF expenses of Rs. 0.94 Cr. in FY 2007-08.

(c) Rectification of additional allowance of past period True up of Financing Cost of Rs. 1.46 Cr. in FY 2013-14.

3.18 In view of above, the Commission has computed the impact of Truing up for Past Period indicated in the table as follows:

REVIEW ORDER AND APTEL JUDGEMENTS											
Sr. No.		**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**
	Opening balance	**-**	**37.85**	**42.13**	**47.96**	**52.95**	**72.61**	**101.85**	**135.62**	**192.30**	**249.02**
1	Power Purchase Cost of Rs. 1846.15 Cr. for FY 2007-08 instead of Rs. 1882.10 Cr	35.94									
2	Disallowance of expenses relating to Income from Other Business						0.99				
3	Past arrears for Anta, Auraiya & Dadri Plants of NTPC								0.19		
4	Interest on Short term gain FY 2012-13						2.30				
5	Direct expenses and profit share not allowed for FY 2014-15 & FY 2015-16								11.31	27.16	
6	Revision of Penalty in terms of Direction 5.96 of Tariff Order dated 31.07.2013.								1.55		
7	Revision of Carrying cost rate for FY 2014-15								2.93		
8	Adjustment for the amount deducted on account of Overlapping of Banking Transaction								0.71		
9	Incentive for Street Light for FY 2012-13 as per APTEL judgment						1.66				
10	Disallowance of rebate while providing Surplus Power						6.68	4.41	2.41	0	
11	Efficiency Factor from FY 12 to FY15 - APTEL Judgemnt dtd. 31/10/2017					12.44	7.91	12.73	18.22		
12	Merit Order Despatch for FY 2013-14 considering							3.31			

REVIEW ORDER AND APTEL JUDGEMENTS											
Sr. No.		**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**
	Must Run Plants										
13	Rectification of SVRS for FY15 & FY16 as per Audited Account								-0.67	3.29	
14	Effeciency on Sixth Pay Arrear			1.47							
15	Financing Cost of LPSC for FY15 &FY16								1.50	1.13	
16	Total	35.94	0.00	1.47	0.00	12.44	19.54	20.45	38.15	31.58	0.00
17	Rate of carrying cost	10.61%	11.32%	10.17%	10.41%	12.20%	11.78%	11.88%	11.98%	12.08%	11.98%
18	carrying cost	1.91	4.28	4.36	4.99	7.22	9.70	13.32	18.53	25.14	29.82
19	Closing Balance	37.85	42.13	47.96	52.95	72.61	101.85	135.62	192.30	249.02	278.84

ENERGY SALES & REVENUE

PETITIONER'S SUBMISSION

3.19 The Petitioner has submitted that it has billed energy revenue (net of E. tax) of Rs. 6,637.89 Cr. (8,260.52 MU including 17.95 MU on account of own consumption). Further the Petitioner has billed Rs. 491.32 Cr in FY 2016-17 on account of surcharge of 8% for recovery of carrying cost & liquidation of Past Revenue Gap.

3.20 The Petitioner submitted the summary of the category wise actual billed energy & revenue as given below:

Table 4: Petitioner Submission - Category wise Actual Sales & Revenue Billed for FY 2016-17

Sr. No.	Category	FY 16-17				
		Billed (MU)	Billed revenue other than 8% DRS	8% Billed DRS	Total Billed Revenue (Rs Cr)	ABR (Rs/ KWh)
A	Domestic	3,772.53	2,064.91	165.05	2,229.96	5.91
B	Non-Domestic	1,464.02	1,499.16	119.47	1,618.63	11.06
C	Industrial	2,312.81	2,070.58	165.43	2,236.01	9.67
D	Irrigation & Agriculture	12.64	4.14	0.33	4.47	3.53
E	Public Lighting	148.00	108.21	8.64	116.85	7.89
F	Delhi Jal Board	238.74	188.35	15.06	203.42	8.52
G	Railway Traction	48.06	35.20	2.81	38.01	7.91
H	DMRC	149.50	94.86	7.59	102.45	6.85
I	Own consumption	17.95	-	-	-	-
J	Advertisement & Hoarding	1.18	1.73	0.14	1.87	15.84
K	Others	95.08	85.18	6.77	91.95	9.67
L	Open Access charges offered as Non-Tariff Income		(5.75)	0.01	(5.74)	
M	**Total**	**8,260.52**	**6,146.57**	**491.32**	**6,637.89**	**8.04**
N	Add - E. Tax				297.75	
	Total Revenue Billed (M+N)	**8,260.52**			**6,935.64**	**8.40**

COMMISSION'S ANALYSIS

3.21 The C&AG empanelled auditor has verified the category-wise sales data from the Petitioner's SAP system with that indicated in their books of accounts for each month of

FY 2016-17. The validation of billing database was done at the Petitioner's office, wherein the data was provided by the Petitioner. Further, the sales details were also verified from the audited Forms 2.1a.

3.22 As per the Electricity Act, 2003 and directions of the Hon'ble APTEL in Appeal Nos. 61&62/2012 and 14/2012 states *"all cases of enforcement/theft, energy has to be billed at twice the rate of the normal tariff".* The auditor observed from the audited Forms 2.1a that the Petitioner has divided the category wise total payment received against enforcement cases by twice Average Billing Rate applicable to respective category for the year to arrive at sales due to enforcement.

3.23 In the 2nd MYT Order, the Commission vide its directive 6.12 has directed all DISCOMs to meter self-consumption in their own premises and to raise the bills at appropriate tariff for actual consumption based on meter reading every month and the licensee may avail credit at zero tariff to the extent of the normative self-consumption approved by the Commission at the end of the financial year.

3.24 The Petitioner has submitted the normative own consumption of 17.95 MU in FY 2016-17. On verification of records by the auditor, it has been observed that the actual value of own consumption works out to 11.15 MU as against 17.95 MU as claimed by the Petitioner which has been considered by the Commission.

3.25 Accordingly, the Commission has trued up Energy Sales and Revenue Billed for FY 2016-17 as follows:

Table 5: Commission Approved - Trued up Sales for FY 2016-17

Sl No	Category	Petitioner's Submission (MU)	Approved Sales for FY 2016-17 (MU)	Reference
A	Domestic	3,772.53	3,772.53	Auditor Certificate and Audited Form 2.1a
B	Non-Domestic	1,464.02	1,464.02	
C	Industrial	2,312.81	2,312.81	
D	Irrigation & Agriculture	12.64	12.64	
E	Public Lighting	148.00	148.00	
F	Delhi Jal Board	238.74	238.74	
G	Railway Traction	48.06	48.06	
H	DMRC	149.50	149.50	

Sl No	Category	Petitioner's Submission (MU)	Approved Sales for FY 2016-17 (MU)	Reference
I	Own consumption	17.95	11.15	
J	Advertisement & Hoarding	1.18	1.18	
K	Others*	95.08	95.08	
M	**Total**	**8,260.52**	**8,253.72**	**Sum (A to K)**

*Temporary Supply, Prepaid, Staff, Misuse, other adjustments and Enforcement

Table 6: Commission Approved - Trued up Revenue Billed for FY 2016-17 (Rs. Crore)

Sl. No.	Category	Total Billed Revenue	Ref.
A	Domestic	2,229.96	Auditor Certificate
B	Non-Domestic	1,618.63	
C	Industrial	2,236.01	
D	Irrigation & Agriculture	4.47	
E	Public Lighting	116.85	
F	Delhi Jal Board	203.42	
G	Railway Traction	38.01	
H	DMRC	102.45	
I	Own consumption	-	
J	Advertisement & Hoarding	1.87	
K	Others*	91.95	
L	Open Access charges offered as Non-Tariff Income	(5.74)	
M	**Total**	**6,637.89**	
N	Add- E. Tax	297.75	
	Total Revenue Billed (M+N)	**6,935.64**	

*Temporary Supply, Prepaid, Staff, Misuse, other adjustments and Enforcement

AT&C LOSSES

PETITIONER'S SUBMISSION

3.26 The Petitioner has submitted that the Commission has not specified any AT&C Loss target for FY 2016-17, therefore, in line with loss reduction trajectory of 0.50% per year, the Petitioner in this petition has sought AT&C loss target of 12.825% for FY 2016-17 (i.e. 0.50% loss reduction over the previous year Target AT&C loss level of 13.325%).

3.27 The Petitioner has submitted Revenue Billed and Revenue Available for AT&C purpose for FY 2016-17 as follows:

Table 7: Petitioner Submission - Revenue Billed for AT&C purpose for FY 16-17

Sl. No.	Particular	UoM	Amount	Remark
A	Units Billed	MU	8,260.52	Table 6
B	Total Revenue Billed as per Form2.1a	(Rs Cr)	6,935.64	Table 7
C	Less- E Tax	(Rs Cr)	297.75	
D	Less- DRRS 8%	(Rs Cr)	491.32	
E	Less- Rebate on number of bills	(Rs Cr)	16.75	Note 32 of Audited Financial Statement
F	Net Revenue Billed	(Rs Cr)	6,129.82	(B-C-D-E)

Table 8: Petitioner Submission - Revenue Available for AT&C of FY 2016-17 (Rs Crore)

Sl. No.	Particular	Amount	Remarks
A	Revenue Realized (Inclusive of E Tax)	6,937.95	
B	Less: 8% Deficit Revenue Recovery Surcharge	491.03	Note 47.2 of Audited Financial Statement
C	Less: Electricity Tax	292.90	Note 47.2 of Audited Financial Statement
D	Less: LPSC	18.29	Note 32 of Audited Financial Statement
E	Less: Monthly Rebate	16.75	Note 32 of Audited Financial Statement
F	Revenue Collected for AT&C purpose	6,118.98	(A-B-C-D-E)

3.28 Accordingly, the Petitioner has computed AT&C Loss level for FY 2016-17 as follows:

Table 9: Petitioner Submission - Computation of AT&C Loss Level for FY 16-17

Sl. No.	Particular	UoM	Amount	Remarks
A	Energy Input at TPDDL Periphery	Mu	9,039.68	
B	Units Billed	Mu	8,260.52	
C	Amount Billed	(Rs Cr)	6,129.82	
D	Average Billing Rate	Rs/kWh	7.42	((C/B)*10)
E	Distribution Loss	%	8.62%	(1-B/A)
F	Amount Collected	(Rs Cr)	6,118.98	
G	Collection Efficiency	%	99.82%	(F/C)
H	Units Realized	Mu	8,245.90	(B*G)
I	AT&C Loss Level	%	8.78%	(1-H/A)

COMMISSION'S ANALYSIS

3.29 The Commission observes that as there was no AT&C Loss target for FY 2016-17, therefore, the Commission has considered the target for AT&C Loss of FY 2015-16 as the target for FY 2016-17. The Commission vide its letter dtd. 18/12/2017 had sought Energy Input at Petitioner's periphery from SLDC. Accordingly, SLDC vide its email dtd. 02/02/2018 has submitted the Energy Input at Petitioner's periphery as 9062.97 MU.

3.30 The auditor has verified Revenue Billed & Revenue Collected for FY 2016-17 of the Petitioner as submitted in its petition & audited Financial Statements. Accordingly, the Commission approves Revenue Billed and Revenue Collected for FY 2016-17 for the Petitioner as follows:

Table 10: Commission Approved - Revenue Billed for AT&C purpose for FY 16-17 (Rs. Crore)

Sr. No.	Particular	Now Approved	Remark
A	Revenue Billed as per Form2.1a	6,935.64	
B	Less- E Tax	297.75	
C	Less- DRRS 8%	491.32	
D	Less- Rebate on number of bills	16.75	
E	Net Revenue Billed	6,129.82	(A-B-C-D)

Table 11: Commission Approved - Revenue Collection during FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Approved
A	Revenue Realized (Inclusive of E Tax)	6,937.95
B	Less: 8% Deficit Revenue Recovery Surcharge	491.03
C	Less: Electricity Tax	292.90
D	Less: LPSC	18.29
E	Less: Monthly Rebate	16.75
F	Revenue Collected for AT&C purpose	6,118.98

3.31 Based on the Sales, Revenue Billed and Revenue Collected for FY 2016-17, the Commission has trued up the AT&C Loss for the Petitioner as follows:

Table 12: Commission Approved - AT&C Loss Level for FY 2016-17

Sr. No.	Particular	UoM	Approved	Remarks
A	Energy Input at Petitioner's Periphery	MU	9062.97	As per SLDC
B	Units Billed	MU	8253.72	As per audited Form 2.1A
C	Amount Billed	Rs Cr	6129.82	
D	Average Billing Rate	Rs/kWh	7.43	(C/B)*10
E	Distribution Loss	%	8.93%	(1-B/A)
F	Amount Collected	Rs Cr	6118.98	
G	Collection Efficiency	%	99.82%	(F/C)

H	Units Realized	MU	8239.12	(B*G)
I	**AT&C Loss Level**	%	**9.09%**	(1-H/A)

3.32 It is observed that the AT&C loss level of 9.09% achieved is lower than the target AT&C loss level of 11.00% for the Petitioner, therefore the petitioner is entitled for additional return on equity on account of AT&C Loss overachievement as per MYT Regulations, 2011. Accordingly, the Commission has computed the AT&C Loss overachievement for FY 2016-17 as follows:

Table 13: Commission Approved - Computation of Additional RoE due to Over Achievement in AT&C loss target for FY 2016-17

Sr. No.	Particulars	Petitioner's Submission	Approved
A	Target AT&C loss level for i^{th} year (Xi)	12.825%	11.00%
B	Actual AT&C Loss level for i^{th} year (Yi)	8.78%	9.09%
C	Target AT&C loss level for (i-1) year (Xi-1)	13.325%	11.50%
D	Additional Return on Equity (%)	8.09%	3.82%

3.33 Accordingly, additional Return on Equity of 3.82% on account of achievement of lower AT&C Loss level than specified in AT&C loss reduction trajectory of the Petitioner for FY 2016-17 is considered for computation of RoCE.

LONG TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.34 The Petitioner has submitted that it has purchased 11202.12 MU during FY2016-17, out of which 1829.78 MU of surplus energy was sold as short-term sale of surplus power. The Petitioner summarised the station wise cost incurred in FY 2016-17 as follows:

Table 14: Petitioner Submission - Power Purchase Station wise for FY 2016-17

Sr. No.	Stations	Petitioner Share (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Cr.)	Others Charges (Rs. Cr.	Total Cost (Rs. Cr.)	Average Rate (Rs./kWh)
	Central Sector Generating Stations (CSGS)						
A	**NTPC**						
i	Anta Gas Power Station	0.1	0.42	0.21	0.43	1.06	102.67
ii	AravaliJhajjar	473.43	253.32	150.95	-2.6	401.66	8.48

Sr. No.	Stations	Petitioner Share (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Cr.)	Others Charges (Rs. Cr.	Total Cost (Rs. Cr.)	Average Rate (Rs./kWh)
iii	Auraiya Gas Power Station	1.64	0.67	0.67	0	1.34	8.22
iv	Farakka Super Thermal Power Station	22.82	4.04	6	-0.04	10	4.38
v	Feroze Gandhi Unchahar TPS 1	26	3.66	7.68	0.06	11.39	4.38
vi	Feroze Gandhi Unchahar TPS 2	59.58	7.25	17.7	0.03	24.97	4.19
vii	Feroze Gandhi Unchahar TPS 3	38.33	7.16	11.37	1.48	20	5.22
viii	Kahalgaon STPS 1	57.24	11.21	13.57	0.45	25.23	4.41
ix	Kahalgaon STPS 2	211.17	34.31	47.61	3.55	85.46	4.05
x	Koldam Hydro Power Station	-	-	0	0	0	
xi	National Capital ThermPwr - Dadri 1	517.75	107.25	175.13	-4.38	278	5.37
xii	National Capital ThermPwr - Dadri 2	1,067.08	233.64	339.95	-4.28	569.31	5.34
xiii	Rihand Super ThermPwrStn 1	146.6	16.74	23.93	0.67	41.34	2.82
xiv	Rihand Super ThermPwrStn 2	227	19.28	36.52	-0.47	55.33	2.44
xv	Rihand Super ThermPwrStn 3	240.41	38.56	38.2	0.87	77.64	3.23
xvi	Singrauli Super Thermal Power Station	294.07	20.71	44.92	0.01	65.65	2.23
xvii	Talcher Super Thermal Power Station	-	-	-	0	0	
xviii	**Sub Total**	**3,383.23**	**758.21**	**914.4**	**-4.21**	**1,668.41**	**4.93**
B	**NHPC**						
i	Bairasiul	21.63	2.66	2.13	0.12	4.91	2.27
ii	Chamera-I	51.93	4.71	5.41	0.66	10.78	2.08
iii	Chamera-II	56.95	5.29	4.44	1.38	11.11	1.95
iv	Chamera-III	34.88	9.24	7.4	0.01	16.65	4.77
v	Dhauliganga	37.28	6.76	5.96	1.53	14.24	3.82
vi	Dulhasti	86.55	18.92	19.03	3.15	41.1	4.75
vii	Parbati-III	25.73	4.49	4.96	0.01	9.46	3.68
viii	Salal	115.53	7.08	6.4	10.21	23.69	2.05
ix	Sewa-II	21.71	5.4	4.7	0.25	10.34	4.76
x	Tanakpur	10.92	2.68	1.62	0.23	4.52	4.14
xi	Uri	92.53	8.49	6.65	4	19.14	2.07
xii	Uri-II	59.4	17.88	13.52	5.22	36.62	6.17
xiii	NHPC Water Cess	-	-	-	8.32	8.32	
xiv	**Sub Total**	**615.03**	**93.58**	**82.24**	**35.07**	**210.89**	**3.43**
C	**THDC**						
i	Tehri HEP	59.95	17.07	16.61	-0.02	33.66	5.61
ii	Koteshwar	36.56	7.15	6.94	-0.01	14.09	3.85
iii	**Sub Total**	**96.52**	**24.21**	**23.56**	**-0.03**	**47.74**	**4.95**
D	**DVC**						
i	Mejia Unit 6	160.59	28.45	35.83	0.07	64.35	4.01

Sr. No.	Stations	Petitioner Share (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Cr.)	Others Charges (Rs. Cr.	Total Cost (Rs. Cr.)	Average Rate (Rs./kWh)
ii	CTPS 7 & 8	545.31	100.26	106.18	0.15	206.6	3.79
iii	**Sub Total**	**705.91**	**128.72**	**142.01**	**0.22**	**270.95**	**3.84**
E	**NPCIL**						
i	NAPS	99.4	-	25.57	0.45	26.02	2.62
ii	RAPS	97.36	-	34.23	1.02	35.26	3.62
iii	**Total**	**196.76**	**-**	**59.8**	**1.48**	**61.28**	**3.11**
F	SJVNL	203.07	31.9	28.55	0	60.45	2.98
I	**Sub Total**	**203.07**	**31.9**	**28.55**	**0**	**60.45**	**2.98**
G	**Others**						
i	Tala HEP	29.83	-	6.04	-	6.04	2.03
ii	Sasan Power limited	866.13	15.33	97.41	2.61	115.35	1.33
iii	Maithon Power Limited	1,947.89	331.04	379.53	10.91	721.49	3.7
iv	CLP, Jhajjar	222.21	86.27	70.3	3.16	159.73	7.19
v	**Sub Total**	**3,066.07**	**432.64**	**553.28**	**16.69**	**1,002.61**	**3.27**
H	**Total CSGS**	**8,266.59**	**1,469.27**	**1,803.85**	**49.21**	**3,322.33**	**4.02**
I	**State Generating Stations (SGS)**						
i	BTPS	367.47	39.55	134.35	1.71	175.61	4.78
ii	Dadri	3.28	0.87	1.4	(0.04)	2.23	6.79
iii	Rajghat	-3.44	0	(1.3)	-	(1.3)	3.79
iv	Gas Turbine	202.18	57.78	60.54	-	118.33	5.85
v	Pragati-I	345.3	40.43	105.37	-	145.8	4.22
vi	Pragati-III	452.63	223.64	114.71	-	338.35	7.48
vii	Rithala	0	(127.51)	0	(0.68)	(128.18)	
viii	**Sub Total**	**1,367.42**	**234.77**	**415.07**	**0.99**	**650.85**	**4.76**
J	Solar – Own	2.17	0.00	3.28	-	3.28	15.15
K	Solar Net Metering	0.07	0.00	0.03	-	0.03	5.03
L	Solar – SECI	43.19	0.00	23.75	0.02	23.78	5.51
M	TOWMCL	45.64	0.00	29.37	-	29.37	6.44
N	DMSWSL	3.57	0.00	2.51	-	2.51	7.03
O	**Grand Total**	**9728.65**	**1704.04**	**2277.86**	**50.22**	**4032.15**	**4.14**

COMMISSION'S ANALYSIS

3.35 The auditor has verified the invoices raised by Generating Stations consists of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2016-17 as submitted in the Petition and audited power purchase certificate. The auditor has observed that for few stations of NTPC the AFC billed by the Generating Stations are higher than that approved in CERC Order as follows:

Table 15: Auditor's Observation on AFC billed for FY 2016-17 (Rs. Crore)

Sr. No.	Power Plant	AFC to be Billed as per CERC Order	AFC Billed by NTPC	Difference
1	Farakka	3.89	3.92	0.03
2	Kahalgaon I	10.47	10.52	0.05
3	Kahalgaon II	37.03	37.23	0.20
4	Rihand I	17.01	16.98	-0.03
5	Rihand II	22.92	23.03	0.11
6	Rihand III	41.31	41.42	0.11
7	APCPL	245.98	247.88	1.90
8	SSTPS	18.92	19.04	0.12
	Total			2.48

3.36 The Commission observes that the Petitioner has already taken the matter of excess AFC billing vide its letter dated 12/10/2016 with NTPC. However, NTPC has replied vide its letter dated 15/05/2017 wherein it was clarified that the difference is only on account of "Interest on working capital". The Petitioner has submitted to the auditor that for the Tariff period 2014-2019 NTPC was required to file the Tariff petition providing the GCV of coal on "as received basis", however CERC while determination of the AFC for the NTPC plants has considered GCV of coal on "as billed basis" stated in their respective Orders as follows:

> *"The petitioner has not submitted the required data regarding measurement of GCV of coal in compliance with the directions contained in the said order dated 25.1.2016. The present petition cannot be kept pending till the petitioner submits the required information. Hence, the Commission has decided to compute the energy charges by provisionally taking the GCV of coal on as billed basis"*

3.37 The Commission provisionally considers Annual Fixed Charges (AFC) as billed by NTPC, subject to filing of Petition by the Petitioner & its outcome on this matter with CERC within a month of issuance of this Tariff Order.

AVOIDABLE POWER PURCHASE COST-NON-ADHERENCE OF MERIT ORDER DISPATCH

3.38 The Clause 5.4 of the Terms and Conditions of the License granted by the Commission to the Petitioner deals with optimisation of Power Purchase Cost which is as follows:

> *"The Licensee shall purchase the energy required by the Licensee for Distribution and Retail Supply in an economical manner and under a transparent power purchase or procurement process......"*

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

3.40 The Commission further observes that it has directed SLDC vide its letter dtd. 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees. Therefore, the contention of the Petitioner that on account of non implementation of DISCOM-wise scheduling in Delhi, it could not adhere to Merit Order Despatch principle is wrong and rejected.

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

3.42 The Commission has observed that in FY 2016-17 the Petitioner has violated Merit Order Dispatch principle for few stations - NCPP Dadri I and II which were scheduled over and above the technical limit even after meeting the demand. During such time period when NCPP Dadri I and II were scheduled over and above the technical limit, and the Surplus Power from these substations was sold below the variable cost of these stations.

3.43 The Commission has computed the impact due to violation of Merit Order by considering the month-wise actual units of power purchase over and above the Technical Minimum limit which had been sold as Surplus Power (except Banking and UI) but could have been backed down.

3.44 The avoidable Power Purchase Cost due to scheduling of Power without considering Merit Order Dispatch Principle by the Petitioner is Rs. 1.56 Crore for FY 2016-17 which has been considered in the Trued up Power Purchase Cost.

3.45 The Commission directs that the Petitioner to adopt Merit Order Dispatch principle and directions in various Tariff Orders in totality for all plants excluding the plants under must run and plants associated with islanding scheme and submit back down requests for such targeted plants to SLDC in a timely and desired manner.

AVOIDABLE POWER PURCHASE COST FROM ANTA, AURAIYA AND DADRI GAS STATIONS

PETITIONER'S SUBMISSION

3.46 The Petitioner has submitted that as the Commission had decided the Power Purchase Cost from Anta, Auraiya and Dadri Gas based stations should not be considered into the total power purchase cost after the expiry date of its PPA due to their high cost of generation and accordingly, the Petitioner have procured power from Anta, Auraiya and Dadri Gas Stations only in the month of April, 2016.

COMMISSION'S ANALYSIS

3.47 The Commission in its Tariff Order dtd. 29/09/2015 observed that validity of PPA from Anta, Auraiya and Dadri stations have expired on 31/03/2012. However, the Petitioner renewed PPA of these plants without getting approval from the Commission which is violation of Licence condition. Therefore, the Commission had disallowed the power purchase cost from these stations in its Tariff Orders dtd. 29/09/2015 & 31/08/2017 for

FY 2012-13, FY 2013-14, FY 2015-16 and FY 2016-17 by setting off the cost of procurement of these stations at the monthly average rate of exchange. The relevant extract of the Tariff Order dated 29/09/2015 is as follows:

> *"As physically the power was received from Anta, Auriya and Dadri Gas Stations in FY 2013-14, the Commission has considered all power scheduled from these stations as it was procured by the Petitioner through short term sources. Therefore, the cost of procurement of this power shall be allowed limited to the monthly average rate of exchange of Northern Region (N2) as per CERC Monthly Market Monitoring Report for FY 2013-14. Accordingly, the difference between the actual rate of power procured and exchange rate of Northern Region (N2) amounting to Rs. 60.40 Crore from these stations has not been considered into the power purchase cost of FY 2013-14."*

3.48 As such the Commission has adopted the methodology which was upheld by the Hon'ble APTEL and the Commission for computing avoidable Power Purchase Cost from Anta, Auraiya and Dadri Gas based Power Plants and has considered the power from these stations as short term IEX purchase at N2 rates. Moreover, the Commission has also considered the actual power procured from these stations for the entire year at N2 rates even though the Petitioner has only considered the power procured and cost of power during the month of April 2016 only.

Table 16: Units considered by Petitioner (MU)

Power Stations	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Anta	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.100
Auriya	1.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.640
Dadri Gas	3.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.280

Table 17: Actual Billed units (MU)

Power Stations	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Anta	0.10	1.63	0.73	0.31	3.66	4.73	2.29	0.05	0.00	0.00	0.46	1.40	15.360
Auriya	1.64	1.62	1.08	2.06	3.48	1.04	1.07	0.00	0.00	0.00	0.59	1.42	14.000
Dadri	3.28	5.12	3.90	4.00	5.93	4.84	3.20	1.97	1.71	1.72	1.12	1.62	38.410

Power Stations	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Gas													

Table 18: Monthly Exchange Rates as per IEX (N2) (Rs./unit)

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2.920	2.716	2.608	2.137	2.127	2.718	2.486	2.309	2.569	2.770	2.986	2.655

3.49 It is observed that the Petitioner has not paid the bills raised by NTPC for FY 2015-16 for Anta, Auraiya and Dadri Gas Stations. Therefore, the Commission has allowed the power purchase cost at N2 rates of IEX for Anta, Auraiya and Dadri Gas Stations based on past practice as under:

Table 19: Amount allowed by the Commission for FY 2016-17 (Rs. Crore)

Power Stations	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Anta	0.03	0.44	0.19	0.07	0.78	1.29	0.57	0.01	0.00	0.00	0.14	0.37	4.26
Auraiya	0.48	0.44	0.28	0.44	0.74	0.28	0.27	0.00	0.00	0.00	0.18	0.38	3.75
Dadri Gas	0.96	1.39	1.02	0.85	1.26	1.32	0.80	0.45	0.44	0.48	0.33	0.43	9.63

3.50 Accordingly, the Commission has allowed a total amount of Rs 17.64 Cr for Anta, Auraiya and Dadri Gas Stations restricted to N2 rates at IEX during True up exercise for FY 2016-17.

3.51 The petitioner has included the bill of April 2016 in its claim on account of Gross Power Purchase Cost of Rs. 0.44 Cr., Rs. 1.22 Cr. & Rs. 1.82 Cr. for Anta, Auraiya and Dadri Gas Stations respectively which needs to be reduced in Net Power Purchase Cost to be allowed for FY 2016-17. The impact of Rs. 3.49 Cr. on account of same will be considered in next Tariff Order.

3.52 The Commission has trued up the generation cost of Own Solar of the Petitioner based on the inputs from Auditor, SLDC and the rates approved by the Commission for various plants. The impact of the same is indicated in the table as follows:

Table 20: Commission Approved- Own Solar Generation Cost for FY 2016-17 (Rs. Crore)

Sr. No.	Generating Stations	TPDDL's Billed MU (as per certificate)	Total Charge as per TPDDL	Rate as per DERC Order	Total charge Trued up	Difference
		(MU)	(Rs. Cr.)		(Rs. Cr.)	(Rs. Cr.)
i)	Poothkhurd Grid	0.08	0.05	7.16	0.05	0.00
ii)	Keshavpuram	1.40	2.48	4.01	0.56	1.92
iii)	Narela A-7	0.07	0.05	7.03	0.05	0.00
iv)	Clear Water Grid	0.06	0.05	7.26	0.05	0.00
v)	DSIDC-II Grid	0.04	0.08	4.01	0.02	0.06
vi)	RG-2	0.03	0.03	4.45	0.01	0.02
vii)	RG-24	0.03	0.03	4.45	0.01	0.02
viii)	RG-22	0.06	0.06	9.45	0.06	0.00
ix)	RG-23	0.07	0.06	9.81	0.06	0.00
x)	CENNET	0.03	0.05	4.01	0.01	0.04
xi)	GTK Grid	0.03	0.05	4.01	0.01	0.04
Total						**2.10**

3.53 The Commission has retained its past practice for additional UI Charges which has also been upheld by the Hon'ble APTEL in Appeal No. 271/2013. SLDC vide its email has submitted in response to the Commission's letter dtd. 18/12/2017 that additional UI Charges borne by the Petitioner in FY 2016-17 is Rs. 2.11 Cr. which has been reduced from Power Purchase Cost.

