Amended supplementary PETITION SEEKING Revised (i) ARR for FY 2020-21, the FIRST YEAR of 4TH MYT CONTROL PERIOD 2021 to 2023, IN TERMS OF THE DELHI ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS, 2017, THE DELHI ELECTRICITY REGULATORY COMMISSION (BUSINESS PLAN) REGULATIONS, 2019, read with ELECTRICITY ACT, 2003 & THE DELHI ELECTRICITY REFORM ACT, 2000 and DERC (COMPREHENSIVE CONDUCT OF BUSINESS REGULATIONS), 2001 and directions issued by the Hon'ble Delhi Electricity Regulatory Commission from time to time.

THE PETITIONER RESPECTFULLY SHOWETH:

1. The Petitioner Tata Power Delhi Distribution Limited (formerly known as North Delhi Power Limited) was incorporated under the provisions of the Companies Act, 1956 with its corporate office at NDPL House, Hudson Lines, Kingsway Camp, Delhi - 110 009. During financial year 2011-12, the Company applied for change in its name from North Delhi Power Limited to Tata Power Delhi Distribution Limited. Subsequently, a fresh certificate of incorporation consequent to the change in name to Tata Power Delhi Distribution Limited ('the Company') was issued by the Registrar of Companies, N.C.T of Delhi & Haryana on 29 November, 2011 under section 23(1) of the Companies Act, 1956.

   'The Company' primarily engaged in the business of distribution of electricity in North and North-West Delhi was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi together with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.

   The Company has been granted a License under section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The License is valid for a period of twenty five years.

2. In terms of License TPDDL w.e.f. July 1, 2002 has been carrying out electricity distribution and retail supply in its Area of Supply as defined in schedule H, Part-III of the Delhi Electricity Reform (Transfer Scheme Rules), 2001 and the Distribution and retail supply license issued by the Hon'ble Commission. The Petitioner has also undertaken generation of electricity (solar and gas based) through its generation wing. However due to curtailment of gas by Ministry of Petroleum and Gas, the gas based generation plant is not operational.

3. The Hon'ble Commission is a statutory body and is empowered to regulate the electricity distribution business and determine tariff under section 62 of the Electricity Act 2003.

4. After completion of 2nd MYT Control Period, the Hon'ble Commission enacted the new MYT Regulations, 2017 vide its gazette notification dated 31.01.2017 specifying Terms and Conditions for Determination of Tariff after undertaking the public hearing and stakeholders consultation, to be effective from 01.04.2017 onwards.

5. For sake of convenience and brevity, the said regulations have been referred as the 3rd MYT Regulations 2017 and subsequently the Hon'ble Commission has issued operational norms for Distribution Utilities vide Business Plan Regulations, 2019 which was released on 27th December, 2019 to be read along with 3rd MYT Regulations, 2017.

6. In compliance with the aforesaid regulations/directives, and without prejudice to the Petitioner's rights, remedies available to it under various laws, and pending provisional true up of various claims, review orders, implementation of various judgments before the Hon'ble Commission and pending adjudication of various matters before higher judicial forums, Tata Power Delhi Distribution Ltd. (the Petitioner) filed this revised petition in compliance to the Hon'ble Commission letter No. F.3(615)/ Tariff/ DERC /2019-20/6772/ 002 dt 20.05.2020 seeking ARR for FY 2020-21 on the basis of the 3rd MYT Regulations, 2017 to be read with Business Plan Regulations, 2019 and principles laid down in various judgments given by Appellate Tribunal of Electricity, judicial authorities, past practice etc.