POWER PURCHASE COST OF RITHALA

PETITIONER'S SUBMISSION

3.54 The petitioner has submitted that as per the direction of the Commission, the Petitioner has already filed the true up petition on 3rd October 2017. Based on the Order of the Commission for consideration of power purchase cost of Rithala in the subsequent tariff order on the basis of Rithala true tariff Order, the Petitioner is not claiming any cost towards Rithala Plant based on audited books of accounts for FY 2016-17.

COMMISSION ANALYSIS

3.55 The Commission vide its Order dtd. 31/08/2017 has approved the Capital Cost, Annual Fixed Cost and operational norms (GSHR, PAF, PLF, Aux etc.) for Rithala Power Plant of the petitioner. However, the petitioner has preferred an Appeal against the Commission's Order dtd. 31/08/2017 before Hon'ble APTEL. Therefore, the Commission has not considered any cost from Rithala in power purchase cost of FY 2016-17.

SHORT TERM POWER PURCHASE AND SALES

PETITIONER'S SUBMISSION

3.56 The Petitioner submitted the source wise summary of short term power purchase and Sale for 2016-17 as follows:

Table 21: Details of Short-term Power Purchase (Rs Crore)

Sl. No.	Particulars	FY 2016-17		
		Units (MU)	Rate per Unit	Amount
A	Bilateral	0.00	0.00	0.00
B	Banking	1,387.53	3.82	530.39
C	Exchange	44.16	3.29	14.52
D	Intra state	6.41	4.98	3.19
E	UI	35.39	2.70	9.54
F	**Total**	**1,473.49**	**3.78**	**557.64**

Table 22: Details of Short-term Power Sales (Rs Crore)

Sl. No.	Particulars	FY 2016-17		
		Units (MU)	Rate per Unit	Amount
A	Bilateral	15.93	3.70	5.89-
B	Banking	440.58	3.88	170.90
C	Exchange	888.23	2.20	195.05
D	Intra state	336.89	3.14	105.86
E	UI	148.14	0.68	10.07
F	**Total**	**1,829.78**	**2.67**	**487.76**

COMMISSION'S ANALYSIS

3.57 The Commission vide its letter dated 20 January, 2010 had issued directions for procurement and sale of power by Distribution Licensee as follows wherein it is specifically indicated that the Distribution Licensees endeavour should be first to dispose off surplus power through banking transaction:

"7........ the Distribution Licensee, for any reason whatsoever, the licensee may enter into a short-term arrangement or agreement for procurement of power/sale of power through a transparent process of open tendering and competitive bidding in accordance with these guidelines.

8. Distribution Licensee shall adopt a bid evaluation or scoring system that is sufficiently comprehensive and transparent to permit a competitive result which identifies the least cost proposal for procurement and highest in case of sale of power.

.....

15. The Distribution Licensees endeavor should be first to dispose off surplus power through banking transaction. Such banking transactions should be tried at first on direct basis."

3.58 Based on the above direction of the Commission, the relevant records for short-term power procurement through a transparent process of open tendering, have been verified. It has been observed that during FY 2016-17 that the Petitioner has sold most of its Surplus Power in exchange while the Petitioner purchased most of the power through Banking.

TRANSMISSION LOSS AND CHARGES

3.59 The auditor has verified the Transmission Charges incurred during FY 2016-17 from the bills and the verification sheet of the Petitioner and the Commission approves the transmission charges as follows:

Table 23: Commission Approved - Transmission Charges for FY 2016-17

Sr. No.	Description	Petitioner's Submission	Approved
PGCIL Charges			

Sr. No.	Description	Petitioner's Submission	Approved
1	Inter-state transmission charges (PGCIL)	474.28	474.28
DTL Charges			
2	Intra-state transmission charges (DTL)	329.14	329.14
Other Transmission charges including Pension Trust			
3	NRLDC System Operating charges (payable to Delhi SLDC)	1.28	1.28
4	DTL SLDC charges	2.92	2.92
5	Reactive energy charges	1.34	1.34
6	BBMB charges	0.43	0.43
7	AravaliJhajjar Transmission Charges	0.36	0.36
8	Chandrapura Thermal Power Station - Unit 7 & 8 Tx Charges	5.65	5.69
9	CLP Jhajjar-Txm Charges	10.13	10.13
10	Mejia Thermal Power Station - Unit 6 Tx Charges	1.78	1.80
11	NTPC Transmission charges	5.00	5.00
12	DTL Pension Trust	179.08	179.08
13	STOA	(81.64)	(81.64)
14	SECI	1.87	1.87
15	Other transmission charges- NRDLC(Short Term Power)	102.87	102.87
16	Total (A to P) 2016-17	1,034.48	1,034.54

NORMATIVE REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.60 The Petitioner has submitted that in the MYT Regulation, 2011 in Para No 5.24, the Commission has specified that:

"Distribution Licensee shall be allowed to recover the net cost of power it procures from sources approved by The Commission, viz. Intra-state and Inter-state Trading Licensees, Bilateral Purchases, Bulk Suppliers, State generators, Independent Power Producers, Central generating stations, non-conventional energy generators, generation business of the Distribution Licensee and others, assuming maximum normative rebate available from each source for payment of

bills through letter of credit on presentation of bills for supply to consumers of Retail Supply Business."

3.61 During the FY 2016-17, the Petitioner has earned actual net rebate of Rs 62.63 Cr towards early payment of power purchase bills, but for the purpose of computation of net power purchase cost for the year the maximum normative available rebate is to be considered as per the regulation mentioned above. Therefore, the Petitioner has offered an amount of Rs. 99.66 Cr on account of normative rebate.

3.62 The Petitioner further clarified that the amount of Rs 99.66 Cr is computed on accrual basis (i.e. normative rebate is also offered on outstanding bills at the end of financial year).

3.63 Party wise amount of normative rebate offered/ claimed is given below:

Table 24: Computation of Normative Rebate for FY 2016-17 (Rs Cr)

Sl. No.	Company	Maximum Normative Rebate (in %)	Rebate-able Amount	Non Rebate-able Amount	Amount offered as normative rebate
Towards Power Purchase – (i)					
From CSGS & Generating stations - other than Delhi Gencos					
A	NTPC	2%	1,442.86		28.86
B	NHPC	2%	213.65		4.27
C	DVC	2%	278.37		5.57
D	SJVNL	2%	60.45		1.21
E	APCPL	2%	406.35		8.13
F	NPCIL	2.50%	59.83		1.50
G	THDC	2%	47.75		0.96
I	TPTCL	2%	869.97		17.40
J	TOWMCL	2%	29.37		0.59
K	PTC	0.01paisa/KWh for energy from tala & Other's 2%			0.03
L	Sasan	2%	115.26		2.31
From Delhi Gencos					
M	IPGCL	2%	117.03		2.34
N	PPCL	2%	484.32		9.69
Towards Transmission					

Sl. No.	Company	Maximum Normative Rebate (in %)	Rebate-able Amount	Non Rebate-able Amount	Amount offered as normative rebate
O	PGCIL	2.00%	518.11		10.36
P	DTL	2.00%	329.14		6.58
Sub Total -(i)					**99.78**
Towards Power Sale –(ii)					
A	PTC	2.00%	5.91		0.12
	Sub Total –(ii)				**0.12**
Normative Rebate (i)-(ii)					**99.66**

COMMISSION'S ANALYSIS

3.64 The Commission has observed that with reference to rebate on power purchase and transmission charges, DERC Tariff Regulation, 2017 states as follows:

> *"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by We have, assuming maximum normative rebate available from each source, for supply to consumers."*

3.65 Based on the submissions made by the Petitioner, the normative rebate on the power purchase cost for FY 2016-17 has been verified and amounts to Rs.99.66 Cr.

TRUED UP POWER PURCHASE COST FOR FY 2016-17

PETITIONER'S SUBMISSION

3.66 The Petitioner has summarised the power purchase cost sought by the Petitioner for true up for FY 2016-17.

Table 25: Net Power Purchase Cost sought for Trued up for FY 2016-17 (Rs Crore)

Sl. No.	Particulars	Amount	Remarks/Ref
A	Power purchase cost as per Audited certificate	4,102.02	(net of sales)
B	Rebate on Power purchase	(99.66)	
C	Cost of REC	25.00	
D	Transmission Charges	1034.48	
E	Add back Power Purchase cost of Rithala	128.18	

Sl. No.	Particulars	Amount	Remarks/Ref
F	Normative Power Banking	7.05	
G	Trued up gross Power purchase cost	5197.07	(A+B+C+D+E+F)

3.67 The petitioner in relation to the issue of financing cost of power banking has submitted that the Commission in its submission to the Hon'ble APTEL mentioned that the Banking contracts have to be revenue neutral in nature and hence if power has been bought under "banking arrangement", then the same power will be sold back by the utility with 4% extra power. This extra power that is sold at the rate at which it had bought power at the first place serves like the financing cost of the power banked. Relevant extract of the same is as under:

"3.283 With respect to the financing cost of power banking, the Commission believes that banking contracts are revenue neutral. The electricity industry follows a practice wherein in case of forward/ advance banking, the utility demands additional power @ 4% to be returned and in case of backward banking, the utility has to return 4% extra power. The Commission considers the power banked in advance by the utility as energy sale at Rs 4 per unit because if it does not consider it then it would be burdening present consumers for future consumption, which the Commission deems inappropriate. The utility will be receiving the power banked along with 4% additional power in the next year. The Commission considers total power received as power purchase @ Rs 4 per unit. This allows the utility power purchase cost on additional 4% power received by them @ Rs 4 per unit, which is equivalent to the financing cost of this banking."

3.68 As the Petitioner has not kept the benefit of extra 4% power but offered the additional units received in the ARR resulting in reduction of power purchase cost on account of power banking hence based on the above submission, the Petitioner now seeks the financing cost of power banking as computed below subject to the Judgment by the Hon'ble Supreme Court.

Table 26: Computation of cost of financing of power banking

Particulars	MU banked by TPDDL	Normative units @4%	Amount to be retained @ Rs 4/unit -“A”
FY 2016-17	440.58	17.62	7.05
Total	440.58	17.62	7.05

COMMISSION’S ANALYSIS

3.69 The Commission observes that Hon’ble APTEL in its judgement dtd. 28/11/2013 in Appeal No. 14/2012 has held the issue of allowance of Net Financing Cost incurred in relation to Power Banking against the Petitioner as follows:

115. Since the issue before us revolves around banking of power, it would be worthwhile to understand the concept of banking of power. Power banking is like any other banking. In case of power banking, surplus power is banked by a utility with other utility to be returned later with some additional power (interest). There two types of banking:

(a) Forward Power Banking- distribution licensee banks excess power with other utilities, and draws banked power later when required.

(b) Reverse power banking- excess power banked by another utility is with the distribution licensee and the same is returned at a later date.

116. Forward banking for one utility is reverse banking for the other utility. There would be no issue, if the power is banked and returned within the same financial year. However, issue of financial charges arises in case power is banked during a year and returned during next financial year. When power is banked during a financial year it is shown as notional sale of the distribution licensee at a predetermined rate and the amount so arrived is deducted from the ARR of the licensee. When the power returned, it is shown as notional purchase at the same rate and the cost is added to its ARR. The licensee has paid the power purchase cost and did not get any revenue from such notional sale. The concept of power banking and the issue is explained by following illustration.

FY 2007-08

Total ARR of the licensee = Rs 1000 Cr

Units banked during the year = 100 MU

Notional sale for banked energy @ Rs 4/unit = Rs 40 Cr

Net ARR of the licensee recovered through tariff = Rs 960 Cr

FY 2008-09

Total ARR of the licensee = Rs 1000 Cr Units returned during the year = 100 MU

Notional purchase for banked energy @ Rs 4/unit = Rs 40 Cr

Net ARR of the licensee recovered through tariff = Rs 1040 Cr

117. Thus, the licensee looses carrying cost for Rs 40 Cr. However, in order to make banking arrangements tariff neutral some element of interest is also added. Accordingly, the utility which had banked energy would get 4% additional energy at the time of return to offset the carrying cost for the banked energy. Let us add the interest component in the above example:

FY 2007-08

Total ARR of the licensee = Rs 1000 Cr

Units banked during the year = 100 MU

Notional sale for banked energy @ Rs 4/unit = Rs 40 Cr

Net ARR of the licensee recovered through tariff = Rs 960 Cr

FY 2008-09

Total ARR of the licensee = Rs 1000 Cr

Units returned during the year = 104 MU

Notional purchase for 104 MU @ Rs 4/unit = Rs 41.6 Cr

Net ARR of the licensee recovered through tariff = Rs 1041.6 Cr

118. Thus the Licensee gets Rs 1.6 Cr extra as Notional cost of additional energy received to offset the carrying costs. Accordingly, the issue is decided against the Appellant.

3.70 Accordingly, the Commission approves Power Purchase Cost of FY 2016-17 as follows:

Table 27: Commission Approved - Power Purchase Cost of FY 2016-17 (Rs Crore)

Sr. No.	Particulars	Petitioner's Submission	Commission's Approval
1	Gross Power Purchase Cost	4,614.78	4,614.78
2	Less: Cost of Surplus Power Sold	487.76	487.76
3	Net Power Purchase Cost	4,127.02	4,127.02
4	Total Transmission Charges including Pension Trust	1,034.48	1,034.48
5	Total Power Purchase Cost	5,161.50	5,161.50
6	Less: Normative Rebate not considering Rithala, Anta, Auraiya and Dadri Gas Power Plants	(99.66)	(99.66)
7	Net Power Purchase Cost including Transmission Charges	5,061.84	5,061.84
8	Add: Power Purchase Cost Anta, Auraiya and Dadri costly Gas based Stations at Exchange Rates	-	17.64
9	Less: Additional UI Charges disallowed	-	(2.11)
10	Less: Power Purchase Cost of Rithala	128.18	-
11	Less: Scheduling of Power without considering Merit Order	-	(1.56)
12	Less: Excess Cost on Own Solar		(2.10)
13	Financing Cost of Banked Power	7.05	-
14	**Trued-Up Power Purchase Cost**	**5,197.07**	**5,073.71**

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER’S SUBMISSION

3.71 The Petitioner in its true up petition for FY 2016-17 has sought revision of O & M expenses.

3.72 The Petitioner submitted that the Commission in its Tariff Order Dated July 2012 has approved normative O&M Expenses for 2nd MYT control Period (i.e. FY 2012-13 to FY 2015-16) based on assumptions against the Tariff Regulations. Aggrieved by the said methodology, the Petitioner has raised its contention before the Hon’ble APTEL in appeal no 171 of 2012.

3.73 Based on the Petitioner contentions/submission the Hon'ble APTEL in its Judgment dated February, 2015 has remanded back the matter in relation to determination of O&M Expenses for 2nd MYT control period.

3.74 In order to comply with the above directions, the Commission in its Tariff Order dated has re-determined the O&M Expenses for 2nd MYT Control Period without comparing with other Distribution Licensees operating in the area of GoNCTD.

3.75 The base year (FY 2011-12) O&M Expenses has determined considering the actual O&M Expenses incurred by the Petitioner during 1st MYT Control Period (FY 2007-08 to FY 2011-12).

EMPLOYEE EXPENSES

3.76 The Petitioner has submitted that the Commission in its para no 3.160 of Tariff Order Sep, 2015 has mentioned that the actual expenses of FY 2011-12 is less than the escalated employee expenses by considering sales growth, increase in CPI & WPI indices and performance on account of reduction in AT&C loss level.

3.77 The Petitioner has further submitted that while applying the indexation factor the Commission has not considered indexation factor upto two decimal digits. Thus, the Petitioner requested to the Commission to consider the indexation factor upto two decimal digits in line with the methodology used in MYT Order dated July 2012.

3.78 The Petitioner has summarised the revised computation of the Employee Expenses for FY 2016-17 as follows:

Table 28: Employee Expenses sought for FY 2016-17 (Rs Cr)

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
A	Employees Expenses (including outsource and meter reading expenses shown as R&M expenses in BS)	318.31					
B	Add: Inflation factor upto two digit		8.01%	8.02%	8.03%	8.04%	8.04%
C	Revised Employee expense		343.81	371.38	401.20	433.46	468.31

Sl. No.	Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
D	Less- capitalization @ 10%		34.38	37.14	40.12	43.35	46.83
E	Employee Expenses net of capitalization		309.43	334.24	361.08	390.11	421.48

CAPITALIZATION OF SALARY COST

3.79 The Petitioner has submitted the salary cost of Employees deployed on projects is capitalized along with the cost of scheme. Presently, based on the Order of the Commission dated 26th June 2003, 10% of the overall salary cost is capitalized towards projects.

SVRS RELATED EXPENSES

3.80 The Petitioner has submitted that the Commission has followed the methodology of allowing SVRS related expense on actual basis at the time of true up. During the FY 2016-17, the Petitioner has incurred expenses of Rs. 2.95 Cr. towards SVRS related expenses and therefore requested to the Commission to allow the actual expenses towards SVRS employees.

Table 29: SVRS Pension (Rs. Crore)

Particulars	Amount	Remark
SVRS Pension	2.95	Refer Note no 35 of the Audited Balance Sheet

ADMINISTRATIVE AND GENERAL EXPENSES

3.81 The Petitioner has sought A&G Expense of Rs 66.47 Cr for FY 2015-16 based on inflation factor of 8.04%. However, the Commission in its Tariff Order dated August, 2017 has considered inflation factor 8% thus trued up the A&G Expenses for Rs. 66.41 Cr.

3.82 It is worth to mention that as the Petitioner has challenged the issue before the Hon'ble APTEL for non-consideration of inflation factor upto two digit as adopted by the Commission itself for computation of A&G expenses in its 2nd MYT Order the Petitioner has sought Rs. 71.81 Cr as A&G Expenses for FY 2016-17.

Table 30: A&G Expenses for FY 2016-17 (Rs. Cr)

Sl. No.	Particulars	Amount	Remark
A	A&G Expenses	66.47	
B	Indexation	8.04%	
C	A&G Expenses after indexation	71.81	(A+A*B)

REPAIRS AND MAINTENANCE EXPENSES

3.83 The Petitioner has submitted that the Commission in its Tariff Order Dated Sep, 2015 has recomputed R&M Expenses considering K factor @ 2.58% for 2nd MYT Control Period.

3.84 It is worth to mention that while determine the K factor, the Commission has not followed the directions given by the Hon'ble APTEL. Hence, the Petitioner has re-computed the K factor based on average of 5 years K factor as directed by the Commission.

Table 31: Computation of revised K factor

Particular	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Opening Gross Fixed Assets	1,997.32	2,160.36	2,598.06	2,916.66	3,482.56
R&M expenses	57.20	66.36	77.27	85.26	87.21
k factor	2.86%	3.07%	2.97%	2.92%	2.50%
Average	2.87%				

3.85 Based on the revised opening GFA & revised K factor, the R&M expenses for FY 16-17 works out as follows:

Table 32: R&M Expenses for FY 2016-17 (Rs Cr)

Sl. No.	Particulars	Amount	Remark
A	Gross Fixed Assets	5,380.91	
B	K factor	2.87%	Computed Above
C	R&M Expenses	154.43	(A*B)

3.86 Based on the Employee expenses, A&G expenses and R&M expenses, summary of O&M expenses for FY 2016-17 submitted by the Petitioner is as follows:

Table 33: O&M Expenses for FY 2016-17 (Rs Cr)

Sl. No.	Particulars	Amount	Remark
A	Employee Cost (net of Capitalization)	421.48	Table 3.25
B	A&G Expenses	71.81	Table 3.27

Sl. No.	Particulars	Amount	Remark
C	R&M Expenses	154.43	Table 3.28
D	Total O&M expenses	647.72	(A+B+C)
E	Efficiency factor (%)	1.00%	
F	Less: Efficiency Improvement	6.48	(D*E)
G	Add: SVRS Pension	2.95	Table 3.26
H	**Net O&M Expenses**	**644.20**	**(D-F+G)**

COMMISSION'S ANALYSIS

3.87 The Commission has specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 that performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011.

3.88 Further the Commission has approved O&M expenses for the petitioner in Tariff Order dated 31/08/2017 for FY 2015-16 on normative basis therefore, O&M expenses for FY 2016-17 has also been computed based on the norms approved in Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 and MYT order dated 13/07/2012 without considering efficiency factor as the Commission had not provided the efficiency for FY 2016-17, as follows:

Table 34: O&M Expenses trued up by the Commission for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Petitioner Submission	Trued Up
A	Employee Cost	421.48	349.98
B	A&G Expenses	71.81	110.30
C	R&M Expenses	154.43	71.72
D	Total O&M Expenses	647.72	532.00
E	Efficiency factor (%)	1.00%	0.00%
F	Less: Efficiency Improvement	6.48	0
G	Add: SVRS Pension	2.95	2.95
H	Net O&M Expenses	644.20	534.95

OTHER EXPENSES

LICENCE FEES

PETITIONER'S SUBMISSION

3.89 The Petitioner has submitted that as per clause 12.1, of the Distribution and Retail Supply License, the Petitioner is required to pay annually 0.05% of amount billed of previous year as license fees to the Commission. Since the same is linked to sales which is uncontrollable and is trued up, the license fee too needs to be trued up.

Table 35: Computation of License fee to be allowed on actual basis (Rs. Crore)

Sl. No.	Particulars	Amount	Remark
A	Base year Exp. of License fee (FY 2011-12)	1.49	
B	Y-o-Y Incremental (%)	8%	
C	License fee allowed as a part of total A&G Exp. for FY 2016-17	2.18	
D	Efficiency factor (%)	4%	
E	Less- amount adjusted towards Efficiency	0.09	
F	License fee (net of efficiency) approved as a part of A&G	2.09	
G	Billed Sale for Previous Year – as per P&L accounts	6,567.42	
H	License fee (0.05%) based on billed Sale of previous year	3.28	
I	Amount of License fee paid	3.28	
J	Differential amount now sought	1.19	(I-F)

3.90 The Petitioner submitted that it is worth to mention as per clause 12.4 of the Distribution & Retail Supply License, the licensee shall be entitled to recover actual license fees paid to the Commission.

3.91 The Petitioner has proposed to allow additional amount spent on this account Rs.1.19 as part of ARR for FY 2016-17.

COMMISSION'S ANALYSIS

3.92 The Commission is of the view that licence fee is applicable year which is uncontrollable. Accordingly, the Commission has considered the difference of normative license fee covered under A&G Expenses and actual paid Rs. 1.19 Crore on account of license fees paid to the Commission during FY 2016-17.

LAND LICENSEE FEES TOWARDS GRID

PETITIONER'S SUBMISSION

3.93 The Petitioner has submitted that the license fee is applicable as per the rates decided by GoNCTD for using Land. During FY 2016-17, the Petitioner has paid Rs.4.42 Cr towards land licensee fee which is uncontrollable in the hands of the Petitioner. Accordingly, the Petitioner has requested to the Commission to allow the said amount of Rs.4.42 Cr towards payment of Land licensee fee under the head statutory levies and shall be treated as uncontrollable.

COMMISSION ANALYSIS

3.94 The Commission is of view that land license fee is applicable on actual basis, which is uncontrollable. Accordingly, the Commission has considered and approved Rs.4.42 Cr. on account of land license fees paid to the GoNCTD during FY 2016-17.

CSR EXPENSES

PETITIONER'S SUBMISSION

3.95 The Petitioner wants some clarification that due to implementation of new Companies Act, 2013 the company has to incur additional expenditure in relation to some of the heads (major one is CSR) which was not considered to be the part of Base Year expenses, owing to later developments, hence all legitimate expenditure in relation to these is to be allowed on actual basis.

3.96 Based on the above, the Petitioner has submitted that any expenses due to change in law or any statutory levies should also be allowed on actual basis being uncontrollable in nature.

3.97 The said expenses now sought to be incurred and are to be covered under the head statutory levies/change in law which has to be allowed on actual basis. The major one is CSR expenditure.

3.98 To comply with the statutory provision, the Petitioner has incurred a sum of Rs. 8.12 Cr. towards CSR expenses which are reflected in note no 37 of the audited financial accounts.

3.99 The aforesaid expenses were not forming part of the base expenses of FY 11-12 and the Petitioner has incurred these expenses being uncontrollable in nature, hence the Commission is requested to allow the same.

COMMISSION's ANALYSIS

3.100 The Commission is of the view that CSR activities are social obligation, which a company in India needs to perform on the basis of profit earned by them. If the same is passed on to ARR then indirectly, it will be considered to be met by the consumers of electricity in Delhi. Therefore, the Commission has decided not to consider in ARR.

OTHER STATUTORY LEVIES/ TAXES (OTHER THAN CORPORATE INCOME TAX)

AMENDMENTS IN SERVICE TAX AS NOTIFIED IN THE FINANCE ACT, 2012

PETITIONER'S SUBMISSION

3.101 The Petitioner has submitted that the Service Tax rates were increased to 12.36% from 10.30% w.e.f 01.04.2012. Further the service tax which was applicable on few services; were also extended to all services except specifically covered in negative list. The Petitioner further submitted that it shall be appreciated that the Commission has allowed the above normative expenses for FY 12-13 onwards based on expenses of FY 11-12 which doesn't include the impact on account of above changes; hence the Commission is requested to allow the same on actual basis at the time of truing up from FY 12-13 onwards being uncontrollable in nature.

3.102 Any addition/deletion or new enactment of statutory levy is totally uncontrollable in the hands of the Petitioner and is required to abide by the same. It is further submitted that statutory levies are treated uncontrollable by various other regulatory bodies like

Kolkata, Gujarat, Maharashtra and many others.

3.103 The aforesaid amendments as notified in the Finance Act, 2012 have impacted the Petitioner in two ways i.e. due to change in service tax rate and introduction of Reverse Charge Mechanism & Negative List.

3.104 Increase in Service Tax Rate from 1.4.2012 (Petitioner's landed cost has increased due to increase in rate of Service Tax)

3.105 The Petitioner has submitted the impact of Service Tax and clarified through an example.

Table 36: Impact of Service Tax rate

Particulars	Basic Cost of Service	Service Tax Rate as applicable	Service Tax amount	Total Landed cost
Up to 31.03.2012	100	10.30%	10.30	110.30
01-04-2012 onwards	100	12.36%	12.36	112.36
01-06-2015 onwards	100	14.00%	14.00	114.00
15-11-2015 onwards	100	14.50%	14.50	114.50
01-06-2016	100	15%	15%	115.00
Difference			4.70	4.70

3.106 From the above, it is clear that due to change in service tax rate, the landed cost has increased from the existing cost of Rs. 110.30 to Rs. 115 at the end of FY 2016-17 resulting into increase in value of services by Rs. 4.70. It is pertinent to mention that the said increase was not factored in base value because change in law has happened only after setting and approval of targeted O&M expenses for the Second MYT control period. Therefore, on account of change in service tax rate, the Petitioner has to bear additional amount of Rs. 7.18 Cr. (computation given in Annexure A-4 in Volume II of the Petition) on account of the aforesaid notification.

3.107 The Petitioner has further submitted that introduction of concept of Negative List and Reserve Charge Mechanism (due to introduction of negative list, services which were earlier exempted from applicability of service tax till June, 2012 are now chargeable under service tax)

Table 37: Details of Service Tax on account of Negative List and Reserve Charge Mechanism

Particulars	Basic Cost of Service	Service Tax Rate as applicable	Total Landed cost (in %)
Up to 31.03.2012	100	0%	100.00 %
01-07-2012 onwards	100	12.36%	112.36 %
01-06-2015 onwards	100	14.00%	114.00%
15-11-2015 onwards	100	14.50%	114.50%
01-06-2016 onwards	100%	15.00%	115.00
Difference			15%

3.108 From the above, it is clear that the landed cost has increased from the existing cost of Rs. 100.00 % to Rs. 115 % resulting into increase in value of service by Rs. 15 %.

3.109 Based on the aforesaid amendments in Service Tax law, the Petitioner has to pay additional service tax of Rs. 4.44 Cr (computation given in Annexure A-4 in Volume II of the Petition) which has to be allowed separately as a part of O&M expenses.

COMMISSION'S ANALYSIS

3.110 The Commission observed that the issue has already been decided by Hon'ble High Court of Delhi vide it's order dated 29/07/2016 in W.P.(C) 2203/2012 & C.M. No.4756/2012 as follows:

"16. According to the petitioner, since the O&M expenses are required to be computed by applying a normative formula and there is no provision for truing up such expenses on account of any uncontrollable elements affecting such expenses, the impugned Regulations are violative of Section 61(b), 61(c) and 61(d) of the Act. It is also asserted that not providing for truing up of uncontrollable costs would also be contrary to paragraph 5.3(h)(4) of NTP, 2006. According to the petitioner, the O&M expenses constitutes several uncontrollable elements including (i) change in taxes, statutory levies(ii) minimum wages (iii) inflation (iv) service terms and conditions of employees transferred from

erstwhile DVB; (v) increase in consumer base; (vi) costs relating to career growth and replacement of employees and inflation in repairs and maintenance expenses.

....

22. The petitioner has been unable to establish that the tariff fixed according to the impugned Regulations would render the activity of distribution unviable and that no person could possibly recover his costs in carrying out the said business. Thus, we are also unable to accept that the impugned Regulations violate Article 19(1)(g) of the Constitution of India.