7. The Petitioner filed its True up Petition for FY 2018-19 on 24th December 2019 seeking provisional true up of revenue gap of Rs 3,655.84 Cr. upto FY 2018-19. In the said Petition, the Petitioner has prayed before the Hon'ble Commission seeking
   - (i) Allowance of Impact of Judgment pronounced by the Hon'ble APTEL in Appeal no 246 of 2014
   - (ii) Allowance of Impact of Rithala Tariff Order pronounced by the Hon'ble Commission for True up upto FY 2017-18
   - (iii) Allowance of Impact of Judgment pronounced by the Hon'ble Commission in Petition no 10/2014
   - (iv) Allowance of Impact of Judgment pronounced by the Hon'ble APTEL in Appeal no 82 of 2015, Appeal 136 of 2015, Appeal 274 of 2015, Appeal 285 of 2015 and Appeal 58 of 2015
   - (v) True up for Rithala for FY 18-19
   - (vi) True up of ARR of FY 2018-19
   - (vii) A realistic and time bound amortization plan to liquidate provisionally trued up Revenue Gap upto FY 2018-19
   - (viii) Final True up of Capitalization pending since FY 04-05 till FY 18-19

8. The 3rd MYT Tariff Regulations provides that the Licensee has to file True up Petition for previous year & ARR Petition for ensuing year before 31st Oct of the current year. However due to non-enactment of the Business Plan Regulations for the new control period commencing from FY 2020-21 which specify the operational norms for FY 2020-21, the ARR Petition could not be filed by the Petitioner. The Business Plan Regulations, 2019 having been enacted and notified in December, 2019 by the Hon'ble Commission. In accordance with the same, the Petitioner has already filed its ARR Petition for FY 2020-21 on 14.02.2020 and also prayed to the Hon'ble Commission to consider and treat the said ARR Petition as a combined petition along with True up Petition for FY 2018-19. The said request of the Petitioner was allowed by the Hon'ble Commission vide order dated 20.02.2020 in Petition No.03/2020, relevant extracts of the said order are reproduced below:

1. The Representative for the Petitioner states that the Petitioner has filed two petitions, one for ARR for Financial Year 2020-21 and another for True-up of ARR for Financial Year 2018-19. However, as exercise of determination of tariff and true-up are taken up simultaneously, the two petitions may be treated as one and the same may be admitted.

2. The request of the Petitioner is allowed and accordingly, the petition is admitted. The Petitioner shall furnish clarifications/ additional information, if and when required by the Commission.

9. The Hon'ble Commission has admitted the said Tariff Petition bearing No.03/2020. Notice for public hearing was also published to conduct the Public hearing on 18th March, 2020 but due to the outbreak of Covid-19, the said date of public hearing was deferred to another suitable date to be announced in future.

10. Further, the Ministry of Home Affair, Govt. of India vide its order no 40-3/2020-DM(I)(A) dated 24/3/3020 imposed lock down restrictions throughout the country which have been extended vide various notifications to the said order from time to time and still in force as on date of filing the present supplementary Petition. Thus, the Hon'ble Commission vide its letter No. F.3(615)/ Tariff/ DERC /2019-20/6772/ 002 dt 20.05.2020 has directed Utilities to revise their ARR and submit the revised ARR Petition on or before 30th May 2020.

11. Based on the above directions, the Petitioner hereby submits its Revised ARR Petition for FY 2020-21.

12. Further, it is worth to mention that the Hon'ble Commission enacted the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations 2017 vide notification dated 31.01.2017. In terms of the said Tariff Regulations, 2017 the Hon'ble Commission introduced the concept of enacting Business Plan Regulations [refer Regulation 2(13)] for control period.