23. The impugned Regulations have been framed in exercise of powers conferred under Section 181 of the Act and are in the nature of subordinate legislation. It is well settled that scope of judicial review of subordinate legislation is very limited. And, any interference by this Court would not be warranted unless it is established that the impugned Regulations are inconsistent with the Act; are ultra vires the Constitution of India; or the due procedure for making such legislation has not been followed. In the present case, we are not persuaded that either of the said grounds have been made out."

3.111 In view of the above, the Commission has not considered any impact due to change in service tax rate as O&M expenses have been approved on normative basis which includes statutory levies and taxes as per MYT Regulations, 2011.

OTHER MISCELLANEOUS EXPENSES

ALLOWANCE OF FINANCING CHARGES

PETITIONER'S SUBMISSION

3.112 The Petitioner has submitted that the Regulation 5.3(b) of MYT Regulations, 2011 specify that expenses related to raising of loans will form part of A&G expenses. As the financing charges has not formed part of base year A&G expense, therefore the Petitioner now sought the financing charges on actual basis. Further Regulation 5.6

provides for that while providing RoE, all the financing cost shall be allowed.

3.113 The Petitioner has further submitted that, to bridge the mismatch in cash flow due to insufficient or non-cost reflective tariff, the Petitioner has been raising funds through Commercial paper for which certain financing charges are required to be paid over and above interest. Apart from this, while arranging loans from lender some finance charges in the form of processing fee or upfront fee etc. has to be paid by the Petitioner. Hence, the Petitioner has submitted to the Commission to allow these financing charges on actual basis. Since the quantum of loans varies year to year basis and lender to lender basis, hence it is appropriate also to allow these charges on actual basis.

Table 38: Total amount of financing charges

Particulars	Amount (Rs Cr)
Total Financing charges	0.21

3.114 Submission to allow an amount of Rs. 0.21 Cr on account of financing charges has also been made by the Petitioner.

3.115 Further Regulation 5.6 states that Return on Capital Employed (RoCE) shall be used to provide a return to the Distribution Licensee, and shall cover all financing costs, without providing separate allowances for interest on loans and interest on working capital.

3.116 Further Regulation 5.3(b) states that Administrative and General expenses which shall also include expense related to rising of loans, hence in view of regulation 5.6 & 5.3(b) the Petitioner has sought financing charges of Rs. 0.21 Cr as mention in Table 3.31 of True up Petition of FY 2016-17 towards rising of loans

COMMISSION'S ANALYSIS

3.117 The Commission is of the view that financing charges are covered in A&G expenses. And such A&G expenses are being allowed in ARR as O &M expenses on normative basis. Therefore, the Commission has decided not to consider the same in ARR.

PROPERTY TAX

PETITIONER'S SUBMISSION

3.118 The Petitioner has submitted that they have been subjected to and held liable for payment of property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001, after a protracted legal battle. The dispute involved determination of liability for bearing property tax in respect of properties which reflected in respective schedules of the Transfer Scheme Rules 2001. A brief background of the said dispute is explained by the Petitioner below for reference:

(i) The Assessment & Collection Department of the MCD vide its order dated 26.03.2003 determined the rateable value of a vacant land measuring 8080 sq. meter near sub-station, Civil Lines at Rs. 58,53,960/. The Petitioner has challenged such order of the MCD under section 169 of the MCD Act, 1957 before the District Judge (House Tax Tribunal), Delhi.

(ii) The Hon'ble House Tax Tribunal vide its Judgment dated 03.01.2004 in HTA No. 164/2003 held that the land is owned by the Delhi Govt. and that the Petitioner was a licensee to the land, hence quashed the aforesaid Assessment Order.

(iii) The Hon'ble Supreme Court vide its judgment dated 10.08.2016 inter alia reversed the findings of the Division Bench of the High Court with respect to the liability of payment of property tax and held that if the Distribution Licence empowers the distribution company to let out the land, then it will have to pay the property tax even if it is only a licensee to the land. The Court directed the incidence of property tax to be decided by the MCD and hence, the matter was again remanded back to MCD. It was directed that the assessing authority (North Delhi Municipal Corporation-NDMC) should consider the provisions of Delhi Municipal Corporation Act, Delhi Electricity Reforms Act, Transfer Scheme Rules and Distribution License issued under section 20 of the Delhi Electricity Reform Act for deciding the incidence of property tax in regard to the property i.e. Land Measure 8080 sq. meter near sub-station, civil lines.

(iv) In compliance of the above directions of the Hon'ble Supreme Court, proceedings were carried on before MCD wherein submissions were made by the Petitioner and DPCL and a written opinion was submitted by GoNCTD. After examining the provisions of Delhi Electricity Reforms Act, Transfer Scheme Rules 2001, DMC Act and its bye-laws framed there under and Distribution License issued under section 20 of the Delhi Electricity Reforms Act, NDMC held that property tax is liable to be paid by the NDPL/the Petitioner.

(v) Therefore, MCD on 16.02.2017 passed an order directing TPDDL to pay the property tax amount of Rs. 1,65,90,259/- (including interest and penalty) for the period FY 2002-03 to FY 2016-17 pertaining to 8080 sq. mtr. of vacant land near sub-station, Civil Lines.

(vi) The Petitioner has paid property tax amount of Rs. 67,56,440/- on 31.03.2017 to settle and close the arrears and demand in respect of the said property. As the payment was made under Amnesty Scheme floated by NDMC the interest and penalty components were waived by the Corporation, the Petitioner has paid an amount of Rs 67,56,440/- as mentioned is as under:

Table 39: Property Tax for FY 2016-17 (Rs Cr)

Financial Year	Property Tax
From FY 2002-03 to FY 2016-17*	67,56,440/-

COMMISSION'S ANALYSIS

3.119 The Commission is of the view that property tax is applicable in the year which is uncontrollable. Accordingly, the Commission has considered the actual property tax paid Rs. 0.68 Crore on account paid to the Commission during FY 2016-17.

SMS CHARGES

3.120 The Commission vide its letter dated 13.01.2016 (Copy attached as Annexure A-6 in Volume II of the Petition) had issued directive to send the SMS to consumer on various occasions. In order to comply the said directive, the Petitioner has incurred an amount of Rs 0.35 Cr toward SMS charges in FY 2016-17. The said expenses are incurred on the direction of this Commission therefore it is requested to allow the same as a part of other expenses.

COMMISSION'S ANALYSIS

3.121 The Commission is of the view that SMS charges paid are as per the Commission's directive which is uncontrollable. Accordingly, the Commission has considered the actual SMS Charges paid Rs. 0.35 Crore paid during FY 2016-17 in ARR.

WATER CHARGES

3.122 The Petitioner has submitted that they have paid an amount of Rs 1.60 Cr towards water charges to Delhi Jal Board under the scheme for waiver of 100% LPSC due on accumulated arrears in respect to Commercial Connections. It is worth to mention that the aforesaid payment to DJB is related to those connections which were pending for settlement from DVB period. Thus, to avail the benefit of Waiver Scheme, the Petitioner has paid Rs 1.60 Cr in FY 2016-17. It is worth to mention that by availing the benefit of LPSC wavier scheme the Petitioner has worked in the interest of consumer by saving in O&M expenses.

3.123 As these expenses are not covered in base year expenses, hence the Petitioner has requested to the Commission to allow Rs 1.60 Cr over and above the normative O&M Expenses.

COMMISSION'S ANALYSIS

3.124 The Commission is of the view that water charges are covered in A&G expenses, as such A&G expenses are already being allowed in ARR as O&M expenses on normative basis. Therefore, the Commission is of the opinion that the same should not be considered in ARR.

DSM EXPENSES

3.125 The Petitioner has submitted that the Commission vide its letter dated 13th May, 2015 has given its approval for implementation of AC replacement scheme in the Petitioner region to be read with DERC other letter No. F. 17(23)/DERC/Engg./2014-15/4604/288. The Commission in its Tariff Order dated September, 2015 has approved the DSM budget of Rs 20 Cr.

3.126 The Petitioner has incurred an amount of Rs. 6.16 Cr. in FY 2015-16 & FY 2016-17 towards implementation of rebate scheme. The Petitioner has already submitted a letter to the Commission mentioning the status of AC scheme from FY 2015-16 to till August, 2017. A head wise bifurcation of Expenses is submitted by the Petitioner as under:

Table 40: DSM Expenses for FY 2016-17 (Rs. Crore)

Item	Amount
For FY 2015-16 (AC Rebate expenses + Promotional activities expenses)	1.38
Add- Carrying Cost for FY 2015-16	0.08
Total	1.46
For FY 2016-17	
Year on Year Rebate amount released to the vendor	4.62
Expenditure incurred towards promotional activities	0.05
DSM Led Expenses	0.03
Total DSM Expenses for FY 2016-17	4.70
Grant Total	6.16

3.127 Considering the Commissions own directive to allow DSM expenses, the Petitioner has requested to the Commission to allow Rs 6.16 Cr on account of DSM initiatives.

COMMISSION'S ANALYSIS

3.128 The Auditor has verified the expenses incurred on account of DSM scheme approved by the Commission and accordingly has allowed actual expenses of Rs. 6.16 Crore during FY 2016-17 in ARR.

SUMARRY OF OTHER EXPENSES TRUED UP

3.129 Based on the above discussion, the Commission has considered additional expenses over and above O&M expenses for FY 2016-17 as follows:

Table 41: Commission Approved - Summary of New initiative/Additional Expenses FY 2016-17 (Rs Cr)

Sl. No.	Nature	Petitioner's Submission	Approved
Statutory Levys, Taxes etc.			
A	License Fee	1.19	1.19
B	Change in Service Tax	7.18	0.00
C	Reverse Charge Mechanism	4.44	0.00
D	Land Licensee Fees	4.42	4.42
E	CSR Expenses	8.12	0.00
Additional Expenses/ Other Expenses – in line with APTEL Judgment			
G	Other Financing charges	0.21	0.00
H	SMS Charges	0.35	0.35
I	Property Tax	0.68	0.68
J	Water Charges	1.6	0.00
Demand Side Management			
K	DSM Fund	6.16	6.16
	Total	34.35	12.80

NON TARIFF INCOME (NTI)

3.130 The Petitioner has submitted that their Non-Tariff Income for the purpose of Truing Up for FY 2016-17 is Rs. 111.12 Cr as per following details:

Table 42: Non-Tariff Income for FY 16-17

Sl. No.	Particular		(Rs Cr)	Remarks
A	Other Operating Income		107.90	Note 32 of Audited Accounts
B	Other Income		57.06	Note 33 of Audited Accounts
C	Open Access Charges		5.74	
D	Interest on Consumer Security Deposit		27.54	
E	Income from other business		(45.56)	
F	Service Line Charges		4.04	
G	Total Income		156.70	(A+B+C+D+E+F)
Less: Income included in above, not passed as Non-Tariff Income				
H	Transfer from capital grants	0.50		Note 32 of Audited Accounts
I	Transfer from cons. Cont. Capital work	28.58		Note 32 of Audited Accounts
J	Interest/Short term capital gain	3.11		Note 33 of Audited Accounts
K	Financing Cost of LPSC	11.81		

Sl. No.	Particular		(Rs Cr)	Remarks
L	Incentive towards Street Light	1.60		Note 32 of Audited Accounts
M	Total		45.59	(H+I+J+K+L)
N	Sub- Total		111.12	(G)-(M)

CONSUMER SECURITY DEPOSIT (CSD)

PETITIONER'S SUBMISSION

3.131 The Petitioner has submitted that as per Regulation 5.34 of MYT Regulations, 2011 that Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007", and shall be a pass through in the ARR."

3.132 The Petitioner has further submitted that the Commission used the consumer security deposit as a means of finance to fund the revenue gap, hence in order to compute the net interest on consumer security deposit, interest rate equivalent to cost of debt @ 11.31% has been considered for FY 2016-17.

Table 43: Computation of Interest on Consumer Security Deposit (Rs. Crore)

Sl. No.	Particulars	Amount
A	Opening balance of CSD	549.45
B	Closing balance of CSD	522.98
C	Average balance	536.22
D	Interest Rate (%)	11.31%
E	Interest amount	60.67
F	Interest already passed to the consumers in their bills	33.14
G	Interest offered in ARR for FY 2016-17	27.54

COMMISSION'S ANALYSIS

3.133 The Auditor has considered the closing balance of CSD of FY2015-16 as the opening balance of FY 2016-17 and has considered the rate of interest @10.40% for FY 2015-16 as SBI base rate has not moved more than 1% during FY 2016-17. Accordingly, total normative income from Interest on Consumer Security Deposit has been computed and the difference in the normative interest and interest booked as expenses in audited financials has been considered as Non Tariff Income is computed as follows:

Table 44: Interest on CSD

S. No.	Particulars	FY 2016-17
1	Opening Balance of CSD	530.72
2	Additions	(28.38)
3	Closing Balance of CSD	502.34
4	Average	516.53
5	Rate of Interest	10.40%
6	Interest on CSD	53.72
7	Interest already paid	33.13
8	Interest carried to NTI	20.59

SERVICE LINE-CUM-DEVELOPMENT (SLD) CHARGES

PETITIONER'S SUBMISSION

3.134 The Petitioner has requested to bring in the kind attention of the Commission about the change in accounting treatment of Service Line Charges due to implementation of Ind-As. As per Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR. However, under Ind-As since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Hence any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges are shown under the head other operating income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2016-17. Accordingly, the Petitioner has submitted the amount of Rs 4.04 Cr additionally considered as a part of Non-Tariff Income is a under:

Table 45: Additional Non-Tariff Income (Rs.Cr.)

Particulars	Amount

Particulars	Amount
Receipt on account of Service Line charges	31.42
Amortized and transferred to Profit & Loss	27.38
Amount additionally offered as NTI	4.04

COMMISSION'S ANALYSIS

3.135 As per the prevailing practice in previous Tariff Order, the Commission has considered SLD received during FY 2016-17 of Rs.4.04 Crore as part of Non-Tariff Income.

OPEN ACCESS CHARGES

PETITIONER'S SUBMISSION

3.136 The petitioner has submitted that it has offered Rs. 5.74 Cr towards non-tariff income for the ARR of FY 2016-17, in accordance with the MYT Regulations, 2011.

COMMISSION'S ANALYSIS

3.137 The Commission has considered Rs. 5.74 Cr on account of income from Open Access Charge in Non Tariff Income for FY 2016-17.

LATE PAYMENT SURCHARGE

PETITIONER'S SUBMISSION

3.138 The Petitioner has submitted that the Commission in its MYT Tariff Order, July 2012 has allowed 11.62% towards the working capital. Accordingly, the petitioner has submitted the financing cost for LPSC as follows:

Table 46: Computation of financing cost for earning LPSC (Rs Crore)

Sl. No.	Particular	UoM	Amount
A	LPSC earned (Note 32 of Audited Financial Statement)	(Rs Cr)	18.29
B	Late payment surcharge rate as prescribed by the Commission	%	18% p.a.
C	Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B)	(Rs Cr)	101.63

Sl. No.	Particular	UoM	Amount
D	Financing Cost Rate	%	11.62%
E	Financing Cost (C*D)	(Rs Cr)	11.81

COMMISSION'S ANALYSIS

3.139 As per judgment in Appeal No. 14 of 2012 of Hon'ble APTEL :

"135. Delhi Commission has submitted that allowing financing cost for LPSC means allowing of additional working capital for the time period between the due date and the actual date of payment. Hence, financing cost of LPSC has to be at the same rate as that approved for working capital funding. The view taken by the Delhi Commission is correct and need not be interfered with."

3.140 The Auditor has considered the rate of interest of working capital at 11.62% for FY 2016-17 in view of the judgment of Hon'ble APTEL and has computed interest for funding of principal amount of LPSC for FY 2016-17 indicated in the table as follows:

Table 47: LPSC approved for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2015-17
A	LPSC Collected @ 18 %	18.29
B	Principal amount on which LPSC was charged (A/18%)	101.61
C	Interest Rate for funding of Principal of LPSC	11.62%
D	Interest approved on funding of Principal amount of LPSC (B*C)	11.81
E	Net LPSC to be considered in NTI	6.48

SHORT TERM GAIN

PETITIONER'S SUBMISSION

3.141 The Petitioner has submitted an amount of interest on account of Short Term Gain of Rs 3.11 Cr and has requested the Commission to deduct the same for computation of Non-Tariff Income.

COMMISSION'S ANALYSIS

3.142 The Commission has allowed the interest of Rs. 3.11 Cr on account of short term gain should to be reduced from the Non Tariff Income.

TRANSFER FROM CONSUMER CONTRIBUTION, CAPITAL WORKS AND CAPITAL GRANT

PETITIONER'S SUBMISSION

3.143 The petitioner has submitted that as the Commission is utilizing the Gross Capital Grant/Consumer Contribution for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for capex/capitalization financing. The above treatment is in accordance with the principles accepted and implemented by the Commission in its previous Tariff Orders also. Accordingly, the Petitioner requested the Commission not to consider the amount on account of transfer from consumer contribution and capital works as Non-Tariff Income during FY 2016-17.

COMMISSION'S ANALYSIS

3.144 The Commission has allowed the amount on account of transfer from consumer contribution, capital works and capital grant to be reduced from Non Tariff Income.

INCENTIVE TOWARDS STREET LIGHT

PETITIONER'S SUBMISSION

3.145 The petitioner has submitted that in order to evolve a performance driven system that the Commission vide its order dated 22.09.2009 has put up the incentive/disincentive mechanism for maintaining street lights and accordingly has submitted an amount of Rs 1.60 Cr towards the same.

COMMISSION'S ANALYSIS

3.146 The Commission has considered the submission of the petitioner and allowed the amount of Rs 1.60 Cr to be reduced from NTI.

INCOME FROM OTHER THAN LICENSED BUSINESS

PETITIONER'S SUBMISSION

3.147 The Petitioner has submitted that it has earned Rs 52.58 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below:

(i) Training (Rs. 0.19 Cr), which includes training to outsiders (Programme covered)

(ii) APDRP, Drum Training etc. provided to Employees of other state utilities).

(iii) Optimal utilization of Distribution Assets (Rs. 1.48 Cr); and

(iv) Consultancy Income (Rs. 50.85 Cr)

(v) Income from DSM fund of Rs. 0.06 Cr.

3.148 The Commission vide its letter dated May 25, 2007 has clarified that the income from other business shall be shared on net of expenses basis.

3.149 It is further submitted that the Hon'ble APTEL in Appeal no 14/2012 has also upheld that income from other business should be allocated net of expenses incurred to earn the income from other business.

3.150 To generate such income, the Petitioner has incurred net direct expenditure of Rs.39.29 Cr during the FY 2016-17 which has to be deducted while computing the net income available for sharing between consumers and the Petitioner. Computation of the net direct expenditure is given below:

Table 48: Computation of Net direct expenses to be deducted from Other Business Income (Rs.Cr.)

Particulars	Amount	Remark
Total Direct Expenses incurred to earn Consultancy Income	40.38	
Less- Allowed on normative basis*	1.09	
Net direct expenses	39.29	

*Extrapolated on Rs 0.77 Cr for base year for FY 2011-12

3.151 It is submitted that the net revenue from the Other Business Income should be considered in the ratio of 80:20 (Consumer: Petitioner).

3.152 On the basis of above submission, the Petitioner has computed the sharing from other business income as under:

Table 49: Break-up of sharing of other business Income for FY 2016-17

Particulars	Rs. Cr	Sharing ratio	Consumer's Share	Petitioner's Share
(A) Consultancy				
Consultancy Income	50.85			
Training Income	0.19			
Sub Total	51.04			
Less- Direct Exp- other than Income tax	39.29		-	39.29
Less: Income Tax (i.e. on Grossed up basis)	3.99		-	3.99
Net Revenue (A)	7.76			
(B) Distribution of Assets				
Distribution of Assets	1.48			
Less- Direct Exp- other than Income tax			-	-
Less: Income Tax (i.e. on Grossed up basis)	0.50		-	0.50
Net Revenue (B)	0.97			
(C) Income from DSM Fund (LED Scheme)	0.06			
Less: Income Tax (i.e. on Grossed up basis)	0.02			0.02
Net Revenue (C)	0.04			
Sharing of Income from A above		20% Petitioner	6.20	1.55
Sharing of Income from B above		80% Consumer	0.81	0.20
Total	52.58		7.02	45.56

COMMISSION'S ANALYSIS

3.153 The Auditor has analyzed the audited financial statement and vouchers of expenditure incurred by the Petitioner towards their claim on account direct expenses for other business. The Auditor has excluded Rs.17.43 Crore from direct expenses on account of other business as it was part of normative O&M expenses allowed to the Petitioner. Accordingly, the Auditor has computed the net income from other business to be allowed to the Petitioner as follows:

Table 50: Income from other business

Particulars	Petitioner Submission	Trued Up
Income from other business	52.58	52.58
Less: Direct Expenses	39.29	21.86
Net Income	13.29	30.72
80% % to be allowed in ARR	7.02	24.58
Reduction on account of NTI	45.56	28.00

SUMMARY OF NTI

3.154 Based on the above discussion, summary of Non Tariff Income approved by the Commission is as follows:

Table 51: Commission Approved - Non-Tariff Income for FY 16-17

Sr. No.	As per Audited Accounts	Petitioner's Submission	Approved	Remarks
A	Other Operating revenue	107.90	107.90	Note 32 of Audited Accounts
B	Other Income	57.06	57.06	Note 33 of Audited Accounts
C	Add: Open Access Charges	5.74	5.74	As per Form 2.1A
D	Income from normative interest on Consumer Security Deposit	27.54	20.59	
E	Less: income tax on other business	(45.56)	(28.00)	
F	Add- Impact of SLD	4.04	4.04	
G	Total NTI	156.70	168.82	(A+B+C+D+E+F)
H	Less: Transfer from Capital Grants	0.50	0.50	Note 32 of Audited Accounts
I	Less: Transfer from Consumer Contribution for Capital Works	28.58	28.58	Note 32 of Audited Accounts
J	Less: Short term gain	3.11	3.11	Note 33 of Audited Accounts
K	Less: Financing cost of LPSC	11.81	11.81	
L	Less: Incentive towards Streetlight maintenance Charges	1.60	1.60	Note 32 of Audited Accounts
M	Sub Total	45.59	45.59	(H+I+J+K+L)
N	Total :Non Tariff Income (IV - V)	111.12	123.22	(G)-(M)

CAPITAL EXPENDITURE AND CAPITALIZATION

PETITIONER's SUBMISSION

3.155 The Petitioner has submitted that the Commission has not yet trued up the final capitalization since FY 2005-06 onwards. In Tariff Order Aug, 2017 the Commission has considered capitalization based on Audited Financial Statements for the year. Therefore, in line with the methodology followed by the Commission and to save the consumers from carrying cost, the Petitioner has re-casted the opening capitalization plus addition based on yearly audited financial statements.

Table 52: Computation of opening balance of gross capitalization for FY 2016-17 (Rs.Crore)

Sr. No.	Particulars	Amount
1	Opening Balance of GFA as on 01.07.2002	1210.00
2	Capitalisation in PDP period	1076.19
3	Capitalisation in 1st MYT period	1713.07
4	Capitalisation from FY 12-13 to FY 15-16	1381.65
	Closing Balance	5380.91

3.156 The Petitioner, therefore, submitted the Revised Gross Fixed Assets for FY 2016-17 based on audited financial statement is given below:

Table 53: Revised Gross Fixed Assets for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Amount	Remarks
A	Opening Balance of GFA as on FY 2015-16	5380.91	
B	Total Capitalisation during the year	455.11	
C	De-capitalisation		
D	Closing Balance	5836.02	(A+B-C)
	Average Fixed Assets	5608.47	(A+D)/2

Table 54: Detail of Actual Capitalization (Rs. Cr)

Sr. No.	Particulars	Amount
1	Capitalisation as per Audited Accounts	455.11
2	Less: Generation Capitalisation	-
3	Distribution Capitalisation	455.11

CONSUMER CONTRIBUTION/GRANT

3.157 The Petitioner submitted that MYT Regulations stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized has to be deducted.

3.158 As the capitalization has been considered based on audited financial statement, therefore the corresponding consumer contribution has been considered.

Table 55: Computation of opening balance of Consumer Contribution/grants for FY 2016-17 (Rs. Crore)

Sl. No.	Particulars	Amount
1	Opening Balance of GFA as on 01.07.2002	0.00

Sl. No.	Particulars	Amount
2	Capitalisation in PDP period	92.68
3	Capitalisation in 1st MYT period	312.15
4	Capitalisation from FY 12-13 to FY 15-16	335.15
5	**Closing Balance**	**739.98**

Table 56: Consumer Contribution/grants (Rs. Crore)

Sl. No.	Particulars	Amount	Remarks
A	Opening Balance as on FY 2015-16	739.98	
B	Total Addition during the year	110.47	Note(a) of Audited Financial Statement
C	Closing Balance	850.45	(A+B)
	Average Fixed Assets	795.22	(A+C)/2

COMMISSION'S ANALYSIS

3.159 The Commission has considered the closing GFA for FY 2015-16 as approved in the Tariff order dated 31st August, 2017 as opening GFA for FY 2016-17. In view of the pending physical verification of the Fixed Assets of the Petitioner, the Commission has considered the Capitalization for the purpose of true up provisionally based on audited financial statements for FY 2016-17.

3.160 The Auditor has considered financing of Capitalisation (net of de-capitalisation and consumer contribution) through debt and equity in the ratio of 70:30 as follows:

Table 57: Commission Approved - Financing of Capitalisation for FY 2016-17 (Rs. Crore)

Sr. No	Particulars	Petitioner's Submission	Approved	Remarks/ Ref.
A	Total Capitalisation	455.11	455.11	
B	Retirement of asset	-	50.16	
C	Consumer Contribution	110.47	110.47	Note 21 of the Audited Accounts
D	**Balance Capitalisation**	**-**	**294.48**	**A-B-C**
E	Debt	-	206.13	70% of D
F	Equity	-	88.34	30% of D

3.161 The Auditor has considered the Closing Balance of Consumer Contribution and Grants from the Tariff Order dated 31/08/2017 as approved for FY 2015-16 as Opening Balance of Consumer Contribution and Grants for FY 2016-17 and has computed average consumer contribution as folows:

Table 58: Commission Approved - Consumer Contribution and Grants for FY 2016-17 (Rs. Crore)

Sl. No.	Particulars	Petitioner's Submission	Approved	Remarks/ Ref.
A	Opening Balance	739.98	666.51	
B	Additions during the year	110.47	110.47	
C	Closing Balance	850.45	776.98	A+B
D	Average Consumer Contribution	795.22	721.75	(A+C)/2

DEPRECIATION

PETITIONER'S SUBMISSION

3.162 The petitioner submitted that as per MYT Regulations, Depreciation shall not be allowed on assets funded by any capital subsidy / grant.

3.163 The Petitioner has submitted that as specified in the MYT Regulations 2011, the Commission has allowed is allowing the depreciation on net fixed assets i.e. Gross Addition – Consumer Contribution/capital subsidy/grant. For the purpose of computation of final depreciation to be claimed as a part of Annual Revenue Requirement, first depreciation rate prescribed in MYT Regulations 2011 is applied on average Gross Block of Assets in order to compute the total depreciation and thereafter based on such total depreciation and average Gross Block of Assets, average depreciation rate is worked out which is further applied on Fixed assets (net of consumer contribution) to compute the allowable depreciation for the year.

3.164 Based on above methodology, average depreciation rate is worked out as follow:

Table 59: Petitioner Submission - Computation of Average rate of Depreciation on Gross Fixed Assets (Rs. Cr)

Sr. No.	Particulars	Amount	Remark
A	Average of Gross Fixed Assets	5608.47	
B	Average Depreciation Rate	3.91%	

3.165 Considering the above depreciation rate, computation of allowable depreciation on Average Assets (net of consumer contribution/grants) is given below:

Table 60: Petitioner Submission - Depreciation on Net Fixed Assets (Rs Crore)

Sl.No.	Particulars	Amount	Remark
A	Average Assets	4813.25	
B	Average Depreciation Rate	3.91%	
C	Depreciation (Net of Consumer Contribution)	188.20	(C*D)

Table 61: Petitioner Submission - Cumulative Depreciation on Fixed Assets (Rs. Crore)

Financial Year	Opening GFA	Addition	Closing GFA	Average GFA	Average Consumer Contribution	Depreciation Rate	Depreciation Amount	Remark
						Opening Dep.	290.00	
FY 02-03	1210.00	4.41	1214.41	1212.21		6.69%	60.71	
FY 03-04	1214.41	230.81	1445.22	1329.82		6.69%	81.24	
FY 04-05	1445.22	241.00	1686.22	1565.72		6.69%	96.69	
FY 05-06	1686.22	147.35	1833.57	1759.90		6.69%	112.81	
FY 06-07	1833.57	163.75	1997.32	1915.45		6.69%	122.67	
FY 07-08	1997.32	163.04	2160.36	2078.84	102.67	3.60%	71.14	
FY 08-09	2160.36	437.70	2598.06	2379.21	123.55	3.60%	81.20	
FY 09-10	2598.06	318.59	2916.65	2757.36	157.94	3.60%	93.58	
FY 10-11	2916.65	565.91	3482.56	3199.61	254.74	3.60%	106.02	
FY 11-12	3482.56	400.50	3883.06	3682.81	358.61	3.60%	119.67	
FY 12-13	3883.06	316.20	4199.26	4041.16	413.33	3.65%	132.42	
FY 13-14	4199.26	387.52	4586.78	4393.02	482.53	3.62%	141.56	
FY 14-15	4586.78	355.47	4942.25	4764.52	571.52	3.91%	163.95	
FY 15-16	4942.25	389.95	5332.20	5137.23	673.84	3.91%	174.52	
Add-Adjusted Capitalisation towards Pending EI	5332.20	48.72	5380.92	5356.56				
	1210.00	4170.92	5380.92				1848.17	

Table 62: Petitioner Submission - Impact of De-Capitalisation(Rs. Crore)

Sr. No.	Particulars	Amount	Remarks
A	Opening Balance	1848.17	
B	Addition during the year	188.20	
C	Impact of De-Capitalisation		
D	Closing Balance	2036.37	(A+B-C)

Table 63: Petitioner Submission - Utilization of depreciation (Rs. Crore)

Sr. No.	Particulars	Amount	Remarks
A	Depreciation	188.20	
B	Utilized for Debt Repayment	188.20	

COMMISSION'S ANALYSIS

3.166 The Auditor has considered average rate of Depreciation of 3.91% for FY 2016-17 based on the Petitioner Submission and Audited Accounts of the Petitioner and accordingly the Commission has approved the depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as follows:

Table 64: Depreciation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Approved	Remarks/ Ref.
A	Average GFA	4,472.82	
B	Average Consumer Contribution and Grants	721.75	
C	Average assets net of consumer contribution & Grants	3,751.08	
D	Average rate of depreciation	3.91%	
E	Depreciation	146.67	C*D
F	Opening balance of cumulative depreciation	1,621.48	
G	Closing balance of cumulative depreciation	1,768.15	E+F

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.167 The Petitioner has submitted that as the MYT Regulations, 2011 specify the following on Working Capital:

"5.14 Working capital for wheeling business of electricity shall consist of

(a) Receivables for two months of Wheeling Charges.

Working capital for retail supply of electricity shall consist of

(a) Receivables for two months of revenue from sale of electricity;

(b) Less: Power purchase costs for one month;

(c) Less: Transmission charges for one month; and

(d) Less: Wheeling charges for two month."

3.168 The petitioner further submitted that the MYT Regulations provide for working capital to be allowed on normative basis and is not to be trued up.

3.169 Accordingly, the Petitioner has submitted the revised computation of working capital given as under:

Table 65: Computation of working Capital (Rs. Crore)

Sr. No.	Particulars	Amount	Remarks
A	Receivables for Billed Revenue excluding E-Tax	6637.89	(Rs.6935.64-Rs.297.75)
B	Receivables equivalent to 2 months average billing	1106.32	(A/12*2)
C	Power Purchase Expense	5197.07	
D	Less: 1/12th of power purchase expenses	433.09	(C/12*1)
E	Total Working Capital for the year	673.23	(B-D)

Table 66: Computation of Change in Working Capital

Sr. No.	Particulars	Amount	Remarks
A	Total working capital for the year	673.23	
B	Less: Opening Working Capital	632.68	Tariff Order Aug.,2017
C	Change in working capital for the year	40.55	(A-B)

COMMISSION'S ANALYSIS

3.170 Hon'ble High Court of Delhi in its judgement dated 29/07/2016 in the matter of W.P.(C) 2203/2012 & C.M. No.4756/2012 has already upheld the provision of MYT Regulations, 2011 regarding funding of working capital through 100% debt. Further, Regulation 5.14 and 5.15 of the MYT Regulations 2011 specifies that working capital shall consist of:

"For Wheeling business

(a) Receivables for two months of wheeling charges

For Retail supply business

(a) Receivables for two months of revenue from sale of electricity

(b) Less: Power purchase costs for one month

(c) Less: Transmission charges for one month, and

(d) Less: Wheeling charges for two months"

3.171 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and ARR as approved in the truing up for FY 2016-17 as follows:

Table 67: Computation of working capital (Rs. Crore)

Sl. No.	Particulars	Petitioner's Submission	Approved	Remark
A	Receivables for Annual Revenue Requirement	6,637.89	6,029.72	
B	Receivables equivalent to 2 months average billing	1,106.31	1,004.95	(A/12*2)
C	Power Purchase expenses (inclusive of Transmission charges)	5,197.07	5,073.71	
D	Less: 1/12th of power purchase expenses	433.09	422.81	(C/12*1)
E	**Total working capital for the year**	**673.23**	582.14	**(B-D)**
F	Less- Opening Working Capital	632.68	632.66	
G	Change in working capital for the year	40.55	(50.52)	(E-F)

REGULATED RATE BASE (RRB)

PETITIONER'S SUBMISSION

3.172 The Petitioner has submitted that as specified in the MYT Regulations, RoCE can be determined only after determination of the Regulated Rate Base (RRB) for any particular year, and the Weighted Average Cost of Capital (WACC) for the year.

Regulated Rate Base

"For the 2nd MYT control period, the return allowed to the Petitioner shall be as per the methodology specified in the MYT Regulations, 2011. As per Regulation, the return for the year shall be determined by multiplying the weighted average cost of capital employed to the average of —Net Fixed Asset for each year. Thus, the return allowed each year is determined based on the values of assets capitalized (net of depreciation and consumer contribution) in the respective year. The addition in equity/ free reserves and debt during each year of the Control Period is also to the extent of assets capitalized in that year."

3.173 The Petitioner has submitted the computation of RRB as follows:

Table 68: Computation of Regulated Rate Base for the period FY 2016-17 (Rs. Crore)

Sl. No.	Particulars	As per Petitioner	Remarks
A	Opening Balance of OCFA	5380.91	
B	Opening Balance of Working Capital	632.68	
C	Opening Balance of Accumulated Depreciation	1848.17	
D	Opening Balance of Accumulated Consumer Contribution	739.98	
E	RRB Opening	3425.44	(A+B-C-D)
	RRB - for the Year		
F	Investment in capital expenditure during the year	455.11	Table 83
G	Depreciation for the year	188.20	
H	Consumer Contribution, Grants, etc. for the year	110.47	
I	Change in Working Capital	40.55	
J	**RRB – Closing**	3622.43	(E+F-G-H+I)
K	Δ AB (Change in Regulated Rate Base)	156.44	(F-G-H)
L	(RRB)i	3544.21	(E+K/2+I)

COMMISSION'S ANALYSIS

3.174 The Commission has computed the RRB based on provisional investment capitalised, depreciation, consumer contribution and working capital requirements for FY 2016-17 as follows:

Table 69: Computation of Regulated Rate Base for the period FY 16-17 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Approved	Remarks
A	Opening Balance of OCFA	5,380.91	4,270.35	Table 201 of Tariff Order Aug, 2017
B	Opening Balance of Working Capital	632.68	632.66	
C	Opening Balance of Accumulated Depreciation	1,848.17	1,621.48	
D	Opening Balance of Accumulated Consumer Contribution	739.98	666.51	
E	RRB Opening	3,425.44	2,615.03	A+B-C-D
F	Investment in capital expenditure during the year	455.11	404.95	Addition minus (-) decapitalised

Sr. No.	Particulars	Petitioner's Submission	Approved	Remarks
G	Depreciation for the year	188.20	146.67	
H	Consumer Contribution, Grants, etc. for the year	110.47	110.47	
I	Change in working capital	40.55	(50.52)	
J	RRB Closing	3,622.43	2,712.32	E+F-G-H+I
K	ΔAB/2+ΔWC	118.76	23.38	(Fixed Assets capitalized during the year-Dep. During the year-consumer cont. during the year)/2+ Change in Working Capital
L	RRB (i)	3,544.21	2638.41	Opening RRB+AB/2+WC

DETERMINATION OF WACC & RoCE

PETITIONER'S SUBMISSION

3.175 The Petitioner submitted that as per para no 4.21(b)(ii) under True up of MYT Regulation 2011, the Commission shall not true up the interest rate, if variation in State Bank of India Base Rate as on April 1, 2012, is within +/- 1% during the Control Period. Any increase / decrease in State Bank of India Base Rate beyond +/- 1% only shall be trued up.

Table 70: Movement in Base Rate of State Bank of India

Sr. No.	Particulars	SBI		Remarks
		FY 2011-12	FY 2016-17	
A	Weighted Average Base Rate of SBI	9.65%		
B	Opening Base Rate on 1st April	8.25%	9.30%	Annexure A-9 in Volume II
C	Opening Base Rate on 31st March	10.00%	9.30%	

3.176 The Petitioner submitted that from the above table it can be seen that the change in SBI Base Rate is within the limit of 1% +/- hence the interest rate considered for capex loans and working capital loans are taken on normative basis as mentioned in Tariff Order dated July, 2012.

Table 71: Interest Rate considered for FY 2016-17

Sr. No.	Particulars	FY 2016-17		Remarks
		Capex	Working Capital	

Sr. No.	Particulars	FY 2016-17		Remarks
		Capex	Working Capital	
A	Normative Cost of debt as approved by the Commission in its MYT Tariff Order, July 2012	11.21%	11.62%	

3.177 The Petitioner has submitted that considering the above interest rate, the cost of debt has been computed @ 11.31% considering the debt (i.e. working capital +capex loans) deployed in RRB.

3.178 The Petitioner has submitted the following for the purpose of computation of WACC.

a) computed average equity deployed in the business and

b) computed average outstanding Debt (net of loan repayment)

Table 72: Computation of Equity/ Debt balance for FY 2016-17 *(Figures in Rs. Crore)*

Sr. No.	Financial Year	Opening Equity	Addition Equity	Working Capital Equity*	Closing Equity	Opening Debt	Addition	Repayment	Working Capital Debt*	Closing Debt
A	Opening Equity	1351.86				2033.72				
B	Add- Adjustment for Pending EI Capitalization	12.28				28.65				
C	Revised Opening Balance	1364.14	103.39		1467.53	2062.37	241.24	188.20	40.55	2115.41
D	Average	1415.84				2088.89				

3.179 Based on the above submission, the Petitioner has computed WACC of 16.42% for FY 2016-17 as under:

Table 73: Computation of WACC (Rs. Crore)

Sr. No.	Particulars	Amount	Remarks
A	RRB(i)	3544.21	
B	Average Equity deployed in the business	1415.84	
C	Average Debt including working capital	2088.89	
D	Rate of Return on Equity (ROE)	16.00%	
E	Additional Return on Equity due to over achievement in AT&C Loss	8.09%	

Sr. No.	Particulars	Amount	Remarks
F	Effective Return on Equity	24.09%	(D+E)
G	Rate of Interest on Debt	11.31%	
H	WACC	15.14%	
I	RoCE	536.73	(A*H)

COMMISSON'S ANALYSIS

3.180 The Commission has already provided the detailed reasons in its Tariff Order dtd. 29/09/2015 regarding treatment of means of finance, Return on Equity, Interest on Loans, Depreciation & De-capitalisation during 1st & 2nd MYT period.

3.181 Further, the Commission has appointed consultants for physical verification of the assets of the Petitioner. Therefore, the Commission is of the view that once the physical verification of the asset is finalised then the same shall be trued up and Commission will consider the impact of Return on Equity, Interest on Loans, Depreciation and De-Capitalisation at the time of final truing up of capitalisation.

3.182 It is also pertinent to mention that the matter is sub-judice as the Petitioner has already challenged the treatment of De-Capitalisation and means of Financing provided by the Commission in its Tariff Order dtd. 29/09/2015 in Appeal No. 301/2015. Therefore, the Commission has considered the rate of interest at 10.40% as approved during true up of FY 2015-16 in tariff order dated 31/08/2017 for FY 2016-17 as the SBI base rate has not moved more than 1% on either side. Movement of SBI base rate indicated by the Auditor is as follows:

Table 74: Movement in Base Rate of State Bank of India

Sr. No.	Particulars	Petitioner's Submission		Approved
		FY 2011-12	FY 2016-17	
A	Weighted average Base Rate of SBI	9.65%		
B	Opening Base Rate on 1st April	8.25%	9.30%	9.30%
C	Closing Base Rate on 31st March	10.00%	9.30%	9.30%

3.183 The Commission has considered additional return on equity of 3.82% as discussed in truing up of AT&C Loss incentive and accordingly, total return on equity for the purpose of WACC as 19.82% for FY 2016-17.

3.184 Accordingly, the Commission has computed the WACC & RoCE FY 2016-17 as follows:

Table 75: Computation of WACC and RoCE

Sr. No.	Particulars	Petitioner's Submission	Approved	Remark/Ref
A	RRB (i)	3,544.21	2,638.41	
B	Equity (limiting to 30% net capitalization)	1,415.85	625.28	
	Average Equity balance as per net worth			
	Equity now considered for WACC	1,415.85	625.28	
C	Debt – balancing figure	2,129.44	2,013.13	
D	Rate of return on equity (re)	16.00%	16.00%	
E`	Additional return on equity due to over achievement in AT&C loss	8.09%	3.82%	
F	Effective return on equity	24.09%	19.82%	(D+E)
G	Rate of interest on debt (rd)	11.31%	10.40%	
H	WACC	16.42%	12.63%	
I	RoCE	581.81	333.29	A*H

INCOME TAX

PETITIONER'S SUBMISSION

3.185 The Petitioner has submitted that the Regulation 5.32 of MYT Regulations, 2011 specifies that Tax on Income, if any liable to be paid on the licensed business of the distribution Licensee shall be limited to tax on return on the equity component of capital employed.

3.186 Based on the above Regulation, the Petitioner has sought Income tax of Rs. 116.65 Cr as a tax on return on the equity component is given as under:

Table 76: Income tax sought for FY 2016-17

Sr. No.	Particulars	Amount (Rs Cr)	Remark/Ref
A	RRB (Average)	3,544.21	
B	Equity (Average)- Capex	1415.83	
C	Return on Equity	226.53	
D	Income Tax Rate for the year	33.99%	
E	Income Tax sought for the year	116.65	H/(1-D) – H

COMMISSION'S ANALYSIS

3.187 As per regulation 5.32 of MYT regulation 2011, income tax if any is liable to be paid on the licensed business of the distribution licensee which shall be limited to tax on return on equity component of capital employed. Any additional tax other than this shall not be pass through and it shall be payable by the distribution licensee itself.

3.188 Regulation 5.33 specify the actual assessment of income tax should take into account benefits of tax holiday and the credit for carry forward losses applicable as per the provisions of the income tax act, 1961 shall be passed onto the consumers.

3.189 Accordingly, the Commission has approved income tax on return on equity for Fy 2016-17 as follows:

Table 77: Approved Income Tax for FY 2016-17 (Rs. Crore)

S. No.	Particulars	Petitioner's Submission	Approved
A	Equity		625.28
B	Rate of return		16.00%
C	Return on Equity	226.53	100.05
D	Income tax Rate	33.99%	33.99%
E	Return on equity including income tax	116.65	151.56
F	Tax		51.52
G	Actual Tax paid		57.48
H	Tax Allowed		51.52

AGGREGATE REVENUE REQUIREMENT (ARR) for FY 2016-17

PETITIONER'S SUBMISSION

3.190 The Petitioner has submitted a total Aggregate Revenue Requirement of Rs. 6,651.16 Cr for FY 2016-17 as follows:

Table 78: Petitioner Submission - Summary of Aggregate Revenue Requirement (Rs. Crore)

Sr. No.	Particulars	Amount
A	Power Purchase cost (incl.Transmission charges)	5,197.07
B	O&M Expenses	644.20
C	Other expenses/Statutory levies	34.35
D	Depreciation	188.20

E	Return on Capital Employed (RoCE)	581.18
F	Income Tax	116.65
G	Less: Non-tariff income	111.12
H	Aggregate Revenue Requirement	6,651.16

COMMISSION ANALYSIS

3.191 Aggregate Revenue Requirement (ARR) approved for FY 2016-17 is as follows

Table 79: Commission Approved - Summary of Aggregate Revenue Requirement (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Approved	Remark
A	Power Purchase cost (incl. Transmission charges)	5,197.07	5,073.71	
B	O&M Expenses	644.20	534.95	
C	Other expenses/Statutory levies	34.35	12.80	
D	Depreciation	188.20	146.67	
E	Return on Capital Employed (RoCE)	581.81	333.29	
F	Income Tax	116.65	51.52	
G	Less: Non-tariff income	111.12	123.22	
H	Aggregate Revenue Requirement	6,651.16	6,029.72	A+B+C+D+E+F-G

REVENUE SURPLUS /(GAP)

PETITIONER'S SUBMISSION

3.192 The Petitioner has submitted the Revenue Gap for FY 2016-17 is as under:

Table 80: Petitioner Submission - Computation of Revenue surplus/ (Gap) for FY 2016-17 (Rs. Crore)

Sr. No.	Particular	Actual as per Petitioner	Remarks
A	Revenue Available	6,118.98	
B	Aggregate Revenue Requirement	6,651.16	
C	Revenue Surplus/(Gap)	**(532.19)**	(A-B)

COMMISSION'S ANALYSIS

3.193 Revenue surplus/ (gap) after true up of ARR as approved by the Commission is as follows:

Table 81: Commission Approved - Computation of Revenue surplus/ (Gap) for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Now Approved	Remarks
A	ARR for FY 2016-17	6,651.16	6,029.72	
B	Revenue available towards ARR	6,118.98	6,129.00	
C	Revenue (Gap) / Surplus for the period	(532.18)	99.28	(A-B)

A4: AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19

INTRODUCTION

4.1 As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*, the Commission has notified Business Plan Regulations which contains the following parameter applicable for a Control Period (FY 2017-18 to FY 2019-20):

(1) Rate of Return on Equity

(2) Margin for rate of interest on Loan

(3) Operation and Maintenance Expenses

(4) Capital Investment Plan

(5) Mechanism for sharing of incentive-disincentive mechanism

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset

(7) Generating Norms:

(a) Gross Station Heat Rate

(b) Plant Availability Factor

(c) Secondary Fuel oil consumption

(d) Auxiliary consumption and

(e) Plant Load Factor

(8) Transmission Norms:

(a) Annual Transmission system availability;

(b) Annual Voltage wise Availability;

(9) Distribution Norms:

(a) Distribution Loss Target

(b) Collection Efficiency Target

(c) Targets for Solar and Non Solar RPO

(d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions

(e) The ratio of various ARR components for segregation of ARR into Retail

Supply and Wheeling Business.

4.2 The Petitioner has filed the Petition for determination of Aggregate Revenue Requirement (ARR) for FY 2018-19. The Commission has analysed the Petition submitted by the Petitioner for ARR for FY 2018-19 as required under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

4.3 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, audited accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2018-19.

4.4 This chapter contains detailed analysis of the Petition submitted by the Petitioner and the various parameters approved by the Commission for determination of ARR for FY 2018-19.

ENERGY SALES

PETITIONER'S SUBMISSION

4.5 The Petitioner has submitted that the estimated sales of for FY 2018-19 has been considered based on the past year available trends and further assumed that the underlying factors which drive the demand for electricity are expected to follow the same growth trend in future year also. Therefore, demand forecast is based on the assumption that the past consumption growth trend will continue in the future also.

4.6 The category wise and year wise Compounded Annual Growth Rate (CAGR) has been calculated for the past sales pattern for those categories where CAGR/past growth trends are not showing any particular type of movement then the demand has been forecasted based on recent consumption pattern.

4.7 Impact of replacement of existing conventional streetlight points to LED has also been considered while forecasting the public lighting sales. Approx. 25% reduction in street light consumption is assumed for next year.

a) Nil consumption has been considered by Railway as it has initiated process of open access. The consumption growth of Staff category is considered similar to the growth considered for Domestic Consumers. No Growth is considered in sale on account of Misuse and Theft. The Petitioner has estimated approx. 10,000 new connection will be issued for charging of E-Rickshaw and approx. 10.95 MU will be consumed.

4.8 The Petitioner has submitted category wise previous year Sales & CAGR as follows:

Table 82: Petitioner Submission – Category-wise summary of Sales from FY 12 to FY 17 (MU)

Sr. No.	Category	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
1	Domestic	2,844.98	2,948.78	3,074.90	3,313.25	3,404.47	3,770.50
2	Non Domestic	1,184.34	1,240.21	1,278.25	1,343.24	1,403.58	1,463.16
3	Industrial	2,012.00	2,105.08	2,192.14	2,278.71	2,349.25	2,313.12
4	Agriculture & Mushroom Cultivation	14.16	11.68	11.86	12.82	13.32	12.64
5	Street Lighting	97.31	108.95	124.07	143.78	148.28	148.00
6	Delhi Jal Board	172.12	203.48	204.15	218.82	228.83	238.74
7	Railway	56.92	49.58	45.51	46.21	46.16	48.06
8	DMRC	162.93	159.76	133.71	140.07	149.45	149.50
9	Advertisement & Hoarding	-	0.60	0.62	1.54	0.97	1.18
10	Others*	154.52	139.78	122.19	117.47	109.97	115.61
	Total	6,699.28	6,967.90	7,187.40	7,615.91	7,854.29	8,260.52

**Others includes Staff, Temporary, Theft & Misuse and Own consumptions*

Table 83: Petitioner Submission – CAGR of Units Billed based on Main Category wise consumption

Sr. No.	Category	5 years	4 years	3 years	2 years	1 year
1	Domestic	5.79%	6.34%	7.03%	6.68%	10.75%
2	Non Domestic	4.32%	4.22%	4.61%	4.37%	4.24%
3	Industrial	2.83%	2.38%	1.81%	0.75%	-1.54%
4	Agriculture & Mushroom Cultivation	-2.24%	2.00%	2.14%	-0.72%	-5.14%
5	Street Lighting	8.75%	7.96%	6.05%	1.46%	-0.19%
6	Delhi Jal Board	6.76%	4.08%	5.36%	4.45%	4.33%
7	Railway	-3.33%	-0.77%	1.84%	1.99%	4.12%
8	DMRC	-1.71%	-1.65%	3.79%	3.31%	0.03%
9	Advertisement & Hoarding				-12.27%	21.68%

Sr. No.	Category	5 years	4 years	3 years	2 years	1 year
	Total	4.28%	4.35%	4.75%	4.15%	5.17%

4.9 In view of above, the Petitioner has projected approx. 17 lakh consumers and load 6471 MW for the purpose of computing fixed charges. Category wise estimated summary of billed sale (MU), Number of Consumers and Consumer's Load for FY 2018-19 is as follows:

Table 84: Petitioner Submission - Sales (MU), Number of Consumers and Load for FY 2018-19

Sr. No	Category	Projected Sales	Number of Consumers	Consumer's Load
A	Domestic	4275	13,97,563	3100
B	Non –Domestic	1577	2,34,037	1434
C	Industrial	2380	34,755	1612
D	Agriculture	13.34	4,479	30
E	Mushroom Cultivation			
F	Public Lighting	85	4,405	115
G	Delhi Jal Board (DJB)	249	745	74
H	Railways Traction	-		
I	DMRC	150.05	4	38
J	Adv. & Hoardings	1.66		
K	Temporary Supply	61.03		
L	Own Consumption	22.08		
M	Others*	40.66	32,750	68
	Total	8854.02	17,08,738	6471

** Others include Staff, E-Rickshaw, Theft &Misuse*

COMMISSION'S ANALYSIS

4.10 The Petitioner has submitted Form 2.1a for FY 2016-17 and actual sales from Apr'17 to Dec'17.

4.11 The Commission has approved sales for FY 2018-19 considering trued up sales for the period FY 2010-11 to FY 2016-17 and actual sales from Apr'17 to Dec'17. The base year for projection of sales of FY 2018-19 has been considered as FY 2017-18 – actual sales of Apr'17 to Dec'17 as submitted by the Petitioner & Sales for Jan'18, Feb'18 & Mar'18 has been considered at same level as that of respective month of the last year. The category wise sales from FY 2010-11 to FY 2017-18 are indicated in the table as follows:

Table 85: Sales for FY 2010-11 to FY 2017-18 (MU)

Sr. No	Category	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Domestic	2752	2888	2994	3109	3279	3404	3751	3931
2	Non-Domestic	1125	1229	1270	1329	1343	1404	1463	1504
3	Industrial	1962	2012	2105	2193	2279	2349	2313	2386
4	Agriculture	17	15	13	13	13	13	13	12
5	Mushroom	0	0	0	0	0	0	0	0
6	Public Lighting	89	97	109	124	144	148	148	156
7	DJB	182	172	203	204	219	229	239	244
8	Railway Traction	52	57	50	46	46	46	48	51
9	DMRC	157	163	160	134	140	149	149	160
10	Adv. & Hoardings	-	-	1	1	2	1	1	1
11	Others*	**64**	**38**	**40**	**35**	**136**	**132**	**116**	**114**
	Total	**6400**	**6672**	**6944**	**7187**	**7600**	**7877**	**8241**	**8561**

** Others include Temporary Supply, Enforcement, Own Consumption, Staff, Charging Stations for E-Rickshaw/E-Vehicle*

4.12 The category-wise CAGR of sales of 1 year to 7 years (FY 2010-11 to 2017-18) is shown in the table as follows:

Table 86: Commission Projection - Various year CAGR (FY 2010-11 to FY 2017-18) (%)

Sr.No	Category	7 Years	6 Years	5 Years	4 Years	3 years	2 years	1 year
1	Domestic	5.23%	5.27%	5.60%	6.04%	6.24%	7.45%	4.81%
2	Non Domestic	4.24%	3.43%	3.44%	3.14%	3.85%	3.53%	2.82%
3	Industrial	2.84%	2.89%	2.54%	2.13%	1.55%	0.79%	3.18%
4	Irrigation & Agriculture	-4.31%	-3.45%	-0.26%	-1.64%	-0.88%	-3.19%	-1.07%
5	Mushroom	-	-	-	-	248.52%	402.55%	85.08%
6	Public Lighting	8.37%	8.27%	7.48%	5.94%	2.81%	2.66%	5.58%
7	Delhi Jal Board (DJB)	4.30%	6.03%	3.73%	4.60%	3.75%	3.34%	2.36%
8	Railway Traction	-0.35%	-1.92%	0.46%	2.75%	3.16%	4.83%	5.55%

Sr.No	Category	7 Years	6 Years	5 Years	4 Years	3 years	2 years	1 year
9	DMRC	0.27%	-0.31%	0.03%	4.59%	4.53%	3.46%	7.01%
10	Advertisement and Hoardings	-	-	3.75%	4.29%	-21.87%	-13.17%	-38.03%
11	Others	8.62%	19.94%	23.51%	34.46%	-5.72%	-7.07%	-1.70%

ESTIMATED SALES FOR FY 2018-19

4.13 The Commission has adopted an Adjusted Trend Analysis method of demand forecasting for FY 2018-19 which assumes that the underlying factors driving the demand for electricity to follow the same trend as in the past. Hence, the forecast is also based on the assumption that the past consumption trend will continue in the future.

4.14 The trend based approach has to be adjusted based on judgment of the characteristics of the specific consumer groups/categories.

4.15 The strength of the method, when used with balanced judgment, lies in its ability to reflect recent changes and therefore probably best suited as a basis for a short term projections as used for the revenue projection in the context of ARR determination. The category-wise sales forecast for FY 2018-19 is discussed as follows:

DOMESTIC CONSUMERS

4.16 The consumption of energy by Domestic category constitutes about 46% of total sales in FY 2017-18. The Petitioner has projected sale of 4275 MU for FY 2018-19 at a growth rate of 5.79% (5 years CAGR). The growth rate for this category ranges from 4.81% to 7.45% from FY 2010-11 to 2017-18. Thus, the Commission considers growth rate of 6.04% (4 years CAGR) from FY 2013-14 to 2017-18 for projecting the sales of 4169 MU for FY 2018-19 as it is considered to be realistic for Domestic consumers category.

NON-DOMESTIC CONSUMERS

4.17 The consumption of energy by Non-Domestic category constitutes about 18% of total sales in FY 2017-18. The Petitioner has projected sales of 1577 MU for FY 2018-19 at a growth rate of 4.32% (5 years CAGR). The growth rate for this category ranges from 2.82% to 4.24% from FY 2010-11 to 2017-18. The Commission considered the growth rate of 3.14% based on 4 year CAGR as it is considered reasonable in view of the trend during the last 4 years. Therefore, the Commission approves the sales of 1552 MU for FY 2018-19 in Non-Domestic consumers category based on actual sales of FY 2017-18.

INDUSTRIAL CONSUMERS

4.18 The sales of industrial category constitutes to about 26% of total sales in FY 2017-18. The Petitioner has projected sale of 2380 MU for FY 2018-19 at a growth rate of 2.83% based on 5 year CAGR. The growth rate for this category ranges from 0.79% to 3.18% from FY 2010-11 to 2017-18. The Commission considers the growth rate of 2.13% based on 4 year CAGR as it is considered reasonable in view of the trend during the last 4 years. Thus, the Commission approves the sales of 2437 MU for FY 2018-19 for Industrial consumers.

AGRICULTURE & MUSHROOM CULTIVATION

4.19 The power consumption of these two categories has been almost constant during last 6 years. The Petitioner has projected 13.33 MU for FY 2018-19. The Commission considers the sales of FY 2017-18 in FY 2018-19 at 12.49 MU for these two categories.

RAILWAY TRACTION

4.20 The Commission had sought information from Railways about its projected quantum of purchase of power for traction load in the Petitioner's area of supply. Northern Railways vide its letter dated 14/03/2018 has intimated that they will procure traction power through open access as deemed distribution licensee from Mar'18. Therefore, the Commission has not considered any sales during FY 2018-19 for traction load of Railways for the Petitioner.

DELHI METRO RAILWAY CORPORATION (DMRC)

4.21 The consumption of energy by DMRC constitutes about 2% of total sale by the Petitioner during FY 2017-18. The Petitioner has projected energy sales of 150 MU for FY 2018-19.

4.22 The Commission had sought from DMRC about its projected quantum of purchase in the Petitioner's area of supply vide its letter dated 18/12/2017. DMRC vide its letter No. DMRC/Elect/DMRC/DERC/01 dated 03/01/2018 has intimated the projected purchase of 163 MU during FY 2018-19. Thus, the Commission has considered the quantum of sale at 163 MU as projected by DMRC for FY 2018-19.

PUBLIC LIGHTING

4.23 The consumption of energy in the Public Lighting category constitutes to about 2% of total sales during FY 2017-18. The Petitioner has projected sales of 85 MU for FY 2018-19. It is observed that consumption of this category is now on declining trend due to the replacement of Halogen Street Lights with Energy Efficient LED lights. The Petitioner has submitted actual sales of 111 MU for the 9 month period from Apr'17 to Dec'17. Therefore, it is observed that the Petitioner has under projected the sales for FY 2018-19. The Commission approves the sales of 156 MU based on sales for FY 2017-18 without considering any additional growth in this category.