    The Hon'ble Commission enacted the Business Plan Regulations for third control period (comprising of three years FY 2017-18; 2018-19; 2019-20) on 31.08.2017. The Hon'ble Commission laid down the business plan norms for the various generating, transmission, distribution utilities in Delhi. The control period for the said DERC Business Plan Regulations 2017, being coming to an end in current FY2019-20, the Hon'ble Commission commenced the exercise of finalizing the new Business Plan Regulations, 2019 for the fourth control period (FY 2020-21; 2021-22; 2022-23) through floating the draft Business Plan Regulations followed by due stakeholder consultation. The Petitioner furnished its comments, views to the Hon'ble Commission on various parameters including "*Operation and Maintenance Expenses*". However the Hon'ble Commission while releasing the final form of Business Plan Regulations, 2019 has ignored the submissions, concerns of the Petitioner on O&M expenses. The Hon'ble Commission has also vide the said DERC Business Plan Regulations 2019 specifically on O&M expenses, Legal Expenses enacted a Regulation which is not in accordance with the provisions of the Electricity Act,2003 and violates the spirit of the National Tariff Policy. The said 2019 Regulation further ignores certain factors, business realities, practical aspects which have direct bearing on the incurring of O&M expenses, legal expenses which are not in control of the Petitioner. In view of the Petitioner, the DERC Business Plan Regulations 2019, needs re-consideration and judicial review. The Petitioner without prejudice to its rights, contentions has filed the ARR for FY 2020-21 with the Hon'ble Commission. The said ARR petition, present supplementary petition for FY 2020-21 will be subject to the outcome of any proceedings initiated by the Petitioner, challenging the DERC Business Plan Regulations 2019 before the Competent Court, the Hon'ble Delhi High Court based on legal advice. The Petitioner shall seek consequential orders, revision from the Hon'ble Commission based on the observations, findings, judgment of the Competent Court, the Hon'ble Delhi High Court, as the case may be pursuant to such Legal proceedings being filed against the DERC Business Plan Regulations 2019.

The Petitioner thus seeks, reserves its right to raise its claims in relation to the interpretation/mandate of Business Plan Regulations 2019 , once the same is decided by the Hon'ble Delhi High Court, competent court.

However, it is being specifically clarified by the Petitioner that by filing the ARR petition for FY 2020-21, read with the supplementary Petition such methodology should not be construed as any waiver or concession, omission

at the end of the Petitioner in later claiming any consequential orders, based on outcome of the Writ Petitions to be instituted by the Petitioner against such DERC Business Plan Regulations 2019, or other Regulations. It is the submission of the Petitioner that present Petition is being made in line with present DERC Business Regulations 2019 and subject to outcome of the proceedings, Writ matters being filed which have a direct bearing on the DERC Business Plan Regulations, 2019, other Tariff Regulations in Force and ARR determination as well as on the principles enunciated for Wheeling, Retail Supply Tariff as may be decided by any Court, Tribunal or otherwise.

13. The current Petition includes affidavit verifying the Petition and the Power of Attorney for filing of
    a. Revised ARR for FY 20-21

14. It is submitted that apart from the issues already mentioned, claimed in the True up petition for FY 2018-19, the present petition is being filed with specific mention and consideration of the Hon'ble Commission on following issues:

A. Lack of cost reflective tariff leading to creation of Regulatory Assets:-

Under the aegis of Electricity Act, 2003, National Tariff Policy, 2016 and Tariff Regulations, Business Plan Regulations prescribed by this Hon'ble Commission during various control periods had the potential for designing cost reflective tariff for Distribution licensees.

Besides above statutory provisions, in its various judgements the Hon'ble APTEL has also observed that Electricity Tariff must be cost reflective, True up and tariff order exercise should be completed at due point of time by respective State Electricity Regulatory Commissions. It was also mandated by the Hon'ble Tribunal that Regulatory Assets accumulation should not be there on routine business as usual basis. Abstract of one of important judgement from APTEL in OP1 of 2011 given below:-

a) *Every State Commission has to ensure that Annual performance Review, **true up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis** as per time schedule specified in the regulations*

b) *It should be the endeavor of every State Commission to ensure that **the tariff for the financial year is decided before 1st April of the tariff year. Consider making the tariff applicable only till the end of the financial year** so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*

c) …………………

d) ***In determination of ARR / tariff, the Revenue Gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.***

e) *Truing up should be carried out regularly………………………*

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

Para 66: **The said directions are to be strictly adhered to and periodical reports of the compliance to be sent to the Secretary, Forum of Regulators by 1st June of every Financial Year, who will send the status report to the Hon'ble APTEL and publish it on their respective websites."**

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 National Tariff Policy issued vide Gazette Notification dated 28th January, 2016. The relevant extracts of the relevant clause 8.2.2 has been reproduced below-

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:
a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;
b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."