DELHI JAL BOARD (DJB)

4.24 The consumption of energy by DJB constitutes to about 2% of total sales in FY 2017-18. The Petitioner has projected the sales 249 MU for FY 2018-19.

4.25 The Commission vide its letter dated 18/12/2017 sought from DJB about its projected quantum of purchase in the Petitioner's area of supply. DJB has not intimated the projected purchase of electricity during FY 2018-19 from the Petitioner. Thus, the Commission has considered appropriate growth rate of 4.60% as 4 years CAGR for projection of sale at 256 MU for FY 2018-19.

OTHER CATEGORIES

4.26 Other categories consist of Places of Worship, Hospitals (domestic category), DVB staff, Enforcement, Own Consumption, Temporary Connections, Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point for and Advertisement & Hoardings. The nature of sales in other categories may not follow the past CAGR trends in the future. The Petitioner has projected 125 MU for FY 2018-19. Therefore, the Commission has also considered the quantum of sales to such other categories at 125 MU as projected by the Petitioner.

4.27 On the basis of above analysis, the Commission approves the following energy sales for the Petitioner for FY 2018-19:

Table 87: Commission Approved - Sales for FY 2018-19 by the Commission (MU)

Category	Petitioner's Submission	Approved
Domestic	4275	4169
Non-Domestic	1577	1552
Industrial	2380	2437
Agriculture	13	12
Railway Traction	0	0
DMRC	150	163
Public Lighting	85	156
DJB	249	256
Others*	125	125
Total	**8854**	**8870**

**Places of Worship, 11kV Hospitals, DVB Staff, Enforcement, Own Consumption, Temporary Connections, Advertisement & Hoardings and Charging Stations for E-Richshaw/E-Vehicle*

REVENUE ESTIMATED FOR FY 2018-19 AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.28 The Petitioner has submitted that the Commission has followed two-part tariff principle for each consumer category (except for E-Rickshaw) consisting of fixed/ demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per month or as a fixed amount per kW of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.29 The Petitioner has submitted that the revenue from fixed charges is calculated by multiplying the existing applicable fixed charge with the load (in kW/kVAh) of the respective category.

4.30 The Petitioner has submitted that the actual usage is multiplied by the applicable tariff slab of the respective category for calculation of revenue from energy charges.

4.31 The Petitioner has further stated that wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

4.32 The Petitioner has submitted the actual Power Factor for different categories is as below:

Table 88: Summary of Power Factor

Consumer slab	Power Factor
Non-Domestic	
Upto 10 KW	0.94
Above 10 KW	0.94
Non-Domestic High Tension (NDHT)	1.00
Industrial	
Small Industrial Power (SIP)	
Upto 10 KW	0.97
Above 10 KW	0.97
Large Industrial Power	0.98
Delhi Jal Board	0.97
DMRC	1.00

4.33 Based on the above factors i.e., energy billed, no. of consumers, consumer load, power factor, the Petitioner has estimated revenue at existing retail supply Tariff for FY 2018-

19.

4.34 The Petitioner has submitted category wise estimated Revenue Billed for FY 2018-19 of control period.

Table 89: Petitioner Submission - Estimated Billed Revenue for FY 2018-19 (Rs. Crore)

Categories	FY 2018-19			
	Billed Units(MU)	Fixed Charges	Energy Charges	Total Revenue
Domestic	4,275.17	121.76	2,235.32	2,357.07
Non Domestic	1,577.07	219.49	1,411.14	1,630.63
Industrial	2,379.59	249.08	1,945.03	2,194.11
Irrigation & Agriculture	13.34	0.72	3.68	4.40
Street Lighting	84.72	-	62.03	62.03
Delhi Jal Board	248.65	11.75	186.09	197.84
DMRC	150.05	5.96	93.64	99.60
Own Consumption	22.08			0.00
Others	103.35	8.34	76.45	84.80
Total	8,854.02	617.11	6,013.38	6,630.49
8% Deficit Revenue Surcharge				527.74

COMMISSION'S ANALYSIS

4.35 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per kW of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.36 For Domestic consumers, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the sanctioned load. For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

4.37 For Non-Domestic, Industrial, Railway Traction, DMRC and DJB categories, billing is done either on kW or kVA basis, as specified in the approved tariff schedule for FY 2017-18. Since projections for FY 2018-19 are done only on kW basis for sanctioned load and on kWh basis for energy sales, wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

4.38 The Commission had sought actual month-wise category-wise power factor details from the Petitioner for the period from Apr'17 to Dec'17, accordingly, the Petitioner has submitted the same has been considered appropriately in the revenue projection as follows:

Table 90: Commission Approved – Power Factor for FY 2018-19

Category	Total
Delhi Jal Board	0.96
Large Industrial Power	0.98
Small Industrial Power above 10 kW	0.97
Non Domestic High Tension (HT)	0.95
Non Domestic above 10 kW	0.94
Advertisement	0.85
DMRC	1.00
Railways	0.99

4.39 Based on the Petitioner's data of Sanctioned Load, Number of Consumers, Sales provided in Form 2.1 (a) for FY 2016-17 & for the period Apr'17 to Feb'18, the Commission has estimated the total revenue of Rs. 6611.29 Crore to be billed in FY 2018-19. The category-wise break up of revenue estimated by the Commission on sales of 8872 MU & sanctioned load of 6459 MW for FY 2018-19 is indicated in the table as follows:

Table 91: Revenue estimated at Existing Tariff for FY 2018-19 (Rs. Crore)

Category	Fixed Charges	Energy Charges	Total Revenue
Domestic	121.98	2175.14	2,297.12

Category	Fixed Charges	Energy Charges	Total Revenue
Non-Domestic	189.90	1382.03	1571.92
Industrial	260.72	2035.31	2296.02
Agriculture	0.72	3.45	4.16
Public Lighting		114.07	114.07
DJB	12.22	192.85	205.07
Railway Traction	0.00	0.00	0.00
DMRC	5.91	97.09	103.01
Others	7.46	88.95	96.42
Total	598.90	6088.89	6687.79
Revenue at 99.50% Collection Efficiency			**6654.35**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

4.40 The Petitioner has considered the Distribution Loss @ 8.19% and Collection Efficiency @ 99.50% for FY 2018-19 as per Business Plan Regulations, 2017.

COMMISSION'S ANALYSIS

4.41 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2017 as 8.19% and 99.50% respectively for FY 2018-19, which has been considered for computation of Energy Requirement & Revenue projected for FY 2018-19 of the Petitioner.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.42 The Petitioner has estimated the energy requirement based on the sales projected for FY 2018-19 and distribution loss level as specified for FY 2018-19 in DERC Business Plan Regulations, 2017 as follows:

Table 92: Petitioner Submission - Energy requirement for FY 2018-19

Sr. No.	Particulars	Unit	Amount	Remark
A	Energy Sales	MU	8,854.02	
B	Distribution Loss	MU	789.83	

		%	8.19%	
C	Energy Requirement	MU	9643.85	(A/(1-B))

COMMISSION'S ANALYSIS

4.43 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2018-19, considering the sales approved for FY 2018-19 and Distribution Loss of 8.19%. The approved energy requirement for FY 2018-19 is summarized in the table as follows:

Table 93: Commission Approved - Energy requirement for FY 2018-19

Sr. No.	Particulars	Unit	Amount	Remark
A	Energy Sales	MU	8869.59	
B	Distribution Loss	MU	791.22	
		%	8.19%	
C	Energy Requirement	MU	9660.81	((A/(1-B))*100)

POWER PURCHASE

PETITIONR'S SUBMISSION

4.44 The Petitioner has submitted that the Power Purchase Cost is the single largest component of ARR for a distribution company and hence the same is being submitted as part of MYT Regulations considering power from both existing as well as future renewable power stations.

ENERGY AVAILABILITY (CENTRAL SECTOR, STATE SECTOR & OTHER GENERATING STATIONS)

ALLOCATION OF POWER FROM CENTRAL AND STATE GENERATING STATIONS

4.45 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the Latest allocation order for the allocations has been considered. Further, allocation from RPH has been considered NIL, as PPA of Rajghat has already been expired and has been disallowed by the Commission in tariff order of FY 2015-16. The Petitioner has further clarified that no power from unallocated quota has been considered for projection purposes. The Petitioner has submitted the availability of Energy in MU for the purpose of projections has been computed as below:

- The generation expected from Own Solar installed capacity of 1.65 MW @ 15% CuF.
- The Fixed Cost of BTPS has been considered for the period April, 2018 to July, 2018.
- Energy Charges has been considered based on actual prevailing rate of FY 2017-18 for coal/thermal power stations which was further increased by 5%.

4.46 Based on the above assumption, the Petitioner has submitted projected power purchase from State Generating Stations as follows:

Table 94: Projected Power Purchase from State Generating Stations for FY 2018-19

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	**State Generating Stations**					
I	BTPS	0.00	14.57	0.00	14.57	
II	Pragati	158.99	42.34	51.25	93.59	5.89
III	GT	53.00	69.61	15.92	85.53	16.14
IV	Pragati III	367.92	308.40	100.09	408.49	11.10
	Total SGS	579.91	434.92	167.27	602.19	10.38

CENTRAL SECTOR GENERATION STATIONS

- Thermal Plants: The estimates for energy availability from coal based plants are based on the normative availability (PAFM) of the stations.
- Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.
- Hydro Plant: The estimation is based on the month wise design energy of each plant prorated for the Petitioner share.
- Energy Charges has been considered based on actual prevailing rate of FY 2017-18 for coal/thermal power stations which was further increased by 5%.
- Fixed charges have been considered based on CERC tariff orders.

4.47 Based on the above assumption, the Petitioner has submitted projected power purchase from Central Sector Generating Stations as follows:

Table 95: Petitioner Projection - Power Purchase from Central Sector Generating Stations

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6 = 4+5	7 = 6/3
	NTPC					
I	Anta Gas Power Station	32.10	7.11	8.34	15.45	4.81
II	Auraiya Gas Power Station	21.74	10.05	6.98	17.03	7.83
III	Dadri Gas Power Station	49.34	11.76	14.50	26.26	5.32
IV	FARAKKA	30.75	4.17	9.23	13.40	4.36
V	KAHALGAON - I	106.00	11.29	27.38	38.67	3.65
VI	NCPP - DADRI	0.00	0.00	0.00	0.00	
VII	RIHAND – I	210.74	18.13	28.97	47.09	2.23
VIII	RIHAND – II	271.29	22.95	37.17	60.12	2.22
IX	RIHAND – III	0.00	0.00	0.00	0.00	
X	SINGRAULI	319.09	20.91	46.67	67.58	2.12
XI	UNCHAHAR - I	32.26	5.47	10.01	15.48	4.80
XII	UNCHAHAR - II	63.22	9.97	19.63	29.60	4.68
XIII	UNCHAHAR - III	39.01	8.26	12.07	20.33	5.21
XIV	KAHALGAON - II	338.79	37.53	87.40	124.93	3.69
XV	DADRI EXTENSION	0.00	0.00	0.00	0.00	
XVI	ARAVALI	3058.11	715.61	944.68	1660.29	5.43
	Sub-Total NTPC	4572.42	883.19	1253.03	2136.23	4.67
	NHPC					
I	BAIRA SIUL	26.30	2.50	2.74	5.24	1.99
II	CHAMERA – I	40.34	4.59	4.85	9.44	2.34
III	CHAMERA – II	61.34	6.00	6.39	12.39	2.02
IV	CHAMERA – III	42.44	8.60	9.54	18.13	4.27
V	DHAULIGANGA	45.99	3.98	7.36	11.34	2.47
VI	DULHASTI	75.06	19.56	21.96	41.52	5.53
VII	SALAL	0.00	0.00	0.00	0.00	
VIII	TANAKPUR	17.77	1.82	3.08	4.91	2.76
IX	URI	87.64	5.67	7.56	13.23	1.51
X	SEWA –II	21.82	5.55	6.18	11.74	5.38
XI	Uri – II	46.38	9.16	11.70	20.86	4.50
XII	Parbati – III	36.52	5.10	10.45	15.55	4.26
	Sub-Total NHPC	501.60	72.54	91.81	164.35	3.28
	NCPP					

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6 = 4+5	7 = 6/3
I	RAPS – 5 & 6	74.69	0.00	27.40	27.40	3.67
II	NPCIL – NAPS	97.15	0.00	25.54	25.54	2.63
	Sub-Total Nuclear	171.85	0.00	52.94	52.94	3.08
	Other Stations					
I	TEHRI HEP	51.20	12.56	15.33	27.88	5.45
II	SJVNL	174.91	24.81	24.20	49.01	2.80
III	KOTESHWAR	34.93	6.82	9.85	16.67	4.77
IV	Mejia unit - 6	217.02	31.36	52.96	84.32	3.89
V	DVC Chandrapur (Ext. 7 & 8)	651.06	109.21	133.17	242.38	3.72
VI	Haryana CLP Jhajjar (LT-5)	570.35	93.25	198.40	291.66	5.11
VII	MPL	2088.60	372.57	420.40	792.97	3.80
VIII	Tala HEP	30.13	0.00	6.84	6.84	2.27
IX	Sasan UMPP	956.65	16.26	115.52	131.78	1.38
	Others Total	**4774.86**	**666.84**	**976.67**	**1643.51**	3.44
	Grand Total	**10,020.72**	**1,622.57**	**2,374.45**	**3,997.03**	3.99

COMMISSION'S ANALYSIS

4.48 Power purchase cost is the single largest component of ARR of a Distribution Company. It is pertinent to estimate the power purchase cost with utmost care based on the optimum method of procuring power from the generating stations.

4.49 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered allocation of firm power as per the input from Delhi SLDC vide its email dtd. 12/03/2018.

4.50 The Commission conducted meetings regarding Summer Preparedness & Re-allocation of Power for FY2018-19 on 22/02/2018 & 9/03/2018 with SLDC, GENCOs, DTL, BRPL, BYPL, TPDDL & NDMC, wherein, the Commission observed that Delhi Pollution Control Committee (DPCC) vide its letter dtd. 01/03/2018 has revoked the closure directions of BTPS and indicated that BTPS would be allowed to operate from 1st March, 2018. Accordingly, it was mutually decided during the meeting to consider the operation of BTPS till July '18 which would bridge the gap between demand-supply for peak period of summer months.

4.51 Further, as was observed during the said meetings that considering Delhi as a whole, there is power surplus everyday from April '18 to Sept. '18, therefore, DISCOMs agreed to manage deficit of power in specific slots among themselves by trading through Inter DISCOM Transfer (IDT), entering into Banking & Bilateral transactions and assured that there would not be shortage of power during summers of FY 2018-19.

4.52 The distribution of unallocated quota from the various plants varies from time to time and is based on power requirement and power shortage in different States. Therefore, the Commission has not considered any power from the unallocated quota for FY 2018-19.

4.53 The Commission has examined the quantum of power purchase proposed by the Petitioner from various generating stations. The Petitioner has considered power from one new station i.e., Unchahar – IV. The Commission has sought power projection details from SLDC for FY 2018-19 and the Petitioner has agreed to power projection by SLDC for FY 2018-19 which do not account for Unchahar – IV. Accordingly, the Commission has considered the power projection details of SLDC for FY 2018-19.

4.54 The Commission in its Tariff Order dated 29/09/2015 & 31/08/2017 observed that the validity of PPA from Anta, Auraiya and Dadri Gas based Plants had expired on 31/03/2012. However, the Petitioner renewed PPA of their Plants without getting approval from the Commission which was a violation of the license condition. Accordingly, the Commission disallowed the power from these stations for FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16. However, based on new facts and submissions of the NTPC on affidavit, the Commission in its Order dtd. 22/03/2018 has allowed the power from Anta, Auraiya and Dadri Gas based Plants to BRPL & BYPL in Review Petition No. 44&45/2017 and accordingly, the same has been allowed to the petitioner based on demand-supply scenario from FY 2017-18 onwards.

4.55 In view of the above, the Commission has considered the availability of power from Anta, Auraiya and Dadri Gas based stations considering past years' trend of actual scheduled power for FY 2018-19 as submitted by SLDC in the meeting held in the office of the Commission on 26/03/2018.

4.56 The Commission vide its Order dtd. 27/03/2018 has re-allocated the power from various stations among DISCOMs for FY 2018-19 and based on the above discussions, the availability of power to the Petitioner from Central, State and Other Generating Stations as approved by the Commission is given in the Table as follows:

Table 96: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations approved for FY 2018-19

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Energy TPDDL	Energy Delhi
	(MW)	(%)	(MW)	(MW)	(MU)	(MU)
NTPC						
BTPS	705	100%	705	160.53	197.00	808.00
FARAKKA	1600	1%	22	6.83	31.00	109.00
KAHALGAON STAGE-I	840	6%	51	15.64	106.00	293.00
NCPP - DADRI	840	90%	756	10.83	33.48	3462.00
RIHAND -I	1000	10%	100	30.68	211.00	677.00
RIHAND -II	1000	13%	126	38.66	271.00	835.00
Rihand-III	1000	13%	132	0.00	0.00	678.00
SINGRAULI	2000	8%	150	46.02	319.00	1031.00
UNCHAHAR-I	420	6%	24	7.36	32.00	128.00
UNCHAHAR-II	420	11%	47	14.42	63.00	261.00
UNCHAHAR-III	210	14%	29	8.90	39.00	163.00
KAHALGAON STAGE-II	1500	10%	157	48.27	339.00	1007.00
DADRI EXTENSION	980	75%	730	10.00	37.68	3559.00
Aravali Power Corporation Ltd	1500	46%	693	613.79	2932.00	2932.00
ANTA GAS	419	11%	44	13.50	54.50	190.50
AURAIYA GAS	663	11%	72	22.10	40.20	140.20
DADRI GAS	830	11%	91	27.91	86.38	296.38
NTPC TOTAL	**15927**		**3930**	**1075.43**	**4792.23**	**16570.08**
NHPC						
BAIRA SIUL	180	11%	20	6.08	26.00	76.00
CHAMERA-I	540	8%	43	13.08	40.00	166.00
CHAMERA-II	300	13%	40	12.27	61.00	205.00
CHAMERA-III	231	13%	29	9.02	42.00	136.00
DHAULIGANGA	280	13%	37	11.35	46.00	149.00
DULHASTI	390	13%	50	15.35	75.00	275.00
SALAL	690	12%	80	0.00	0.00	284.00

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Energy TPDDL	Energy Delhi
TANAKPUR	94	13%	12	3.71	18.00	50.00
URI	480	11%	53	16.26	88.00	277.00
SEWA-II	120	13%	16	4.91	22.00	65.00
Uri-II	240	13%	32	9.90	46.00	166.00
Parbati III	520	13%	66	20.31	37.00	100.00
NHPC TOTAL	**4065**		**479**	**122.24**	**501.00**	**1949.00**
OTHERS CSGS						
TEHRI HEP	1000	6%	63	19.33	51.00	191.00
NJPC (SJVNL)	1500	9%	135	41.42	175.00	588.92
KOTESHWAR	400	10%	39	12.10	35.00	121.00
Mejia Unit-6	750	23%	170	52.16	217.00	702.00
Mejia Unit-7	500	24%	119	0.00	0.00	789.00
Chandrapur (Ext.-7 and 8)		23%	230	70.56	651.00	2049.00
Haryana CLP Jhajjar	1320	9%	124	124.00	570.00	570.00
MPL DVC	1050	27%	281	75.20	2089.00	2089.00
TALA	1020	3%	30	9.20	30.00	112.00
Sasan	3960	11%	446	55.76	400.00	3196.00
OTHERS CSGS TOTAL	**11500**		**1636.93**	**459.73**	**4218.00**	**10407.92**
NUCLEAR						
RAPS - 5 & 6	440	13%	56	17.13	75.00	361.00
NPCIL - NAPS	440	11%	47	14.42	97.00	322.00
NUCLEAR TOTAL	**880**		**103**	**31.55**	**172.00**	**683.00**
POWER STATIONS IN DELHI (SGS)						
GAS TURBINE	270	100%	270	81.78	53.00	508.00
Pragati -I	330	100%	330	63.62	159.00	1486.00
PRAGATI-III, BAWANA	1371	80%	1097	298.24	368.00	1681.00
TOWMCL	16		14.00	6.00	50.00	110.00
SECI SOLAR RAJASTHAN			60.00	20.00	40.00	125.00
Tyagraj			0.00	0.00		0.00
MSW Bawana			24.00	7.00	43.00	115.00
East Delhi MCW			3.00	0.00	0.00	10.25
Own Solar			2.00	2.00	2.00	4.00
SMALL HYDRO POWER			41.00	41.00	160.00	
SGS TOTAL	**1987.2**		**1841**	**519.64**	**875.00**	**4199.25**
TOTAL PURCHASE FROM LONG TERM	**34359.54**		**7989.04**	**2208.59**	**10558.23**	**33809.25**

POWER PURCHASE COST

4.57 The total Power Purchase Cost projected by the Petitioner is summarized in the Table as follows:

Table 97: Petitioner Submission - Power Purchase Cost proposed for FY 2018-19

Particulars	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate

	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
NTPC						
BADARPUR THERMAL POWER STATION	197.00	44.09	3.65	71.92	116.01	5.89
FARAKKA	31.00	3.94	2.50	7.76	11.71	3.78
KAHALGAON STAGE-I	106.00	11.24	2.36	25.06	36.30	3.42
NCPP - DADRI	0.00	0.00	3.17	0.00	0.00	-
RIHAND -I	211.00	17.90	1.29	27.18	45.08	2.14
RIHAND -II	271.00	19.20	1.29	34.85	54.05	1.99
Rihand-III	0.00	0.00	1.35	0.00	0.00	-
SINGRAULI	319.00	20.86	1.35	43.13	63.99	2.01
UNCHAHAR-I	32.00	4.94	2.76	8.82	13.75	4.30
UNCHAHAR-II	63.00	8.83	2.76	17.36	26.18	4.16
UNCHAHAR-III	39.00	7.57	2.75	10.71	18.28	4.69
KAHALGAON STAGE-II	339.00	36.99	2.28	77.16	114.15	3.37
DADRI EXTENSION	0.00	0.00	2.98	0.00	0.00	-
ARAVALI POWER CORPORATION LTD	2932.00	699.48	2.98	873.74	1573.21	5.37
NTPC TOTAL	**4540.00**			1197.69	**2072.72**	4.57
WITH ANTA, AURAIYA & DADRI	**4588.00**	**904.17**		**1211.82**	**2115.98**	4.61
ANTA	**12.00**	7.03	2.56	3.07	10.11	
AURAIYA	**12.00**	10.30	3.15	3.78	14.08	
DADRI GAS	**24.00**	11.80	3.03	7.27	19.08	
NHPC						
BAIRA SIUL	26.00	3.80	0.96	2.50	6.30	2.42
CHAMERA-I	40.00	8.00	1.06	4.24	12.24	3.06
CHAMERA-II	61.00	10.72	0.99	6.05	16.76	2.75
CHAMERA-III	42.00	9.44	2.12	8.92	18.35	4.37
DHAULIGANGA	46.00	9.71	1.51	6.95	16.66	3.62
DULHASTI	75.00	35.88	2.57	19.29	55.17	7.36
SALAL	0.00	0.00	0.58	0.00	0.00	-
TANAKPUR	18.00	5.10	1.57	2.82	7.93	4.40
URI	88.00	12.53	0.81	7.11	19.64	2.23
SEWA-II	22.00	6.56	2.16	4.76	11.32	5.14
URI-II	46.00	18.92	2.42	11.11	30.03	6.53
PARBATI III	37.00	7.91	2.74	10.13	18.04	4.87
NHPC TOTAL	**501.00**	**128.56**		**83.88**	**212.44**	**4.24**
TEHRI HEP	51.00	24.91	2.70	13.79	38.69	7.59
NJPC (SATLUJ)	175.00	19.04	1.19	20.76	39.81	2.27
KOTESHWAR	35.00	6.38	1.95	6.84	13.22	3.78
MEJIA UNIT-6	217.00	8.06	2.38	51.62	59.68	2.75
MEJIA UNIT-7	0.00	0.00	2.19	0.00	0.00	-
CHANDRAPUR (EXT.-7 AND 8)	651.00	36.90	1.87	121.66	158.56	2.44
HARYANA CLP JHAJJAR	570.00	74.82	3.20	182.32	257.14	4.51
MPL DVC	2089.00	334.82	1.94	406.10	740.92	3.55
TALA	30.00	0.00	2.16	6.48	6.48	2.16
SASAN UMPP	960.00	0.00	1.29	123.87	123.87	1.29
SUB TOTAL	**4778.00**	**504.93**		**933.44**	**1438.38**	3.01
NUCLEAR					0.00	
RAPS - 5 & 6	75.00		3.41	25.56	25.56	3.41

Particulars	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
NPCIL - NAPS	97.00		2.37	22.98	22.98	2.37
NUCLEAR TOTAL	**172.00**	**0.00**		**48.54**	**48.54**	
SGS						
GAS TURBINE	53.00	38.54	5.68	30.11	68.65	12.95
PRAGATI -I	159.00	33.50	4.56	72.45	105.95	6.66
PRAGATI-III, BAWANA	368.00	98.84	3.77	138.90	237.74	6.46
TOWMCL	50.00		2.75	13.74	13.74	
SECI SOLAR RAJASTHAN	40.00		5.50	22.00	22.00	5.50
TYAGRAJ			5.50	0.00	0.00	-
MSW BAWANA	43.00		7.03	30.23	30.23	7.03
EAST DELHI MCW	0.00		3.20	0.00	0.00	-
OWN SOLAR	2.00		5.90	1.18	1.18	5.90
SMALL HYDRO POWER	160.00		4.20	67.20	67.20	
SGS TOTAL	**875.00**	**170.87**		**375.82**	**546.69**	0.50
TOTAL PURCHASE FROM LONG TERM	**10914.00**	**1708.53**	2.32	**2653.49**	**4362.03**	3.81

COMMISSION'S ANALYSIS

4.58 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2018-19:

(a) The Commission has considered Fixed Charges for generating stations as approved by Central Electricity Regulatory Commission (CERC) for various generating stations of NTPC, NHPC, THDC and DVC for FY 2018-19 as per *Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014*.

(b) The generating stations whose fixed charges are not available for FY 2018-19, the Commission has considered the fixed charge per unit for those generating stations as per Jan'18 bill.

(c) The Energy Charge Rate (ECR) of Generating Stations other than State Generating Stations has been considered based on the actual ECR of recent available Jan'18 so as to have accurate projections.

(d) CERC in its Order dtd. 03/06/2016 has approved the Renovation and Modernization (R&M) proposal of Bairasiul Power Station. Accordingly, Bairasiul is under R&M for the period from FY 2017-18 to FY 2020-21. As per Regulation 30 (2) of the CERC 2014 Tariff Regulations, when a project is under R&M, only part of AFC which includes

O&M expenses and interest on loan only is allowed to recover from beneficiaries. The relevant Regulation is as follows:

"Provided that in case of generating station or unit thereof or transmission system or an element thereof, as the case may be, under shutdown due to Renovation and Modernisation, the generating company or the transmission licensee shall be allowed to recover part of AFC which shall include O&M expenses and interest on loan only."

Accordingly, the Commission has allowed only O&M expenses and interest on loan as a part of AFC for FY 2018-19.

(e) The cost of power purchase from Solar Plants has been considered at Rs. 5.50 per unit based on the allocation letter of SECI.

(f) The Energy Charge Rate and Fixed Charges of State Generating Stations including East Delhi MSW has been considered as approved by the Commission in the respective Tariff Orders for FY 2018-19.

4.59 The total Power Purchase Cost approved by the Commission is summarized in the table as follows:

Table 98: Commission Approved - Power Purchase Cost for various generating stations for FY 2018-19

Station	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
NTPC						
BTPS	197.00	22.04	3.65	71.92	93.97	4.77
FARAKKA	31.00	3.94	2.50	7.76	11.71	3.78
KAHALGAON STAGE-I	106.00	11.24	2.36	25.06	36.30	3.42
NCPP - DADRI	33.48	6.40	3.17	10.61	17.01	5.08
RIHAND -I	211.00	17.90	1.29	27.18	45.08	2.14
RIHAND -II	271.00	19.20	1.29	34.85	54.05	1.99
Rihand-III	0.00	0.00	1.35	0.00	0.00	-
SINGRAULI	319.00	20.86	1.35	43.13	63.99	2.01
UNCHAHAR-I	32.00	4.94	2.76	8.82	13.75	4.30
UNCHAHAR-II	63.00	8.83	2.76	17.36	26.18	4.16
UNCHAHAR-III	39.00	7.57	2.75	10.71	18.28	4.69
KAHALGAON STAGE-II	339.00	36.99	2.28	77.16	114.15	3.37
DADRI EXTENSION	37.68	9.43	2.98	11.23	20.66	5.48
Aravali Power Corporation Ltd	2932.00	699.48	2.98	873.74	1573.21	5.37
ANTA GAS	54.50	7.03	2.56	13.96	21.00	3.85
AURAIYA GAS	40.20	10.30	3.15	12.66	22.96	5.71

Station	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
DADRI GAS	86.38	11.80	3.03	26.18	37.98	4.40
NTPC Total	**4792.23**	**897.95**		**1272.34**	**2170.29**	**4.53**
NHPC						
BAIRA SIUL	26.00	3.80	0.96	2.50	6.30	2.42
CHAMERA-I	40.00	8.00	1.06	4.24	12.24	3.06
CHAMERA-II	61.00	10.72	0.99	6.05	16.76	2.75
CHAMERA-III	42.00	9.44	2.12	8.92	18.35	4.37
DHAULIGANGA	46.00	9.71	1.51	6.95	16.66	3.62
DULHASTI	75.00	35.88	2.57	19.29	55.17	7.36
SALAL	0.00	0.00	0.58	0.00	0.00	-
TANAKPUR	18.00	5.10	1.57	2.82	7.93	4.40
URI	88.00	12.53	0.81	7.11	19.64	2.23
SEWA-II	22.00	6.56	2.16	4.76	11.32	5.14
Uri-II	46.00	18.92	2.42	11.11	30.03	6.53
Parbati III	37.00	7.91	2.74	10.13	18.04	4.87
NHPC TOTAL	**501.00**	**128.56**		**83.88**	**212.44**	**4.24**
OTHERS CSGS						
TEHRI HEP	51.00	24.91	2.70	13.79	38.69	7.59
NJPC (SJVNL)	175.00	19.04	1.19	20.76	39.81	2.27
KOTESHWAR	35.00	6.38	1.95	6.84	13.22	3.78
Mejia Unit-6	217.00	16.47	2.38	51.62	68.10	3.14
Mejia Unit-7	0.00	0.00	2.19	0.00	0.00	-
Chandrapur (Ext.-7 and 8)	651.00	36.90	1.87	121.66	158.56	2.44
Haryana CLP Jhajjar	570.00	74.82	3.20	182.32	257.14	4.51
MPL DVC	2089.00	334.82	1.94	406.10	740.92	3.55
TALA	30.00	0.00	2.16	6.48	6.48	2.16
Sasan	400.00	0.00	1.29	51.61	51.61	1.29
OTHERS CSGS TOTAL	**4218.00**	**513.35**		**861.19**	**1374.53**	**3.26**
NUCLEAR					0.00	
RAPS - 5 & 6	75.00		3.41	25.56	25.56	3.41
NPCIL - NAPS	97.00		2.37	22.98	22.98	2.37
NUCLEAR TOTAL	**172.00**	**0.00**		**48.54**	**48.54**	**2.82**
POWER STATIONS IN DELHI (SGS)						
GAS TURBINE	53.00	41.06	3.20	16.93	57.99	10.94
Pragati -I	159.00	32.57	4.31	68.58	101.14	6.36
PRAGATI-III, BAWANA	368.00	98.84	3.77	138.90	237.74	6.46
TOWMCL	50.00		2.75	13.74	13.74	
SECI SOLAR RAJASTHAN	40.00		5.50	22.00	22.00	5.50
Tyagraj			5.50	0.00	0.00	-
MSW Bawana	43.00		7.03	30.23	30.23	7.03
East Delhi MCW	0.00		3.20	0.00	0.00	-

Station	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
Own Solar	2.00		5.90	1.18	1.18	5.90
SMALL HYDRO POWER	160.00		4.20	67.20	67.20	
SGS TOTAL	**875.00**	**172.46**		**358.76**	**531.23**	**0.50**
TOTAL PURCHASE FROM LONG TERM	**10558.23**	**1712.32**	**2.36**	**2624.70**	**4337.03**	**3.91**

POWER PURCHASE & SALE FROM OTHER SOURCES

PETITIONER'S SUBMISSION

4.60 The Petitioner has submitted that no short term power purchase has been considered, except the return of power banked units done/ or to be done in previous year. As the power banking is done on the normative rate of Rs. 4.00/unit therefore at the time of return the same normative price of Rs 4.00/unit considered by the Petitioner.

4.61 The Petitioner has projected Units for purchase for FY 2018-19 as follows:

Table 99: Petitioner Submission - Projected Units purchase

Other Sources	Projection FY 18-19		
	MUs	(Rs Cr)	Av. Rate
Power Purchase from Other Sources			
Inter-State Bilateral Purchase			
Intra-State Power Purchase			
Other Purchases Total	520.00	206.00	3.96

SHORT TERM SALE

4.62 Based on the energy requirement and energy availability, the Petitioner has projected 1385.40 MU of surplus power @ rate of 3.00 per unit. The short term surplus power was sold through available mechanisms i.e. banking, bilateral sale, exchange and UI:

4.63 The Petitioner has projected Short Term Power Sale is as follows:

Table 100: Petitioner Submission - Short Term Power Sale

Source	Amount
Sale of Surplus Power – MU	1,385.40
Revenue from Sale of Surplus Power	415.62

Source	Amount
Per unit Rate- Rs/kWh	3.00

COMMISSION'S ANALYSIS

4.64 It is observed that the Petitioner is in surplus of 993.05 MU for FY 2018-19 as indicated in Energy Balance table approved by the Commission. The impact of banking transactions has not been considered for the preparation of Energy Balance for FY 2018-19 as the energy through Return Banking will be off-set through Forward Banking met through Long term sources approved by the Commission.

4.65 CERC in its Report on Short-term Power Market in India for FY 2016-17 has indicated that the weighted average price of electricity transacted through power exchanges was Rs.2.48/kWh and that Term Ahead Market sub-segment was Rs.3.09/kWh. The relevant extract of the report is as follows:

" 6. ....

In the year 2016-17, the weighted average price of electricity transacted through Day Ahead Market sub-segment of the power exchanges was Rs.2.48/kWh and that through Term Ahead Market sub-segment was Rs.3.09/kWh."

4.66 In view of above, the Commission has appropriately considered the Sale price of Rs. 3.00/kWh which had also been considered as the Sale rate in its Tariff Order dtd. 31/08/2017 & that by the Petitioner also in its current Petition. Accordingly, the Sale of Surplus Power for FY 2018-19 is approved as follows for the Petitioner:

Table 101: Commission Approved - Sale of Surplus Power for FY 2018-19

Sr. No.	Source	Energy Sold	Cost per Unit	Total Revenue
		(MU)	(Rs./unit)	(Rs. Crore)
A	Sale of Surplus Power	645.28	3.00	193.59

RENEWABLE POWER PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.67 The Petitioner has submitted that the Commission has notified year wise solar and non-solar renewable obligations for next control period. Therefore, in order to comply with said regulations, the Petitioner while projecting RPO compliance for next year has considered the same ratio i.e. for Solar RPO – 4.75% and Non Solar RPO – 9.50%, a total of 14.25%.

Table 102: Petitioner Submission - Targets for Renewable Power Purchase Obligation

Sr. No.	Distribution Licensees	FY 2017-18	FY 2018-19	FY 2019-20
1.	Solar Target	2.75%	4.75%	6.75%
2.	Non Solar Target	8.75%	9.50%	10.25%
3.	Total	11.50%	14.25%	17.00%

Table 103: Petitioner Submission - RPO Compliance for FY 2018-19

Sr. No.	Particulars	UoM	FY 18-19	
			Solar	Non Solar
A	Projected Energy sale for FY 2018-19	MU	8,854.02	
B	RPO target–Solar	%	4.75%	9.50%
C	RPO target –Solar	MU	420.57	841.13
D	RPO Compliance through	MU		
	Purchase from TPDDL Solar	MU	2.17	
	Purchase from SECI Solar	MU	40.30	
	Purchase form Bawana Waste	MU		42.99
	Purchase from Small Hydro	MU		159.65
	Purchase from TOWMCL	MU		49.93
E	Excess/ (Shortfall)= (C-D)	MU	(378.10)	(588.57)
F	Inter head adjustment	MU		
G	Requirement to be met through purchase of REC		(378.10)	(588.57)
H	REC rate	Rs/kWh	2.40	1.50
I	Cost for REC purchase	Rs Cr	90.74	88.28
	Total REC		179.03	

Table 104: Petitioner Submission - Power Purchase from Solar and Non-Solar Generating Stations

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
A	Solar					
	TPDDL Solar	2.17	-	3.17	3.17	14.64
	SECI Solar	40.30	-	23.27	23.27	5.78

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)	Average Rate (Rs./kWh)
1	2	3	4	5	6=4+5	7=6/3
	Sub-Total	42.46	-	26.44	26.44	6.23
B	Non-Solar					
	Bawana W2E	42.99	-	31.73	31.73	7.38
	TOWMCL	49.93	-	33.74	33.74	6.76
	Sub-Total	92.92	0.00	65.47	65.47	7.05
	Total	135.39	0.00	91.91	91.91	6.79

COMMISSION'S ANALYSIS

4.68 The Commission has notified the Business Plan Regulations, 2017 for three years i.e., FY 2017-18, FY 2018-19 and FY 2019-20. In the said regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 105: Targets for Renewable Purchase Obligation

Sr. No.	Particulars	FY 2018-19
1	Solar Target (Minimum)	4.75%
2	Total	14.25%

4.69 As per the above said Business Plan Regulations, 2017 of the Commission, the Distribution companies have to purchase 14.25% of total Energy Sales approved by the Commission during FY 2018-19 from renewable energy sources including 4.75% from the solar sources.

4.70 The Commission has approved the total energy sales of 8872 MU for FY 2018-19 for the Petitioner. Based on the sales approved, the Petitioner has to purchase a minimum of 1264 MU from renewable energy sources for FY 2018-19 indicated in the table as follows:

Table 106: Commission Approved - Renewable Energy to be Procured

Power Source	Approved Energy Sales (MU)	% of Total approved energy sales in Regulations	Renewable Energy to be Procured
Solar	8871.53	4.75%	421.40
Non-solar		9.50%	842.80

Power Source	Approved Energy Sales (MU)	% of Total approved energy sales in Regulations	Renewable Energy to be Procured
Total		**14.25%**	**1264.19**

4.71 The Commission has noted that the Petitioner has reconciled its purchase from various renewable energy sources with SLDC which has been submitted by SLDC to the Commission. The total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.72 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2018-19.

4.73 CERC has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs vide its Order dated 30/03/2017 indicated in the Table as follows:

Table 107: Fixed Floor Price and Forbearance Price for Solar and Non-solar

Sr. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	Rs. 1000/MWh	Rs. 3000/MWh
2	Solar	Rs. 1000/MWh	Rs. 2400/MWh

4.74 Further, Hon’ble Supreme Court of India has stayed the above mentioned Order of CERC vide its Order dated 08/05/2017 in Civil Appeal No. 6083/2017 and 6334/2017. Subsequently, Hon’ble Supreme Court of India in its Order dated 14/07/2017 has vacated the stay on trading of Non-Solar RECs at the Floor price prevalent earlier subject to pending Appeal No. 105/2017 before the Hon’ble APTEL. However, the obligated entities/Power Exchanges shall deposit the difference between Floor price prevalent earlier and Floor price as determined by CERC in its Order dtd. 30/03/2017 with the CERC. There is no vacation of stay on trading of Solar REC.

4.75 In view of above, the Commission has considered the Floor Price of Non-Solar REC as approved earlier by CERC i.e., Rs. 1500/MWh on provisional basis subject to the outcome of Appeal No. 105/2017 filed before the Hon’ble APTEL. Further, due to stay on Solar REC trading, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance based on the rate of SECI (Rs. 5.50/kWh).

4.76 It may be mentioned that the Forbearance price approved by CERC for Solar REC is Rs. 2400/MWh in its Order dtd. 30/03/2017 which is presently stayed by Hon'ble Supreme Court of India. Since, the Petitioner when procures power from Solar Energy sources to meet its RPO then it will have to back down the Generating stations which has highest variable cost i.e., APCPL. Accordingly, the Commission has allowed the rate of Solar Energy to the Petitioner at Rs. 5.50/kWh i.e., around Rs. 2.52/kWh over and above the variable cost of APCPL which is Rs. 2.98/kWh.

4.77 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 108: Commission Approved – Power Purchase Cost towards RPO Compliance

Sr. No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	(Rs./kWh)	Total Cost (Rs. Crore)
SOLAR				
1	Own Solar	2.00	5.50	1.10
2	Solar (SECI)	40.00	5.50	22.00
3	Balance Solar Energy to be purchased	379.31	2.40	91.03
	Sub Total	**421.31**		**114.13**
NON SOLAR				
4	TOWMCL	50.00	2.75	13.74
5	MSW Bawana	43.00	7.03	30.23
6	East Delhi MSW	-	-	
7	Small Hydro Power	160.00	4.20	67.20
8	Balance Non Solar RECs to be purchased	589.61	1.50	88.44
	Sub Total	**842.61**		**199.62**
	TOTAL RPO	**1263.92**		**313.75**

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

4.78 The Petitioner has submitted that 0.98% losses have been considered for Intrastate Transmission i.e. for DTL network and for Inter State Transmission losses 3.20% has been considered for FY 2018-19. The Transmission Losses for FY 2018-19 as projected by the Petitioner is as follows:

Table 109: Petitioner Submission - Transmission Losses for FY 2018-19

Source	Amount
Inter-State Transmission	356.67
Intra-State Transmission (DTL)	95.45
Total Transmission Losses (MU)	**452.12**

4.79 The Petitioner has submitted that the transmission charges for PGCIL and DTL has been considered equivalent to the charges applicable for FY 2017-18. STOA charges of Rs 0.50/unit has been factored as a part of transmission cost. Accordingly, the Petitioner has submitted transmission charges (in Rs Cr.) in tabulated form as given below:

Table 110: Petitioner Submission - Transmission Charges (Rs Cr.) for FY 18-19

Source	Amount
PGCIL Charges	384.00
DTL & SLDC Charges	360.37
Other Transmission charges, LDC charges	17.13
STOA Charges	69.27
Total (excluding Pension Trust)	830.76

COMMISSION'S ANALYSIS

4.80 The Commission has considered the Intra-state Transmission losses as 0.98% for FY 2016-17 as per the data available at SLDC website of Input Energy (30659.71 MU) and Output Energy (30359.58 MU) .

4.81 The Commission has considered the Inter-State Transmission loss of 1.65% based on the Power System Operation Corporation Limited (POSOCO) Order wherein Point of Connection (PoC) Loss Slab for Jan-Mar'18 for each demand and generation zone has been approved.

TRANSMISSION CHARGES

4.82 The Petitioner has submitted actual Transmission Charges for the period from Apr'17 to Jan'18. Accordingly, the Commission has pro-rated the same for balance 2 months of FY 2017-18 and considered the same for FY 2018-19 amounting to Rs. 467.76 Crore.

4.83 The Intra-State Transmission charges has been considered based on DTL Order for FY 2018-19 in which the approved ARR for FY 2018-19 is Rs. 1118.57 Crore.

4.84 The Commission has considered the ratio of Power available to the petitioner based on the Power projected by Delhi SLDC for FY 2018-19 for computation of share of intra-state Transmission Charges for FY 2018-19.

4.85 The Commission has considered SLDC charges of Rs. 3.10 Crore for the Petitioner for FY 2018-19 as that approved by the Commission in its Tariff Order dated 29/09/2015 because SLDC has not filed any ARR for FY 2018-19.

4.86 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2018-19 are indicated in the table as follows:

Table 111: Commission Approved – Inter-State & Intra-State Transmission Losses and Charges FY19

Sr. No.	Particulars	Approved
A	**Transmission losses (MU)**	
1	Inter-State Transmission (PGCIL)	156.52
2	Intra-State Transmission (DTL)	95.61
	Total Transmission Losses (MU)	**252.14**
B	**Transmission Charges (Rs Crore)**	
1	Inter-State Transmission (PGCIL)	467.76
2	Intra-State Transmission (DTL)	324.75
3	SLDC Charges	3.10
C	**Total Transmission Charges (Rs. Crore)**	**795.61**

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.87 The energy balance submitted by the Petitioner for FY 2018-19 is summarized in the table as follows:

Table 112: Petitioner Submission – Energy Balance Summary and Power Purchase Cost for FY 2018-19

Sr. No.	Particulars	FY 2018-19		
		Quantity (MU)	Amount (Rs. Cr.)	Average Cost (Rs./kWh)
1	Power Purchase from CSGS including Unchahar IV – TPS	10086.42	4037.98	4.00
	Short Term Power Purchase	520.00	206.00	
2	PGCIL Losses & Charges	356.67	384.00	
3	Power Purchase from SGS	579.91	602.19	10.38
4	Renewable Energy Plants and small Hydro	295.03	158.90	5.39
5	Cost towards Renewable Energy Certificates		179.03	
6	Power Available at Delhi Periphery (cost excluding RECs)	11,124.69	5568.10	5.01
7	DTL Loss & Transmission Charges	95.45	446.76	
8	Power Purchase Rebate @ 2%		91.98	
9	Rebate on Transmission Charges @ 2%		14.89	
10	Power Available to DISCOM	11,029.25	5907.99	5.36
11	Sales	8854.02		
12	Distribution Loss	789.83		
13	Net Power Purchase cost including Transmission charges and REC	9,643.85	5,492.38	5.70
14	Net Surplus Power	1,385.40	415.62	3.00

COMMISSION'S ANALYSIS

4.88 Based on the energy sales, distribution loss, Intra-state and Inter-state transmission losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized in the table as follows:

Table 113: Commission Approved - Energy Balance for FY 2018-19

Sr. No.	Particulars	Unit	FY 2018-19
Energy Availability			
1	Total Energy available (excluding BTPS, SGS & RE Plants)	MU	9486.23
2	Inter-State Transmission Losses	%	1.65%
		MU	156.52
3	Energy available from BTPS, SGS & RE Plants	MU	1072.00
4	**Energy available at State Transmission Periphery (1-2+3)**	**MU**	**10401.71**

Sr. No.	Particulars	Unit	FY 2018-19
Energy Requirement			
5	Energy Sales	MU	8869.59
6	Distribution Loss	%	8.19%
		MU	791.22
7	Energy requirement at Distribution periphery	MU	9660.81
8	Intra-State Transmission Loss	%	0.98%
		MU	95.61
9	**Energy Requirement at State Transmission Periphery**	**MU**	**9756.43**
10	**Surplus energy/(Deficit) (4-9)**	**MU**	**645.28**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

4.89 The Petitioner has submitted MYT Regulations, 2011 provided that normative rebate has to be considered on net power purchase cost and based on the same the Petitioner has projected normative rebate of Rs.106.87 for FY 2018-19.

Table 114: Computation of Normative Rebate (Rs Crore)

Gencos	Maximum rebate (%)	Amount
State Generating Stations		
Delhi State Gencos	2%	12.04
Central Generating Stations		
NTPC	2%	42.72
NHPC	2%	3.29
NPCIL	2.00%	1.06
Others	2%	32.87
Transmission		
Transmission	2%	14.89
Total		106.87

COMMISSION'S ANALYSIS

4.90 With reference to the Rebate on Power Purchase and Transmission charges, DERC Tariff Regulations, 2017 states as follows:

"119. Distribution Licensee shall be allowed to recover the net cost of power

purchase from long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."

4.91 Accordingly, the Commission has considered Power Purchase Rebate @ 2% of Gross Power Purchase Cost and Transmission Rebate @ 2% of the total Transmission except SLDC charges for projection of normative rebate on the power purchase cost for FY 2018-19.

TOTAL POWER PURCHASE COST

PETITIONER'S SUBMISSION

4.92 The Petitioner projected the total power purchase cost during FY 2018-19 as tabulated below:

Table 115: Petitioner Submission - Energy Balance summary and Power purchase cost for FY 2018-19

Sr. No.	Particulars	FY 2018-19		
		Quantity (MU)	Amount (Rs. Cr.)	Average Cost (Rs./kWh)
1	Power Purchase from CSGS including Unchahar IV – TPS	10086.42	4037.98	4.00
	Short Term Power Purchase	520.00	206.00	
2	PGCIL Losses & Charges	356.67	*384.00	
3	Power Purchase from SGS	579.91	602.19	10.38
4	Renewable Energy Plants and small Hydro	295.03	158.90	5.39
5	Cost towards Renewable Energy Certificates		179.03	
6	Power Available at Delhi Periphery (cost excluding RECs)	11,124.69	5568.10	5.01
7	DTL Loss & Transmission Charges	95.45	446.76	
8	Power Purchase Rebate @ 2%		91.98	
9	Rebate on Transmission Charges @ 2%		14.89	
10	Power Available to DISCOM	11,029.25	5907.99	5.36
11	Sales	8854.02		
12	Distribution Loss	789.83		
13	Net Power Purchase cost including Transmission charges and REC	9,643.85	5,492.38	5.70
14	Net Surplus Power	1,385.40	415.62	3.00

** includes SGS/BTPS/Renewable etc.*

COMMISSION'S ANALYSIS

4.93 Based on the analysis above, the total Power Purchase Cost for FY 2018-19, approved by the Commission is summarized as follows:

Table 116: Commission Approved – Total Power Purchase Cost for FY 2018-19

Sr. No.	Particulars	Approved		
		Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./kWh)
1	Power Purchase from CSGS except BTPS, SGS and RE Plants	9486.23	3711.84	3.91
2	PGCIL Losses & Charges	156.52	467.76	
3	Power Purchase from SGS including BTPS excluding RE Plants	777.00	490.84	6.32
4	Renewable Energy Plants	295.00	134.35	4.55
5	Cost towards Renewable Energy Certificates (RECs)		179.48	
6	**Power Available at Delhi Periphery (cost excluding RECs)**	**10401.71**	**4804.79**	**4.62**
7	DTL Loss & Charges including SLDC charges	95.61	327.85	
8	Power Purchase Rebate @ 2%		86.74	
9	Rebate on Transmission Charges @ 2%		15.85	
10	**Power Available to DISCOM**	**10306.10**	**5030.05**	**4.88**
11	Sales	8869.59		
12	Distribution Loss	**791.22**		
13	**Net Power Purchase cost including Transmission charges and RECs**	**9660.81**	**5015.94**	**5.19**
14	**Net Surplus Power**	**645.28**	**193.59**	**3.00**

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.94 As per Regulation 135 of the DERC *(Terms and Conditions for Determination of Tariff) Regulations, 2017,* the Commission has to specify the detailed formula for PPAC in the Tariff Order for the relevant year.

4.95 Further, as per Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 only Price of Fuel from long term sources of Generation, Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation and Variation in Transmission Charges shall be allowed to be recovered in

PPAC. The relevant regulation is as follows:

> *" 134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:*
>
> *(a) Variation in Price of Fuel from long term sources of Generation;*
>
> *(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;*
>
> *(c) Variation in Transmission Charges. "*

4.96 Accordingly, the Commission has specified the PPAC formula for FY 2017-18 by considering the base Power Purchase Cost from various generating stations over which any increase has to be taken for the purpose of PPAC during FY 2017-18 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for } n_{th} \text{ Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in $(n-1)_{th}$ Qtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in $(n-1)_{th}$ Qtr (in kWh)

$$= \frac{\text{Total bulk sale in } (n-1)_{th} \text{ Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in } (n-1)_{th} \text{ Qtr}}$$

(in kWh)

Total bulk sale and gross power purchase in (n-1)th Qtr to be taken from provisional accounts to be issued by SLDC by the 10th of each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)*(1 – $\frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{100}$) + Power from Delhi GENCOs including BTPS (in kWh)}*(1 – $\frac{\text{Intra state losses in \%}}{100}$) – B] in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

$$\text{INTER STATE TRANSMISSION LICENSEE Losses} = \frac{\text{100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)}}{\text{Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)}}$$

(in %) DTL Losses (in %) = $\frac{\text{100 * Approved DTL Losses (from the Tariff Order) Power}}{\text{available at Delhi periphery (from energy balance table tariff order)}}$

4.97 The Commission has specified the methodology for recovery of PPAC in its Business Plan Regulations, 2017 as follows:

" The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (Q4).

(3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as

follows:

(a)in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.98 PPAC on quarterly basis shall be charged as per the following:

(a) The PPAC will be charged to all categories of consumers.

(b) The weighted average base cost as approved in this Tariff shall be Rs. 3.91/kWh.

(c) The Distribution licensee shall submit to the Commission the details in respect of changes in power purchase cost of plants having long term PPAs, as listed above for $(n-1)^{th}$ quarter. Further, Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other charges and units purchased from each plant having long term PPAs, as listed above, for $(n-1)^{th}$ quarter and actual transmission charges for $(n-1)^{th}$ quarter shall be furnished along with the proposal of PPAC surcharge submitted for the Commission's approval. Further, similar information in respect of current bills shall also be furnished in the Auditor's certificate.

(d) The percentage of PPAC will be rounded off to two decimal places.

(e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC.

(f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

(g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION & MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

4.99 The Petitioner has submitted that the Commission in its Business Plan Regulation, 2017 had notified norms for Operation and Maintenance Expenses in terms of Regulation 4(3) and based on network, the Petitioner is seeking O&M Expenses for FY 2018-19 as follows:

Table 117: Petitioner Submission - O&M Expenses for FY 2018-19

Particulars	Capacity as on 31.03.2019	O&M Expenses Per Unit	O&M Expenses (Rs. Crore)

Particulars	Capacity as on 31.03.2019	O&M Expenses Per Unit		O&M Expenses (Rs. Crore)
66 kV Line (kms)	981	Rs. Lakh/Ckt. Km	3.482	34.16
33 kV Line (kms)		Rs. Lakh/Ckt. Km	3.482	
11 kV Line (kms)	6119.41	Rs. Lakh/Ckt. Km	0.91	55.69
LT Lines system (kms.)	7029.86	Rs. Lakh/Ckt. Km	6.73	473.11
66/11 kV Grid sub-station (MVA)	5113.5	Rs. Lakh/MVA	0.979	50.06
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA	0.979	
11/0.4 kV DT (MVA)	5912.79	Rs. Lakh/MVA	1.4	82.78
Total (excluding impact of any statutory pay revision)				695.79
Add- Provisional Impact of 7th Pay Commission*	Subject to True up on Actual Basis			44.26
Add- Payparity for Non FRSR				22.92
Add- Impact of GST				9.00
Add- Impact of Minimum wages				14.00
Add- Legal Expenses	To be allowed on Normative Basis			15.88
Total O&M Expenses				801.86

4.100 Further the petitioner has submitted that the capacity considered for computation of O&M expenses are subject to change based on actual capitalization.

COMMISSION'S ANALYSIS

4.101 The Commission has notified Business Plan Regulations, 2017 wherein norms for Operation and Maintenance Expenses in terms of Regulation 4(3) has been determined for FY 2018-19.

4.102 The Commission has considered impact of any Statutory Pay revision on employee's cost i.e., Rs. 44.26 Cr. & Rs. 14 Cr. for Increase in salary on account of 7th Pay Commission & Minimum Wage revision respectively as specified in the Business Plan Regulations, 2017.

4.103 The Petitioner has submitted that impact of GST & pay parity for Non-FRSR employees. The Commission is of the view that the Petitioner has not submitted the detailed computation of increase in tax due to GST implementation. Further, Non-FRSR employees are not covered under statutory pay revisions as specified by the

Commission in Business Plan Regulations, 2017. Therefore, impact on account of GST & pay parity for Non-FRSR employees has not been considered over & above the normative O&M expenses for FY 2018-19.

4.104 On the basis of network details and statutory pay revisions subject to true up of Capitalisation & actual payment, the Commission has approved O&M Expenses for FY 2018-19 indicated as follows:

Table 118: Commission Approved - O&M Expenses for FY 2018-19

Particulars	Capacity as on 31.03.2018	O&M Expenses Per Unit		O&M Expenses (Rs. Crore)
66 kV Line (kms.)	981	Rs. Lakh/Ckt. Km	3.482	34.16
33 kV Line (kms.)		Rs. Lakh/Ckt. Km	3.482	
11 kV Line (kms.)	6119.40	Rs. Lakh/Ckt. Km	0.91	55.69
LT Lines system (kms.)	7029.90	Rs. Lakh/Ckt. Km	6.73	473.11
66/11 kV Grid sub-station (MVA)	5113.50	Rs. Lakh/MVA	0.979	50.06
33/11 kV Grid sub-station (MVA)		Rs. Lakh/MVA	0.979	
11/0.4 kV DT (MVA)	5912.80	Rs. Lakh/MVA	1.4	82.78
Total				**695.80**
7th Pay Commission				44.26
Minimum Wages				14.00
Total				**754.06**

4.105 Accordingly, the Commission approves Rs. 754.06 Cr. as O&M Expenses for FY 2018-19.

CAPEX PLAN FOR FY 2018-19

PETITIONER'S SUBMISSION

4.106 After various technical and physical audits, the Petitioner has submitted benefit centre wise Capex Plan to achieve the anticipated load growth and targeted distribution loss reduction.

4.107 The Petitioner has also submitted targeted area wise distribution of CAPEX as follows:

1) Distribution Loss Reduction
   (a) Meter Replacement (Distribution)
   (b) Meter Replacement (Smart Meters)
   (c) Reactive Power Compensation

2) Quality Improvement
   (a) Automation Implementation
   (b) Protection & Testing Instruments
      (i) Online Partial Discharge test kit for Power Cable
      (ii) Riser Bond Equipment for Cable Signature Analysis
      (iii) Special Purpose Vehicle for Maintenance activity at site equipped with crane, thermo-scanning, ultrasound and testing equipment
   (c) Safety related
   (d) 11 kV Sick Cable Replacement
   (e) 11 kV System Improvement
   (f) EHV System Improvement-EHV Lines & Grid Equipment

3) Growth Development Plan to meet the load growth
   (a) 66 & 33 KV Addition/Augmentation Of Bays/Transformers
   (b) 66 & 33 kV Lines and Cables
   (c) Augmentation of 11 kV network
   (d) New Meters (Distribution)
   (e) New Meters (Smart Meters)

4) Creation of Infrastructure Facilities, Buildings and related civil works
   (a) Administration support
   (b) Civil Infrastructure
   (c) Information Technology - A brief Summary for the above IT schemes as follows:
      (i) Tertiary Data center
      (ii) Disk based Backup Appliances for DC-2
      (iii) Replacement of SAN Switches older than Seven Years
      (iv) Replacement of E-mail Filtering solution older than Seven Years
      (v) Replacement of DG set older than Seven Years
      (vi) Printers & Scanners
      (vii) Laptops / Desktops
      (viii) Office Automation Equipment like Projectors, IP Phones etc.
      (ix) Network Equipment for newly connected locations
      (x) Enablement of remote offices to utilize multiple technology systems at a time
      (xi) Microwave link up gradation for uninterrupted data flow between

critical locations

(xii) Licenses for various software (.net, SQL Server 2016, etc.) & misc. software (IT/I0000/00066)

4.108 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2017 had approved tentative capitalization of Rs 430 Cr. for FY 2018-19 (excluding Rs. 50 Cr towards Capital Deposit).