The observation of the Hon'ble Appellate Tribunal, in one of its judgment (Appeal No. 36 of 2008 where the Hon'ble Commission was the Respondent, is reproduced below-:

"117) All projections and assessments have to be made as accurately as possible. Truing up is an exercise that is necessarily to be done as no projection can be so accurate as to equal the real situation. ***Simply because the truing up exercise will be made on some day in future the Commission cannot take a casual approach in making its projections. We do appreciate that the Commission intends to keep the burden on the consumer as low as possible. At the same time one has to remember that the burden of the consumer is not ultimately reduced by under estimating the cost today and truing it up in future as such method also burdens the consumer with carrying cost****."* (Emphasis Supplied).

Contrary to the above binding directions, provisions & observations, since last many years, it has been witnessed that tariff fixation in respective of distribution tariff orders was not carried out in cost reflective manner apart from delay in release of annual tariff orders, true up orders etc. because of which there is accumulated Regulatory Assets of Rs. 2,254.50 Cr at the end of FY 17-18 as provisionally trued up by the Hon'ble Commission in Tariff Order dated 31st July, 2019.

The corresponding figure as per audited books of accounts of the Petitioner, for the accumulated Regulatory Assets stands to the tune of Rs. 4400 Cr as on 31st March' 2018. Whereas the Regulatory Assets as on 31.03.2009 as per the Hon'ble Commission Order was amounting to Rs. 161.43 Cr. only. The year wise trajectory mapping creation of Regulatory Assets as per respective tariff orders of the Hon'ble Commission and corresponding figures appearing in our books of accounts are as under:-

Table: 1

Financial Year	Cumulative RA as per Books (Rs/Cr)	RA As per DERC (Rs./Cr)	Difference (Rs./Cr)
09-10	1016	725	-291
10-11	2172	1604	-568
11-12	3954	3060	-894
12-13	4712	3376	-1336
13-14	5146	3351	-1795
14-15	5358	3194	-2164
15-16	4720	2454	-2266
16-17	4574	2395	-2179
17-18	4400	2255	-2145
18-19	4579	--	True up is in progress
19-20	5222	--	Yet to be trued up

It may be appreciated that the major part of the regulatory asset created remains un-liquidated and has been carried forward by us for more than 10 years hence recovery of the high-accumulated revenue gap continues to remain a major concern for us, given that there is no clear roadmap stipulated for assured recovery of the same. This accumulation is the outcome of non-cost reflective tariff determination in past control periods and hence needs to be addressed immediately; as the situation has reached at alarming proportions making financial condition of the Petitioner's company fragile, which is evident from the following facts:-

1. **Credit rating Agency warning**: Credit rating agency ICRA in its last rating has also expressed its concerns on the liquidation prospects of regulatory assets. Even a one notch down in credit rating from existing level will affect the Petitioner interest rate by around 100 basis points, thereby affecting the customers with a higher cost burden. The early amortization of such huge built up Revenue Gap would first help in reducing carrying cost burden on the consumer and also in improving the credit rating of the Petitioner, which may further result into lower cost of debt and again the benefit of that will go to consumers. Relevant extract from Rating perspective is reproduced below which clearly depicts that rating may be downgraded in case the regulatory asset is not timely liquidated. This could severely affect availability of funds and pricing of debt, which will further add burden on consumers.

   "Scenarios for Rating Downgrade

   Negative pressure on TPDDL's rating could arise if lack of adequate tariff hike significantly delays liquidation/leads to creation of RA."

2. **Mobilizing Financing a Challenge**: Seeking finance against Regulatory Assets from lenders has now become virtually impossible as Regulatory scrutiny before grant of loan at financial institutions end has been made more stringent and prudent. Rising trend of Regulatory Assets, uncertainty about its liquidation plan, absence of cost reflective tariff and non-resolution of distribution related important issues are eroding our capacity to borrow any loans against regulatory assets. The bankers and financial institutions are reluctant to extend any further finance against such assets which have uncertainties associated with timeline and extent of realization and are hence demanding rate enhancements on already financed funds due to increased risk owing to "Uncertainty" and its "Creations going against statutory Provisions". Denial letters received by Petitioner from two bankers are already shared with the Hon'ble Commissions.