Table 119: Capitalization for FY 2018-19

Particulars	Rs. Crore
Capitalization	414
Smart Meter	66
Total Capitalization without deposit work	430
Add: Deposit Work	50
Total	480

4.109 It is worth to mention that deposit work is also treated as a part of capitalization, hence the capitalization for FY 2018-19 is considered as given below:

Table 120: Capitalization considering Deposit work for FY 2018-19

Particulars	Rs. Crore
Capitalization without deposit work	364
Smart Meter	66
Total Capitalization without deposit work	430
Add: Deposit Work	50
Total	480

4.110 Considering the capitalization of Rs. 480 Cr, gross block of fixed assets works out as follows:

Table 121: Capitalization of Fixed Assets (Rs. Crore)

Sl. No.	Particulars	Amount	Remark
A	Opening Balance	6,325.01	
B	Addition during the year	480.00	
C	Deletion during the year*		
D	Closing Balance	6,805.01	(A+B-C)
E	Average Balance of Fixed Assets	6,565.01	((A+D)/2)

**No deletion has been considered*

CONTRIBUTIONS, GRANTS, SUBSIDIES TOWARDS COST OF CAPITAL ASSETS

4.111 The Petitioner has submitted that the contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized.

4.112 The Petitioner has estimated that Rs 50 Cr will be capitalized towards consumer contribution for FY 18-19 as follows:

Table 122: Estimated Consumer Contribution Capitalised (Rs. Crore)

Sl. No.	Consumer Contribution/Grant	Amount	Remark
A	Opening Balance	900.45	
B	Capitalized during the year	50.00	
C	Closing Balance	950.45	(A+B)
D	Average Balance of Fixed Assets	6,565.01	(A+C)/2

COMMISSION'S ANALYSIS

4.113 The Commission has considered capital investment for FY 2018-19 as per the approved tentative capital investment plan in the Business Plan Regulations, 2017 for the Petitioner for FY 2018-19 indicated in the table as follows:

Table 123: Commission Approved - Capitalisation for FY 2018-19 (Rs. Crore)

Particulars	Amount
Capitalisation	414
Smart Meter	66
Less: Deposit Work	50
Total	**430**

4.114 The Commission has projected the capitalization of consumer contribution during FY 2018-19 as per the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance is as follows:

Table 124: Commission Approved - Consumer Contribution Capitalized (Rs. Crore)

Particulars	FY 2018-19
Opening balance of Consumer Contribution already capitalized	826.98
Consumer Contribution Capitalized out of Consumer Contribution received during MYT Period	50.00
Closing Consumer Contribution and Grants	876.98
Average Consumer Contribution and Grants	851.98

DEPRECIATION

PETITIONER'S SUBMISSION

4.115 The Petitioner has submitted that Commission in its 3rd MYT Regulation's has changed its methodology for allowance of Depreciation. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Therefore considering such change in rate of deprecation the effective rate comes to 5.20% (based on 6 months actual audited financial statement of FY 2017-18) which includes one-time impact of opening assets. Excluding the one-time impact of FY 2017-18. The Petitioner has estimated that Depreciation rate would be around 5.06% for FY 2018-19.

Table 125: Petitioner Submission - Estimated Consumer Contribution Capitalised (Rs. Crore)

Particulars	Amount
Opening GFA	6,325.01
Net Additions to Asset during the year	480.00
Closing GFA	6,805.01
Average GFA	6,565.01
Less: Average Consumer Contribution	925.45
Average GFA net of CC	5,639.56
Average rate of depreciation	5.06%
Depreciation for the year	285.24
Opening Depreciation	2,306.77
Closing Depreciation	2,592.01
Average Depreciation	2,449.39

COMMISSION'S ANALYSIS

4.116 The Commission has considered the rate of depreciation as approved for FY 2018-19 on provisional basis and approves depreciation as follows:

Table 126: Commission Approved - Depreciation for FY 2018-19 (Rs. Crore)

Particulars	Approved
Opening GFA	5,114.30
Net Additions to Asset during the year	480.00
Closing GFA	5,594.30
Average GFA	5,354.30
Less: Average Consumer Contribution	851.98
Average GFA net of CC	4,502.32
Average rate of depreciation	3.91%
Depreciation for the year	176.04

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.117 The Petitioner has computed the working capital requirement as per the Regulation 84(4) DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017. The relevant extract of the Regulation is as follows:

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

(4) Distribution Licensee as follows:

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

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

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

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

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

Table 127: Petitioner Submission - Computation of Change in Working Capital (Rs. Crore)

Sl. No.	Particulars	Amount		Remark
		FY 18-19		
A	Annual revenues requirement	7,487.86		
B	Receivables equivalent to 2 months ARR		1,247.98	A/12*2
C	Power Purchase expenses	5,492.38		
D	Add: 1/12th of power purchase expenses		457.70	C/12
E	Total working capital		790.28	B-E
F	Opening working capital		778.95	

Sl. No.	Particulars	Amount FY 18-19		Remark
G	Change in working capital		11.33	(E-F)

COMMISSION'S ANALYSIS

4.118 The working capital for FY 2017-18 has been considered as determined in Tariff Order dtd. 31/08/2017. Thus, change in working capital for FY 2018-19 has been considered as change in working capital requirement with respect to working capital approved for FY 2017-18. The Commission has computed the working capital requirement for the Petitioner as per Regulation 84 (4) *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.* The relevant extract of the Regulation is as follows:

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

(4) Distribution Licensee as follows:

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

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

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

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

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

4.119 Accordingly working capital requirement computed for FY 2018-19 is as follows:

Table 128: Commission Approved - Working Capital for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved
A	Annual Revenue	6,234.14
B	Receivables equivalent to 2 months average billing	1,039.10
C	Power Purchase expenses	5,015.94
D	power purchase expenses for 1 Month	417.99
E	Total Working Capital	621.10
F	Opening Working capital as approved in TO	609.09

Sr. No.	Particulars	Approved
	31/08/2017 for FY 2017-18	
G	Change in WC (E-F)	12.47

REGULATED RATE BASE (RRB), WEIGHTED AVERAGE COST OF CAPITAL (WACC) AND RETURN ON CAPITAL EMPLOYED (RoCE)

PETITIONER'S SUBMISSION

4.120 The Petitioner has submitted that the Regulation 63 of the Tariff Regulations 2017 provided that for determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30 and has submitted Equity/Debt balance for FY 2018-19 as follows:

Table 129: Computation of Equity/Debt balance for FY 2018-19 (Rs. Crore)

Financial year	Opening Equity	Addition Equity	Working Capital Equity*	Closing Equity	Opening Debt	Addi-tion	Repay-ment	Working capital Debt*	Closing Debt
Revised Opening Balance	1599.23	129.00		1728.23	2298.58	301.00	285.24	11.33	2325.66
Average	1663.73				2317.78				

4.121 The Petitioner has computed the RRB as per formula specified in Tariff Regulations, 2017 as follows:

Table 130: Petitioner Submission - Computation of Regulated Rate Base (Rs Cr)

Sl. No.	Particulars	Amount
A	Opening Balance of OCFA	6,325.01
B	Opening Balance of Accumulated Depreciation	2,306.77
C	Opening Balance of Accumulated Consumer Contribution	900.45
D	Opening balance of working capital	778.95
E	**RRB – Opening**	3,896.74
F	Capitalization during the year	480.00
G	Depreciation for the year (Including AAD)	285.24

Sl. No.	Particulars	Amount
H	Consumer Contribution, Grants,	50.00
I	Change in Working Capital	11.33
J	**ΔAB (Change in Regulated Base)**	83.71
K	**RRB – Closing**	4,052.83
L	**RRB(i)**	3,980.45

4.122 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2017 has approved Rate of Return on Equity computed at base rate of 14% on post-tax basis for wheeling business and base rate of 2% on post-tax basis for retail business.

4.123 Further in the Tariff Order August, 2017 the Commission has approved rate of weighted average interest on loans @ 9.73% for FY 2017-18. The same rate has been considered for FY 2018-19 also. Considering the above cost of debt and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2018-19. The said treatment is in line with the Hon'ble APTEL Judgments explained above in true up chapter of FY 2016-17.

Table 131: Petitioner Submission - Weighted Average Cost of Capital (WACC) for FY 2018-19

Sl. No.	Particulars	Amount
A	Equity	1663.73
B	Debt	2317.78
C	Return on Equity	16%
D	Income Tax Rate	33.99%
E	Grossed up Return on Equity	24.24%
F	Rate of Interest	9.73%
G	Weighted Average Cost of Capital	15.79%

4.124 Considering the above computed WACC of 15.79%, the Petitioner has sought RoCE for FY 2018-19 as follows:

Table 132: Petitioner Submission - Computation of Return on Capital Employed (Rs. Crore)

Sl. No.	Particulars	Amount	Reference
A	**RRB (i)**	**3,980.45**	
B	WACC	15.79%	

Sl. No.	Particulars	Amount	Reference
C	Return on Capital Employed	628.62	(A*B)

COMMISSION'S ANALYSIS

4.125 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised each year after utilizing the consumer contribution as specified in Tariff Regulations 2017. The relevant extract is as follows:

"25. The Capital Cost of a new project or scheme shall include the following:

(1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;

(2) Interest during construction and financing charges, on the loans being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined in accordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. The Capital cost of an existing project or scheme shall include the following:

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by *the Commission on case to case basis and shall include:*

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

4.126 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization funding. The Petitioner has deployed equity at more than 30% for their capitalization funding requirement. Therefore the equity for the purpose of computation of Weighted Average Cost of Capital (WACC) has been considered at maximum 30% of net capital employed (GFA-Accumulated Depreciation-Consumer Contribution) subject to the actual equity available as per audited financial statement and debt has been considered at minimum 70% of net capital employed. Further, Regulation 70 of Tariff Regulations, 2017 specifies that the Working capital shall be considered 100% debt financed for the calculation of WACC. Accordingly, the requirement of debt and equity has been computed as follows:

Table 133: Commission Approved - Regulated Rate Base (Rs. Crore)

Sr. No.	Particulars	Approved	Remarks
A	Opening Balance of OCFA	5,114.30	Table 201 of Tariff Order Aug, 2017

Sr. No.	Particulars	Approved	Remarks
B	Opening Balance of Working Capital	609.09	
C	Opening Balance of Accumulated Depreciation	1,928.17	
D	Opening Balance of Accumulated Consumer Contribution	826.98	
E	RRB Opening	2,967.77	A+B-C-D
F	Investment in capital expenditure during the year	480.00	Addition minus (-) decapitalised
G	Depreciation for the year	176.04	
H	Consumer Contribution, Grants, etc. for the year	50.00	
I	Change in working capital	12.47	
J	RRB Closing	3,234.20	E+F-G-H+I
K	ΔAB/2+ΔWC	139.45	(Fixed Assets capitalized during the year-Dep. During the year-consumer cont. during the year)/2+ Change in Working Capital
L	RRB (i)	3,107.22	Opening RRB+AB/2+WC

4.127 The Commission has approved Rate of Return on Equity computed at base rate of 14% on post tax basis for Wheeling Business and base rate of 2% on post tax basis for the retail business of the Petitioner in its Business Plan Regulations, 2017. Further, the Commission has approved the rate on interest on loan based on weighted average rate of interest (9.73%) of total loan portfolio of the Petitioner as on 1st April, 2017 subject to maximum of 14% as specified in Regulation 21 of Business Plan Regulations, 2017. Accordingly, Weighted Average Cost of Capital (WACC) has been computed by considering the equity and debt requirement for FY 2017-18 and Rate of Return on Equity and Interest on Loan with margin of 1.73% over one (1) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI approved by the Commission as follows:

Table 134: Commission Approved - Weighted Average Cost of Capital (WACC) for FY 2018-19

Sr. No.	Particulars	Approved
A	Equity	754.24
B	Debt	2,352.98
C	Return on Equity	16.00%
D	Income Tax Rate	33.99%
E	Grossed up Return on Equity	24.24%
F	Rate of Interest	9.73%
G	Weighted Average Cost of Capital	13.25%

4.128 The Commission has approved RoCE based on RRB(i) and WACC computed as follows:

Table 135: Commission Approved - Return on Capital Employed

Sr. No.	Particulars	Now Approved	Remarks
A	WACC	13.25%	
B	RRB (i)	3,107.22	
C	RoCE	411.76	A*B

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.129 The Petitioner has kept Non-tariff income of Rs. 111.12 Cr for FY 2018-19 at the same level as offered by the Petitioner for true up of FY 2016-17. In addition to this, an amount of Rs. 12 Cr. approx. has been estimated towards open access charges and offered as Non Tariff Income.

Table 136: Petitioner Submission - NTI

Sr. No.	Particulars	FY 18-19
A	Non-Tariff Income/Interest on Security Deposit	111.12
B	Additional Open Access charges	12.00
C	Total	123.12

COMMISSION'S ANALYSIS

4.130 The Commission has considered the Non-Tariff Income as approved during for FY 2016-17 for projecting Non-Tariff Income for FY 2018-19 of Rs. 123.22 Cr.

COMPUTATION OF CARRYING COST

PETITIONER'S SUBMISSION

4.131 The Petitioner has calculated the carrying cost during FY 2018-19 by applying rate of 10.98% as tabulated below:

Table 137: Petitioner Submission - Carrying Cost on revenue gap (Rs. Crore)

Sr. No	Particulars	Amount
A	Opening Gap	(3426.68)
B	Revenue (Gap)/ Surplus for the year	(487.65)
C	Closing revenue Gap	(3914.33)
D	Rate of carrying cost	10.98%
E	Carrying cost	402.88

COMMISSION'S ANALYSIS

4.132 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2017.

4.133 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity and interest on available to fund the revenue gap as follows:

Table 138: Commission Approved - Carrying Cost for FY 2018-19

Sr. No.	Particulars	FY 2018-19
1	Rate of Carrying Cost	10.98%
2	Opening Revenue Gap	(1,867.34)
3	Surplus at existing tariff and Surcharge @ 8%	952.12
4	Carrying Cost	152.71

COMPUTATION OF AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19

4.134 The ARR based on various component as submitted by the Petitioner and as approved by the Commission for FY 2018-19 is summarised as follows:

Table 139: ARR for FY 2018-19 (Rs. Crore)

Sr. No.	Particular	Petitioner's Submission	Approved

Sr. No.	Particular	Petitioner's Submission	Approved
A	Cost of Power Purchase	5,492.38	5,015.94
B	O&M Expenses	801.86	754.06
C	Depreciation	285.24	176.04
D	Return on Capital Employed	628.62	411.76
E	Carrying Cost	402.88	152.71
F	Less: Non-Tariff Income	123.12	123.22
H	**Aggregate Revenue Requirement**	**7,487.86**	**6,387.29**
I	Carrying Cost upto FY 2016-17 of past period true up subsumed in ARR of FY 2018-19	**-**	**119.27**
J	Revised Aggregate Revenue Requirement		**6,506.56**

REVENUE (GAP)/ SURPLUS FOR FY 2018-19

Table 140: Revenue (Gap) for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Approved
A	Aggregate Revenue requirement for the year with Carrying Cost	7,487.86	6,506.56
B	Revenue available for the year at Existing Tariff	6597.34	6,654.35
C	Revenue (Gap)/ Surplus for the year	(890.52)	147.79

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

PETITIONER'S SUBMISSION

4.135 The Petitioner has submitted that the ARR estimated during FY 2018-19 has been allocated into wheeling and retail business in the ratios approved by the Commission in Business Plan Regulations, 2017 as tabulated below:

Table 141: Allocation for Wheeling and Retail business- FY 2018-19 (Rs. Crore)

Particulars	Wheeling	Retail
Cost of Power Procurement		5,492.38
Operation and Maintenance expenses	497.15	304.71
Depreciation	219.64	65.61
Return on Capital Employed	452.61	176.01

Particulars	Wheeling	Retail
Less: Non-Tariff Income	49.25	73.87
Add: Carrying Cost on RA	74.46	328.42
Aggregate Revenue Requirement	**1,194.61**	**6,293.25**

COMMISSION'S ANALYSIS

4.136 Based on the allocation of different expenses in accordance with the methodology followed in the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC, Business Plan Regulations, 2017*, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 142: Commission Approved - ARR for Wheeling Business for FY 2018-19 (Rs. Crore)

Particulars	Amount
O&M Expenses	467.52
Depreciation	135.55
Return on Capital Employed (RoCE)	296.47
Less: Non-Tariff Income	49.29
Carrying Cost on Revenue Gap/Regulatory asset	37.09
Aggregate Revenue Requirement	**887.34**

Table 143: Commission Approved - ARR for Retail Business for FY 2018-19 (Rs. Crore)

Particulars	Amount
Cost of Power Procurement	5,015.94
O&M Expenses	286.54
Depreciation	40.49
Return on Capital Employed (RoCE)	115.29
Carrying Cost on Revenue Gap/Regulatory asset	234.88
Less: Non-Tariff Income	73.93
Aggregate Revenue Requirement	**5619.22**

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Sector Revenue (Gap)/Surplus.

b. Cost of service

c. Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS FOR THE SECTOR

REVENUE (GAP)/SURPLUS TILL FY 2016-17

5.2 The Revenue (Gap)/Surplus upto FY 2016-17 is summarised in the table as follows:

Table 144: Revenue (Gap)/Surplus of BYPL till FY 2016-17 (Rs Crore)

Sr. No.	Particulars	Approved in Tariff Order dated Aug 31, 2017 upto FY 2015-16	FY 2016-17	Remarks
A	Opening level of (Gap) / Surplus	(3,090.56)	(2,661.95)	
B	Revenue Requirement for the year	3,674.77	3,924.26	
C	Revenue realised	4,478.95	4,435.69	
D	(Gap) / Surplus for the year	804.18	511.43	C-B
E	8% Surcharge for the year	332.68	352.94	
F	Net (Gap)/Surplus	1,136.86	864.37	D+E
G	Rate of Carrying Cost	10.96%	11.17%	
H	Amount of carrying cost	(276.32)	(306.19)	
I	Additional Impact of past period True up	(431.92)	(859.79)	
J	Closing Balance of (Gap)/Surplus	(2,661.95)	(2,963.56)	A+F+H+I

Table 145: Revenue (Gap)/Surplus of BRPL till FY 2016-17 (Rs Crore)

Sr. No.	Particulars	Approved in Tariff Order dated Aug 31, 2017 upto FY 2015-16	FY 2016-17	Remarks
A	Opening level of (Gap) / Surplus	(5,121.56)	(4,232.68)	
B	Revenue Requirement for	7,064.30	7,743.33	

Sr. No.	Particulars	Approved in Tariff Order dated Aug 31, 2017 upto FY 2015-16	FY 2016-17	Remarks
	the year			
C	Revenue realised	8,147.22	8,130.09	
D	(Gap) / Surplus for the year	1,082.92	386.76	C-B
E	8% Surcharge for the year	619.16	649.19	
F	Net (Gap)/Surplus	1,702.08	1,035.95	D+E
G	Rate of Carrying Cost	11.23%	11.18%	
H	Amount of carrying cost	(479.50)	(415.32)	
I	Additional Impact of past period True up	(333.70)	(646.03)	
J	Closing Balance of (Gap)/Surplus	(4,232.68)	(4,258.08)	A+F+H+I

Table 146: Revenue (Gap)/Surplus of TPDDL till FY 2016-17 (Rs Cr)

Sr. No.	Particulars	Approved in Tariff Order dated Aug 31, 2017 upto FY 2015-16	FY 2016-17	Remarks
A	Opening level of (Gap) / Surplus	(3,194.01)	(2,454.10)	
B	Revenue Requirement for the year	5,377.54	6,029.72	
C	Revenue realised	6,063.70	6,129.82	
D	(Gap) / Surplus for the year	686.16	100.10	C-B
E	8% Surcharge for the year	472.89	498.53	
F	Net (Gap)/Surplus	1,159.05	598.63	D+E
G	Rate of Carrying Cost	12.08%	12.08%	
H	Amount of carrying cost	(315.83)	(260.30)	
I	Additional Impact of past period True up	(103.31)	(278.84)	
J	Closing Balance of (Gap)/Surplus	(2,454.10)	(2,394.61)	A+F+H+I

5.3 The Revenue Gap upto FY 2016-17 as determined by the Commission is indicated as follows:

Table 147: Revenue (Gap)/Surplus of the three DISCOMS till FY 2016-17 (Rs. Crore)

Particulars	Up to FY 2016-17
BYPL	(2,963.56)
BRPL	(4,258.08)
TPDDL	(2,394.61)

Particulars	Up to FY 2016-17
Total	(9,616.25)

REVENUE (GAP)/SURPLUS FOR FY 2018-19 AT REVISED TARIFF

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

5.5 The summary of revenue billed at revised tariffs excluding 8% surcharge, for FY 2018-19 is shown as follows:

Table 148: Revenue at Revised Tariffs of BYPL for FY 2018-19 (Rs. Crore)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	646.46	1,610.18	2,256.64
2	Non-Domestic	525.48	1,562.78	2,088.25
3	Industrial	57.13	222.33	279.46
4	Agriculture & Mushroom	0.04	0.04	0.08
5	Public Lighting	9.78	78.48	88.26
6	DJB	27.40	87.82	115.22
7	Railway Traction	0.00	0.00	0.00
9	DMRC	8.45	98.86	107.31
10	Others	10.81	91.82	102.62
11	Total	1,285.54	3,752.30	5,037.84
12	**Revenue @ 99.50% Collection Efficiency**			**5012.66**

Table 149: Revenue at Revised Tariffs of BRPL for FY 2018-19 (Rs. Crore)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	1,329.85	3,029.93	4,359.78
2	Non-Domestic	796.33	2,597.13	3,393.46
3	Industrial	85.90	370.35	456.25
4	Agriculture & Mushroom	3.11	2.75	5.86
5	Public Lighting	14.29	101.68	115.96
6	DJB	39.42	136.27	175.69
7	Railway Traction			
9	DMRC	15.18	193.66	208.84
10	DIAL	15.39	231.04	246.43
11	Others	24.90	220.01	244.91
12	Total	2,324.35	6,882.81	9,207.17

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
13	**Revenue @ 99.50% Collection Efficiency**			**9161.13**

Table 150: Revenue at Revised Tariffs of TPDDL for FY 2018-19 (Rs. Crore)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	548.25	1,721.99	2,270.25
2	Non-Domestic	444.35	1,279.15	1,723.50
3	Industrial	512.83	1,811.62	2,324.45
4	Agriculture & Mushroom	4.52	1.87	6.39
5	Public Lighting	34.27	89.85	124.12
6	DJB	24.24	148.78	173.02
7	Railway Traction			
9	DMRC	11.37	90.11	101.48
10	Others	16.22	97.21	113.43
11	Total	1,596.04	5,240.60	6,836.64
12	**Revenue @ 99.50% Collection Efficiency**			**6802.46**

5.6 The Commission has also decided to continue with the existing surcharge at 8% over the revised tariff for liquidating the regulatory assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional inflow as follows:

Table 151: Revenue from 8% Surcharge for FY 2018-19 (Rs. Crore)

Particulars	Amount
BYPL	403.03
BRPL	736.57
TPDDL	546.93
Total	1686.53

5.7 Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2018-19 is as follows:

Table 152: Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2018-19

Particulars	BYPL	BRPL	TPDDL
ARR	4626.13	8866.65	6387.29
Carrying Cost upto FY 2016-17 of past period true up subsumed in ARR of FY 2018-19	343.23	234.47	119.27
Revised ARR	4969.36	9101.12	6506.56
Revenue at revised	5012.66	9161.13	6802.46

Particulars	BYPL	BRPL	TPDDL
tariff			
Revenue (Gap) / Surplus	43.30	60.01	295.90

5.8 The revised Revenue Gap upto FY 2016-17 after subsuming Carrying Cost of past period true up subsumed in ARR of FY 2018-19 is indicated as follows:

Table 153: Revised Revenue (Gap)/Surplus of the three DISCOMS till FY 2016-17 (Rs. Crore)

Particulars	Up to FY 2016-17
BYPL	(2,620.19)
BRPL	(4,023.60)
TPDDL	(2,275.34)
Total	(8,919.05)

COST OF SERVICE MODEL

5.9 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;

(b) Power factor;

(c) Load factor;

(d) Time of use of electricity;

(e) Quantity of electricity consumed,

(f) Distribution Loss

(g) Collection Efficiency etc.

5.10 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.11 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level (detailed methodology discussed ahead).

ALLOCATION OF WHEELING ARR

5.12 The Commission has considered the gross energy sales (MU) approved for the DISCOM for the year and has allocated the same to different voltage levels in the proportion of energy sales (MU) to these voltages to total sales in that year as submitted by the respective DISCOMs. Both BYPL and BRPL have not indicated any energy sales above 66 kV level in their distribution areas and therefore, no energy sales has been considered above 66 kV level while computing the cost of supply. The voltage wise energy sales approved for FY 2018-19 is as shown in the following table:

Table 154: Approved Energy Sales for FY 2018-19 (MU)

Particulars	BRPL	BYPL	TPDDL
Sales above 66 kV level	0.00	0.00	130.49
Sales at 33/66 kV level	647.80	291.37	51.27
Sales at 11 kV level	1643.65	564.97	1086.97
Sales at LT level	9892.08	5851.73	7600.87
Total	**12183.53**	**6708.07**	**8869.59**

5.13 The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU) for that level. The Commission has considered the distribution losses at various voltage levels as projected by the Distribution Licensees in their Business Plan. Keeping the overall distribution losses same as approved by the Commission and considering the losses at 33/66 kV and at 11 kV as projected, the LT voltage level losses are derived. The summary of the voltage wise distribution losses considered by the Commission are as follows:

Table 155: Distribution Loss for FY 2018-19 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00%	0.00%	0.00%
Loss at 33/66 kV level	1.20%	1.12%	0.79%
Loss at 11 kV level	2.63%	2.13%	2.66%
Loss at LT level	12.03%	13.14%	9.10%

5.14 The Commission would like to reiterate that the voltage wise distribution losses considered above are estimates and may not reflect the actual picture. The Commission, in this regard directed the three DISCOMs (BYPL, BRPL and TPDDL) earlier to carry out energy audit so that the actual data of distribution losses at different voltage levels could be used to calculate the cost of supply. The Commission has appointed energy Auditors for third party independent assessment of technical and commercial loss at various voltage levels. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 156: Approved Energy Input for FY 2018-19 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	0.00	0.00	130.49
Input for 33/66 kV level	655.67	294.67	51.68
Input for 11 kV level	1688.05	577.26	1116.67
Input for LT level	11222.18	6724.12	8361.98
Total	**13565.89**	**7596.05**	**9660.81**

5.15 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 157: Wheeling cost for different voltages for FY 2018-19 (Rs. Crore)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0	0	11.99
At 33/66 kV level	59.40	37.57	4.75
At 11 kV level	152.92	73.60	102.57
At LT level	1016.64	857.37	768.04
Total	**1228.97**	**968.54**	**887.34**

5.16 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2018-19 as follows:

Table 158: Wheeling Charges for FY 2018-19 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0	0	0.92
At 33/66 kV level	0.92	1.29	0.93
At 11 kV level	0.93	1.30	0.94
At LT level	1.03	1.47	1.01
Average	**1.01**	**1.44**	**1.00**

ALLOCATION OF RETAIL SUPPLY ARR

5.17 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2018-19 is given as follows:

Table 159: Retail Supply cost for different voltages for FY 2018-19 (Rs. Crore)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0.00	0.00	75.90
At 33/66 kV level	380.48	155.21	30.06
At 11 kV level	979.56	304.06	649.51
At LT level	6512.12	3541.78	4863.75
Total	**7872.16**	**4001.05**	**5619.22**

5.18 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2018-19 as follows:

Table 160: Retail Supply Charges at different voltages for FY 2018-19 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	0.00	0.00	5.82
At 33/66 kV level	5.87	5.33	5.86
At 11 kV level	5.96	5.38	5.98
At LT level	6.58	6.05	6.40
Average	**6.46**	**5.96**	**6.34**

5.19 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 161: Cost of Supply for BYPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.00	0.00	0.00
At 33/66 kV level	1.29	5.33	6.62
At 11 kV level	1.30	5.38	6.68
At LT level	1.47	6.05	7.52
Average	1.44	5.96	7.41

Table 162: Cost of Supply for BRPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.00	0.00	0.00
At 33/66 kV level	0.92	5.87	6.79
At 11 kV level	0.93	5.96	6.89
At LT level	1.03	6.58	7.61
Average	1.01	6.46	7.47

Table 163: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.92	5.82	6.74
At 33/66 kV level	0.93	5.86	6.79
At 11 kV level	0.94	5.98	6.92
At LT level	1.01	6.40	7.41
Average	1.00	6.34	7.34

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.20 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

5.21 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be *one of the major tools for energy conservation and sustainable use of ground water resources.*

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria *for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.*

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

5.22 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.

5.23 At present, there are number of consumer classes e.g. some slabs of domestic consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other consumers.

5.24 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.

5.25 The Commission has computed category wise revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The Commission has considered the revised ARR for computation of average cost of supply. However, for wheeling charges and retail supply charges in the ARR of FY 2018-19 has been considered which is without subsuming the carrying cost of past period impact. The Ratio of ABR to Average Cost of Supply and category-wise tariff approved for FY 2018-19 is indicated in the table as follows:

Table 164: Ratio of ABR to ACOS of BYPL approved for FY 2018-19

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to AcoS (%)
1	Domestic	7.41	5.69	77
2	Non-Domestic	7.41	10.97	148
3	Industrial	7.41	9.43	127
4	Agriculture	7.41	3.10	42
5	Public Lighting	7.41	6.47	87
6	DMRC	7.41	5.99	81
7	DJB	7.41	7.90	107

Table 165: Ratio of ABR to ACOS of BRPL approved for FY 2018-19

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to AcoS (%)

1	Domestic	7.47	6.01	80
2	Non-Domestic	7.47	10.76	144
3	Industrial	7.47	9.34	125
4	Agriculture	7.47	3.21	43
5	Public Lighting	7.47	6.56	88
6	DMRC	7.47	5.95	80
7	DJB	7.47	7.91	106

Table 166: Ratio of ABR to ACOS of TPDDL approved for FY 2018-19

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to AcoS (%)
1	Domestic	7.34	5.42	74
2	Non-Domestic	7.34	11.11	151
3	Industrial	7.34	9.54	130
4	Agriculture	7.34	5.12	70
5	Public Lighting	7.34	7.94	108
6	DMRC	7.34	6.22	85
7	DJB	7.34	6.77	92

TARIFF STRUCTURE

DOMESTIC TARIFF

5.26 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.

5.27 All the Cattle/ Dairy Farms and Dhobi Ghat across Delhi with a total consumption of 400 units has been revised to 1000 units in a month. However, in case the consumption in a month exceeds 1000 units, the total consumption including the first 1000 units shall be charged non- domestic rates as applicable to the consumers falling under the Non Domestic category.

5.28 All the consumers under domestic categories having sanctioned load upto 5kW and providing paying guest facility from their own premises shall be charged as per domestic tariff.

5.29 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e., fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

NON-DOMESTIC TARIFF

5.30 The Commission has rationalized the tariff for Non-Domestic category and various slabs have been eliminated and all the consumers under this category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.31 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.32 Non domestic consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

INDUSTRIAL TARIFF

5.33 The Commission has rationalized the tariff for Industrial category and various slabs have been eliminated and all the consumers under this category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.34 The Commission has extended the scope of Industrial tariff to Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

5.35 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.36 Industrial consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

AGRICULTURE & MUSHROOM CULTIVATION

5.37 *Agriculture & Mushroom cultivation consumers having sanctioned* load up to 20 kW for tube wells for irrigation, threshing, mushroom growing/cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

PUBLIC UTILITIES

5.38 The Commission has merged following Categories and has created new Category namely public Utilities which provide public services:

a. **DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.

b. **RAILWAY TRACTION:** Available for Indian Railways for Traction load.

c. **DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. **PUBLIC LIGHTING:** Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.39 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.40 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings‟ category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

5.41 The Commission has revised the fixed charge methodology from Rs. 500/hoarding to 250 Rs./kVA/month.

TEMPORARY SUPPLY

5.42 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.43 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

TIME OF DAY (TOD) TARIFF

5.44 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.45 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.

5.46 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.47 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.48 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours has decided to lower the applicability limit for ToD Tariff.

5.49 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.50 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.51 In this Tariff Order, the Commission has revised existing Time of Day (ToD) Tariff as follows:

a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
b. Optional for all three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
c. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.
d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

TARIFF SCHEDULE FY 2018-19

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES				
1	**DOMESTIC**						
1.1	**INDIVIDUAL CONNECTIONS**		**0-200 Units**	**201-400 Units**	**401-800 Units**	**801-1200 Units**	**>1200 Units**
A	Upto 2 kW	125 Rs./kW/month	3.00 Rs./kWh	4.50 Rs./kWh	6.50 Rs./kWh	7.00 Rs./kWh	7.75 Rs./kWh
B	> 2kW and ≤ 5 kW	140 Rs./kW/month					
C	> 5kW and ≤ 15 kW	175 Rs./kW/month					
D	>15kW and ≤ 25 kW	200 Rs./kW/month					
E	> 25kW	250 Rs./kW/month					
1.2	**Single Point Delivery Supply at 11kV for GHS**	150 Rs./kW/month	4.50 Rs./kWh				
2	**NON-DOMESTIC**	250 Rs./kVA/month	8.00 Rs./kVAh				
3	**INDUSTRIAL**	250 Rs./kVA/month	7.25 Rs./kVAh				
4	**AGRICULTURE & MUSHROOM CULTIVATION**	125 Rs./kW/month	1.50 Rs./kWh				
5	**PUBLIC UTILITIES**	250 Rs./kVA/month	5.75 Rs./kVAh				
6	**DELHI INTERNATIONAL AIRPORT LTD. (DIAL)**	250 Rs./kVA/month	7.25 Rs./kVAh				
7	**ADVERTISEMENTS AND HOARDINGS**	250 Rs./kVA/month	8.00 Rs./kVAh				
8	**TEMPORARY SUPPLY**						
8.1	Domestic Connections including Group Housing Societies	Same rate as that of relevant category	Same as that of relevant category without any temporary surcharge				
8.2	For threshers during the threshing season	Electricity Tax of MCD : Rs. 270 per connection per month	Flat rate of Rs. 5,400 per month				
8.3	All other connections including construction projects	Same rate as that of the relevant	1.30 times of the relevant category of tariff				

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES
		category	
9	**CHARGING STATIONS FOR E-RICKSHAW/ E-VEHICLE ON SINGLE POINT DELIVERY**		
9.1	**Supply at LT**	-	5.50 Rs./kWh
9.2	**Supply at HT**	-	5.00 Rs./kVAh
9.2	**Supply at HT**	-	5.00 Rs./kVAh

Notes:

1. For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in *DERC (Supply Code and Performance Standards) Regulations, 2017*, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.
2. **Time of Day (ToD) Tariff**
   e. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
   f. Optional for all three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
   g. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.
   h. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.
   i. Further, the Commission has reviewed the latest available Demand and Supply of Delhi and has revised the time slots for Peak and Off-Peak hours as follows:

MONTHS	PEAK HOURS	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS	REBATE ON ENERGY CHARGES
May-September	1400 Hrs – 1700 Hrs & 2200 Hrs – 0100	20%	0400 Hrs – 1000 Hrs	20%

3. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV shall be applicable.
4. Maintenance Charges on street lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per the Commission's Order dated 22nd September 2009 in addition to the specified tariff. These charges are exclusive of applicable taxes and duties.
5. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:

   Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

   Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.
6. The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears., Electricity Tax/Duty, PPAC, load violation surcharge, etc.:
   (a) 8% towards recovery of past accumulated deficit to the consumers, and,
   (b) 3.80% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.
7. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.

8. For prepaid consumers, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the tariff applicable.
9. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.
10. Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
11. The Single Point Delivery Supplier availing supply at HT & above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount to cover losses and all it's expenses.
12. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA but served at LT (415 Volts) shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).
13. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
14. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 1.5% per month shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after

due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.

15. No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total Cash collection exceeding the limit.
16. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS

1. DOMESTIC CATEGORY

1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers

b. Hostels of recognized/ aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].

c. Staircase lighting in residential flats separately metered.

d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.

e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.

f. Dispensary/Hospitals/Public Libraries/School/College/ Working Women's Hostel/ Orphanage/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.

g. Small Health Centres approved by the Department of Health, Government of NCT of Delhi for providing Charitable Services only.

h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.

i. Public parks except temporary use for any other purpose.

j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.

k. Places of worship.

l. Cheshire homes/orphanage.

m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.

n. Electric crematoriums.

o. Gaushala Registered under GoNCTD.

p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.

q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.

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

s. Cattle Farms / Dairy Farms / Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on 11 kV Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA

Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. NON-DOMESTIC

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
c. Railways (other than traction), Hotels and Restaurants
d. Cinemas
e. Banks/Petrol pumps
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Single Point Delivery for Commercial Complexes supply at 11 kV or above
m. Pumping loads of DDA/MCD
n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than traction
o. Any other category of consumers not specified/covered in any other category in this Schedule

3. INDUSTRIAL

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. AGRICULTURE & MUSHROOM CULTIVATION

Available for load up to 20 kW for tube wells for irrigation, threshing, mushroom growing/cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. PUBLIC UTILITIES

a. **DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.

b. **RAILWAY TRACTION:** Available for Indian Railways for Traction load.

c. **DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. **PUBLIC LIGHTING:** Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC/MES / GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

6. DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.

7. ADVERTISEMENT/ HOARDINGS

Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

8. TEMPORARY SUPPLY

a. Available as temporary connection under the respective category

b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

9. CHARGING OF E-RICKSHAW/ E-VEHICLE

a. **Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery**: Available to charging stations as per the provisions of DERC SOP Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

1	A/C No.	10021675545
2	MICR No.	110002103
3	Bank	State Bank of India
4	IFSC Code	SBIN0004281
5	Name	DVB-ETBF-2002
6	Branch	Rajghat Power House, New Delhi - 110002

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge and adjust any surplus/gap in its claim for the subsequent year.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission directs 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.

6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

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

6.9 The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit an annual compliance report by 30th April of the next year.

6.10 The Commission further directs the Petitioner :

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.
b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.
c. To conduct a safety audit and submit a compliance report within three months;
d. To carry out preventive maintenance as per schedule;
e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;
f. To submit the annual energy audit report in respect of their network at HT level and above.
g. To submit the Auditor’s certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

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

    i. Category-wise Revenue billed and Collected,
    ii. Category-wise breakup of 8% and 3.70% 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,

i. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year.

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

k. 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.

l. 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.

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

n. 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.

6.11 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

Annexure-I

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1543)/DERC/2017-18/6008

Petition No. 67/2017

In the matter of: **Petition for approval of Annual Revenue Requirement (ARR) for the FY 2018-19, Revised ARR for FY 2017-18, True up for FY 2016-17.**

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

...Petitioner/Licensee

Coram:

Sh. B.P. Singh, Member

ORDER

(Date of Order: 26.12.2017)

1. M/s. Tata Power Delhi Distribution Limited (TPDDL) has filed the instant Petition for approval of Annual Revenue Requirement (ARR) for the FY 2018-19, Revised ARR for FY 2017-18, True up for FY 2016-17. The said Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. Clarifications/additional information, if and when required would be sought from the Petitioner.

2. The Petition is admitted.

Sd/-
(B. P. Singh)
Member

Annexure-II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE TRUE UP OF EXPENSES UPTO FY 2016-17 AND ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2018-19.

S. No.	R. No.	Name	Address	Date of Receipt
1.	1	Sh. Raj Kumar Member	rajkumaraapka@gmail.com	03.01.2018
2.	2	Sh. S.R. Abrol	L-2-97B, DDA, LIG Kalkaji, New Delhi 110 019 Nyayabhoomi2003@gmail.com	04.01.2018
3.	3	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	04.01.2018
4.	4	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 pradeepgupta111@yahoo.in	04.01.2018
5.	5 5A 5B	Sh. Vivek Agarwal General Manager/Electrical	Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	12.01.2018
6.	6	Sh. Anil Sood Hony President CHETNA	A-403-414-415, Somdutt Chamber-1 5 Bhikajicama Place, New Delhi anilsood@spchetna.com	15.01.2018
7.	7	Sh. S.K. Jain	4509, Trilok Bhawan, 7 Darya Ganj, New Delhi 110 002	16.01.2018
8.	8	Sh. Ashok Bhasin	North Delhi Residents Welfare Association 1618, Main Chandrawal Road Delhi 110 007	19.01.2018
9.	9	Sh. Kanwar Ajay Singh	Kanwarajaysingh74@icloud.com	19.01.2018
10.	10	Sh. R.D. Singh	J6C, East Vinod Nagar, Delhi 110 091 Rdsingh1949@gmail.com	19.01.2018
11.	11 11A	Sh. B.S. Sachdev President	B-2/13A, Keshav Puram, Delhi 110 035	23.01.2018 12.03.2018
12.	12 12A 12B 12C	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	29.01.2018
13.	13	Sh. Harmeet Singh President	Koshish Resident's Welfare Association (regd.)	29.01.2018

S. No.	R. No.	Name	Address	Date of Receipt
			2462, Basti Punbian, Roshnara Road, Subzi Mandi Delhi 110 0017	
14.	14	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	29.01.2018
15.	15	Sh. Sanjay Dangi	Gali No. 20, Plot 12 Uttam Nagar, Delhi Sanjudangi88@yahoo.in	30.01.2018
16.	16	Sh. Kuldeep Kumar General Secretary	Delhi State Electricity Workers Union, Genco, Transo DISCOM iii L-2, Main Road, Brahmpuri, Delhi	30.01.2018
17.	17	Sh. Bittu Bhardwaj	Bittoobhardwaj42@gmail.com	30.01.2018
18.	18	Sh. Krishan Kumar	Krishankumar2360@gmail.com	31.01.2018
19.	19	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 Pradeepgupta111@yahoo.in	31.01.2018
20.	20	Sh. B.B. Tiwari	sarwasharpan@gmail.com	20.02.2018
21.	21 21A	Sh. A.K. Datta	222, Pocket E, Mayur Vihar, Phase 2 Delhi 110 091 Mmathur2001@yahoo.com	20.02.2018
22.	22 22A	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi C-6/7, Rana Pratap Bagh Delhi 110 007 urdwas@gmail.com	21.02.2018
23.	23 23A 23B	Sh. Sudhir Aggarwal Secretary	Brotherhood Society G-3/5, Model Town III Delhi 110 009	21.02.2018
24.	24	Sh. Anil Chandi Gen. Secretary	C-8/1, Rana Pratap Bagh, Delhi 110 007	21.02.2018
25.	25	Sh. Rajan Gupta	H. No. 355, Udyan, Nerala Delhi 110 040	16.02.2018
26.	26	Ms. Neeta Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd. Sector : 14 Extn. Rohini, Delhi 110 085 Neetagupta.vg111@gmail.com	20.02.2018
27.	27	Sh. Rohit Arora President	Gyan Park Welfare Society (Regd.) 12A, Gyan Park, Chander Nagar, Krishna Nagar, Delhi 110 051	21.02.2018
28.	28	Sh. Vipin Gupta	A-17, Antriksh Apartments New Town Co-op. Group	20.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Housing Society Ltd. Sector : 14 Extn. Rohini, Delhi 110 085 Vipin.bfi@gmail.com	
29.	29	Sh. Mukesh Rikhi Gen. Secretary	Resident Welfare Association Hakikat Nagar, (Regd.) 97, Hakikat Nagar, GTB Nagar, Delhi 110 009	22.02.2018
30.	30	Sh. Chander Singh Kataria Gen. Secretary	Keshav Nagar Jan Kalyan Samiti Regd. B-246/4, Keshav Nagar, Near Mukti Ashram Burari Road,Delhi 110 036	22.02.2018
31.	31	Sh. Rajiv Kakria Hony President Chetna	A-403-414-415, Somdutt Chamber-1, 5, Bhikajicama Place New Delhi Rkakria2@gmail.com	22.02.2018
32.	32	Sh. Anil Sood Hony President Chetna	A-403-414-415, Somdutt Chamber-1,5, Bhikajicama Place New Delhi	22.02.2018
33.	33	Sh. Alam Gir President	Rani Garden Resident's Welfare Association REgd. C-17, Rani Garden, Geeta Colony, Near Taj Enclave Delhi 110 031	23.02.2018
34.	34	Ms. Madhu Malhotra President	Krishna Nagar Janhit Vikas Samiti E-7/12, Krishna Nagar, Delhi 110 051	23.02.2018
35.	35	Sh. Sarvesh Kumar Verma President	Resident Welfare Association A-2/219, New Kondli Delhi 110 096	26.02.2018
36.	36	Sh. P.S. Tomar	C-7/89 Yamuna VIhar, Delhi 110 053	26.02.2018
37.	37	Sh. K. Pratab Singh	D-408, St. No. 90 Bhajan Pura, Delhi 110 53	26.02.2018
38.	38 38A	Sh. D.M. Narang President	R-Block Welfare Assocaition R-599, New Rajinder Nagar, New Delhi 110 060	26.02.2018
39.	39	Dr. Faheem Baig Gen. Secretary	Jafirabad Resident Welfare Association 1202, Street No. 39/4 Jafirabad, Delhi 110 053	27.02.2018
40.	40	Smt Sushma Sharma President	Resident's Welfare Assocaition, Control Romm Gate No. 1 Pocket B,	28.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Dilshad Garden, Delhi 110 095	
41.	41	Sh. Anil Kumar Jha	A-4, St. No. 13 Mandawali Unchepar, Delhi 110 092	27.02.2018
42.	42 42A	Sh. K.K. Verma Gen. Manager (C&RA)	33KV Grid S/Station Building, IP Estate, New Delhi 110 002	22.02.2018 06.03.2018
43.	43 43A 43B	Sh. Bharat Kumar Bhadawat HoD Regulatory	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lines Kingsway Camp, Delhi 110 009	23.02.2018 12.03.2018 12.03.2018
44.	44	Sh. Abhishek Srivastava Authorised Signatory	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma, Delhi 110 032	28.02.2018
45.	45	Sh. Deepak Narang LPresident	Resident's Welfare Association, Pkt H-164A, Dilshad Garden, Delhi 110 095	28.02.2018
46.	46	Sh. Syed Khalid Akbar Gen. Secretary	DVB Pensioners Association 85, Ram Nagar, Krishna Nagar, Delhi 110 051	28.02.2018
47.	47	Sh. Kulwant Rana President	Dilshad Colony Residents Welfare Association G-87, Ist Floor, Dilshad Colony Delhi 11 095	05.03.2018
48.	48	Sh. Harbansh Sharma	RWA, 295 Kucha Ghasi Ram, Chandni Chowk, Delhi 110 006	05.03.2018
49.	49	Sh. Kishan Kumar	Kucha Brijnath Resident Welfare Association, 420, Kucha Brijnath, Chandni Chowk, Delhi 110 006	05.03.2018
50.	50	SH. Daya Ram Dwivedi Vide President	Daily Passengers Association 262, Katra Pyare Lal Chandni Chowk, Delhi 110 006	05.03.2018
51.	51	Sh. Vijay S. Rawat Vice President	DDA Janta Flats Resident Welfare Association 12-A, Pkt. D2, Mayur Vihar Phase III, Delhi 110 096	05.03.2018
52.	52	Sh. Gyanender Kaushik	East Babarpur Residential Welfare	05.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
		Vice President	Association E-1044-4/F, Inder Gali, Babarpur, Shahdara, Delhi 110 032	
53.	53	SH. Pradeep Arora President	Resident Welfare Association A-87, East Nathu Colony, Main Mandoli Road, Delhi 110 093	05.03.2018
54.	54	Sh. Pawan Salwan President	Residents' Welfare Association Pocket IV, Mayur Vihar, Phase -1 Delhi 110 091	05.03.2018
55.	55	Sh. Mini Shreekumar President	Residents' Welfare Assocaition Pocket-2, Mayur Vihar, Phase-1 Delhi 110 091	05.03.2018
56.	56	Sh. Sanjeev Singh Tomar President	Vikas Simiti, Durga Puri Vistar Loni Road, Delhi 110 093	05.03.2018
57.	57	Sh. Subhash Chand Saxena	Resident Welfare Assocaition 4996, Ground Floor, Ghas Mandi Ahata Kidara Pahari Dhiraj, Delhi-110 006	05.03.2018
58.	58	Sh. Shivkumar Sharma	Brijpuri Residents Welfare Association D-8/154, Brij Puri, Delhi 110 094	05.03.2018
59.	59	Dr. Arjun Kumar Founder Chairman	Dignity Restoration & Grievance Settlement Association B-4/84/2, Safdarjung Enclave, New Delhi 110 029	05.03.2018
60.	60	Sh. Arvind K. Mehta President	Residents Welfare Association 542, Double Storey, New Rajinder Nagar, New Delhi	28.02.2018
61.	61	Sh. Farooq Engineer	Rehayeshi Welfare Anjunman Shivaji Road, Azad Market, Delhi 110 006	28.02.2018
62.	62	Sh. B.S. Vohra President	East Delhi RWAs Joint Front-Federation F-19/10, Krishna Nagar, Delhi-51 rwabhagidari@yahoo.com	06.03.2018
63.	63	Sh. Samson Frederick Joseph Gen. Secretary	All India Minorities Fundamental Rights Protection Committee 2109/18, Turkman Gate, New Delhi	06.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
64.	64	Sh. Ompal Singh	New Chauhan Pur Residents Welfare Assocaition 40/240, New Chauhanpur, Karawal Nagar Road, Delhi 110 094	06.03.2018
65.	65	Sh. Vivek Agarwal General Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	07.03.2018
66.	66 66A 66B	Sh. B.B. Tiwari	sarwasharpan@gmail.com	07.03.2018 12.03.2018 14.03.2018
67.	67	Sh. Sanjeev Bhatnagar President	Resident's Welfare Assocaition New MIG Flats Prasad Nagar, New Delhi	08.03.2018
68.	68	Sh. Prem Nagpal Vice President	E-221, West Patel Nagar, New Delhi 110 008	08.03.2018
69.	69	Sh. Deepak Kumar Goyal President	Delhi Dall Mill Association 4122, Ground Floor, Main Raod Naya Bazar, Delhi 110 006	12.03.2018
70.	70	Sh. Rajesh Chhabra Vice President	West Patel Nagar Veopar Mandal A/31, West Patel Nagar, Main Market, New Delhi 110 008	08.03.2018
71.	71	Sh. Sushil Mishra Patrons	Jhilmil DDA Flats Residents Welfare Assocaition Gate No. 2, Satyam Enclave, Delhi 110 095	09.03.2018
72.	72	Sh. G.R. Luthra Secretary	Vivek Vihar Phase-II, A-Block Residents Welfare Association A-98, Vivek Vihar, Phase II, Delhi 110 095	12.03.2018
73.	73	Choori Walan Welfare Society	Choori Walan, Tokri Walan, Pahari Imli, Chitla Gate, Delhi 110 006	09.03.2018
74.	74	Sh. Mazar Ullah President	Resident Welfare Assocaition 1855, Gali Pattey Wali Sui Walan, Darya Ganj New Delhi 110 002 galipatteywalidaryaganj@in.com	08.03.2018
75.	75	Sh. Mahesh Chand General Secretary	Khatik Kalyan Parisad 1820, Gali Khatikan, Chowk Shan Mubarak, Baar SIta Ram, Delhi 110 006	09.03.2018
76.	76	Ms. Kalpana Chawla,Adv.	Wall City Mahila Panchayat Samiti	09.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
		President	1831-32, Gali Mandir Wali, Chowk Shah Mubarak, Bazar Sita Ram, Delhi 110 006	
77.	77	Sh. Atul Chawla	Chawla.atul@yahoo.com	09.03.2018
78.	78	Sh. Arun Kumar Chairman	Dignity Restoration & Grievance Settlement Association B4/84/2, Safdarjung Enclave, New Delhi110 029 director@dignityindia.org	18.03.2018
79.	79	Sh. J.B. Sahdev	Qutab Enclave MIG Residents Welfare Association Qutab Enclave, Phase-1 New Delhi 110 016	19.03.2018
80.	80	Sh. V.S. Mahindra	H-3/45, VIkaspuri, New Delhi 110 018	19.03.2018
81.	81	Sh. S.K. Bhatia	3/102, Subhash Nagar, New Delhi 110 027	19.03.2018
82.	82	Sh. Suresh Gupta	B-71, New Town Cooperative Gourp Housing Society Limited Sector – 14 Extension Rohini, New Delhi 110 085	19.03.2018
83.	83	Sh. V.P. Garg	B-2/48A, Keshavpuram New Delhi 110 035	19.03.2018
84.	84	Sh. A.K. Jain	DDA Flats, Kalkaji New Delhi 110 019	19.03.2018
85.	85	Sh. Jagdish Prasad	A-129, Pulprhalad New Delhi 110 019	19.03.2018
86.	86	Sh. J.N. Bagehi	F-1152, C.R. Park New Delhi	19.03.2018
87.	87	Sh. Vishvas, President,	1, North West Avenue , Punjabi Bagh, New Delhi-110026	19.03.2018
88.	88	Sh. Gyanender Kaushik	RWA, Babur Pur, Delhi	23.03.2018
89.	89	Sh. Ashok Bhasin	President, North Delhi Residents Welfare Federation 1618, Main Chandrawal Road, Delhi-110007	23.03.2018
90.	90	Sh. Deepak Joshi	17D, Pocket B Dilshad Garden, Delhi	23.03.2018
91.	91	Sh. K.K. Verma	DVB-ETBF-2002, Pre-Fabricated Building, Rajghat Power House, New Delhi-110002	23.03.2018
92.	92	Sh. Harmeet Singh	Koshish Residents' Welfare	23.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Association(Regd.) 2462 Basti Punjabian, Roshanara Road, Subzi Mandi , Delhi-110007	
93.	93	Sh. Hemanta Madhab Sharma	146 Vinobha Puri(FF), Lajpat Nagar-II, New Delhi-110024	23.03.2018
94.	94	Sh. Narender Kumar	RWA, New Usman Pur, Delhi	23.03.2018
95.	95	Sh. Ompal Singh Ahlawat	E-186, Chhattarpur Ext., New Delhi-110074	23.03.2018
96.	96	Sh. Ved Prakash Arya	RWA, 895A-1 Ward, No 8, Mehrauli-110030	23.03.2018

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS, GENCOS, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2016-17 AND ANNUAL TARIFF PETITION FOR FY 2018-19

Sr. No.	Name	Address
1	Sh. Vivek Aggarwal	DMRC
2	Sh. Manoj Singhal	DMRC
3	Sh. Subodh Pandey,	DMRC
4	Sh. Satish Moza	DMRC
5	Sh. Reddy Sai Raj	DMRC
6	Sh. Sukhdev Raj, Kalkaji	South Delhi
7	Sh. Om Pal Singh Ahlawat	RWA Chhattapur Extn.
8	Sh. Ved Prakash Arya	RWA Mehrauli
9	Sh. Shankar Swami	RWA Mehrauli
10	Sh. Gyanedra	RWA Babar Pur
11	Sh. G. S. Kohli	RWA Vasant Kunj
12	Mrs. Mini Sree Kumar	RWA Pkt.-2, Mayur Vihar-I
13	Sh. Vishal Malhotra	Naraina
14	Sh. Harsh Puri	Galaxy Print Process
15	Sh. Rajender Singh	DMRC
16	Sh. Gokul Chander Mittal	Model Town
17	Sh. Gaurav Mittal	
18	Sh. Rohit Arora	RWA Krishan Nagar
19	Sh. Noor Mohd. Khurashi	Krishna Nagar
20	Sh. Shubham	DMRC
21	Sh. B. B. Tiwari	URD
22	Sh. Narender Kumar	RWA North East, Usman Pur
23	Sh. Kunwar Pratap Singh	RWA Bhajan Pura
24	Sh. Vijay Singh Rawat	RWA, Mayur Vihar Phase-II
25	Sh. Rajeev Kakaria	GK-I, RWA

Sr. No.	Name	Address
26	Sh. Ashok Bhasin	NDRWF, Delhi
27	Sh. Harban Sharma	RWA Chandni Chowk
28	Sh. Kishan Kumar	RWA Chandni Chowk
29	Sh. Harsh Swaroop Bakshi	RWA Rohini
30	Sh. Dharmender Gupta	RWA Mangol Puri
31	Sh. H. M Sharma	Lajpat Nagar, Delhi
32	Sh. Saurav Gandhi	URD
33	Sh. Ramesh Chand	RWA Karol Bagh
34	Sh. Har Bhajan Singh	RWA Shashtri Nagar
35	Sh. Dharminder Kumar	RWA Pritam Pura
36	Sh. Jatin	ES&S Hospitality Services Inc.
37	Sh. Deepak Joshi,	RWA Dilshad Garden
38	Sh. J. G. Abrol	RWA Jasola
39	Sh. Mahesh Chand Chola	RWA Darya Ganj
40	Sh. Daya Ram Diwedi	Chandani Chowk RWA
41	Md. Etbar Ahmed	RWA Darya Ganj
42	Smt. Sudha Sharma	Mahila Panchayat Sumiti
43	Sh. Mazhar Ullah	RWA Gali Pattey Wali Darya Ganj
44	Sh. Man Mohan Verma	RWA Rohini
45	Sh. H. C. Dhupar	RWA Rohini
46	Sh. Prem Pal Sharma	RWA Sultan puri
47	Sh. Dharamveer	RWA Sultan Puri
48	Sh. Dharam Pal Pawar	RWA Sultan Puri
49	Sh. Harmeet Singh	RWA Subzi Mandi
50	Sh. Dilip Chadha	RWA RP-I
51	Sh. Surender	RWA N.W. Sultan Pur
52	Sh. Mohan Kumar	D-1/249, Sultan Pur
53	Sh. Jagjeet Singh	RWA Hudson Line GTB Nagar
54	Sh. Prem Singh	RWA Khanpur

Sr. No.	Name	Address
55	Sh. Balvinder Singh Thaper	RWA Vikas Puri
56	Sh. Paramjeet Singh	RWA Vikas Puri
57	Sh. Dharmender Kumar	RWA Vikas Nagar
58	Sh. Shushil Kumar	RWA, Nagloi
59	Sh. Harish Kumar	RWA Nagloi
60	Sh. Surender Saini	RWA Nangloi
61	Sh. Satya Galla.	Mercados Energy Markets India Pvt. Ltd
62	Sh. Shiv Kumar	RWA, Brijpuri
63	Sh. Surendra Sharma	RWA, Brijpuri
64	Sh. Rakesh Sharma	RWA Prem Nagar, Karawal Nagar
65	Sh. Vijay Batra	Kirti Nagar, Industrial Association
66	Sh. V. K. Malhotra,	DVB Pension Trust
67	Sh. Rajan Gupta	DVB Pension Trust
68	Capt. Anju	Dwarka Sector- 8
69	Dr. Naresh	Dwarka, Sector – 8
70	Sh. A. K. Dutta	Mayur Vihar Phase-II
71	Sh. Ashok Sikka	Kirti Nagar Industrial Association.
72	Sh. Jitender Tyagi	President URD
73	Sh. Karnail Singh	Kirti Nagar Indl. Area
74	Sh. Balbir Singh	Kirti Nagar Indl. Area
75	Smt. Poonam	MMTC
76	Smt. Anita Guptrishi	MMTC
77	Sh. B.D. Sharma	RWA Mundka Division
78	Sh. Dharamveer	RWA Mundka Division