3. **Uncertainty about liquidation** :The Hon'ble Commission in its Tariff Order dated July, 2012 introduced 8% Deficit Revenue Recovery Surcharge for the recovery of past cumulative Revenue Gap or Regulatory Assets and corresponding carrying cost and continued the same rate of 8% till now which (with passage of time and further accumulation of Regulatory assets) has become absolutely inadequate considering the accumulated quantum of outstanding Regulatory Assets as evident from the table given below:-

Table : 2

Rs Cr

Year	Regulatory Assets (After adjusting DRRS & Carrying cost)	DRRS Actual Trued up by DERC	Carrying cost as per DERC	Amount of DRRS available over and above carrying cost; adjustable further against the Revenue surplus/ Deficit for the year
FY 12-13	3376 (at the end of FY 13)	237	358	-121
FY 13-14		391	377	13
FY 14-15		446	367	79
FY 15-16		473	316	157
FY 16-17		499	260	238
FY 17-18	2255 (at the end of FY 18)	516	226	289
Total		**2561**	**1905**	**656**

DRRS- Deficit Revenue Recovery Surcharge

From the above table, it can be seen that from FY 12-13 to FY 17-18, so far Deficit Revenue Recovery Surcharge @ 8% collected & trued up was Rs. 2,561 Cr. Out of this Rs. 1,905 Cr has been adjusted against carrying cost and balance Rs. 656 Cr was only available for liquidation of Regulatory Assets for FY 12-13 amounting to Rs 3376 Cr which as per National Tariff Policy (Considering max 7 years based on updated guidelines) should have been fully liquidated in FY 19-20. However, until FY 17-18 liquidation of Regulatory Assets could be ensured to the tune of Rs. 1,121 Cr only thus, resulting into un-liquidated /pending Regulatory Assets of Rs. 2,255 Cr (i.e. trued up Revenue Gap upto FY 18).

After the final true up of regulatory asset, the carrying cost amount as stated above will increase and there will be no amount left from DRRS for liquidation from regulatory asset. The Hon'ble Commission hence needs to urgently revisit the determination and levy of current rate of 8% towards Deficit Revenue Recovery Surcharge which is only sufficient to service carrying cost obligation on the Revenue gap as per the Petitioner books of account and negligible recovery is made towards liquidation of the principle amount. An upward revision of current DRRS @ 8% to at least 15% is required to address the real intent envisaged at the time of introduction of the same so that DRRS is not only able to cover carrying cost but also liquidates some portion of principle amount every year.

The Petitioner here that unless a certainty in the form of concrete liquidation plan is brought in the system, Bankers & financial Institutions are clearly showing reluctance to finance against such assets.

4. **Mismatch in Regulatory assets figures**: Another uncertainty and challenge we are facing is the difference in figures of Regulatory Assets as depicted in **Table No. 1**. The difference is mainly due to (i) Provisional true up of capitalization (ii) Rithala Power Plant related financial impact (iii) Pending implementation of various judgments pronounced by this Hon'ble Commission, the Hon'ble APTEL and the Hon'ble Supreme Court or pending adjudication of various matters before higher judicial forums.

   The Regulatory assets claims thus vary in the Petitioner books in contrast to the records of the Hon'ble Commission which does not accept or recognizes these factors affecting buildup of Regulatory Assets. This huge mismatch / difference is a cause of great concern and does not depict the correct state of affairs when we approach Lenders for loans against such regulatory assets.

While the Petitioner were dealing with the aforesaid challenges and concerns, the financial situation of the organization further severely impacted by the occurrence of Covid-19 pandemic and consequent lockdown restrictions across India and in Delhi also.

Our entire revenue mix, units sold and corresponding recovery has been badly affected resulting in non-recovery of our monthly running fixed cost comprising mandatory O&M

expenses and fixed capacity charges, transmission charges etc. payable to Genco's / Transco's. The duration of this uncertain situation and its aftermath effect is not known at the moment and can only be estimated tentatively.

B. Provisional allowance of capitalisation and in ordinate delay in completion of physical verification exercise/audit process etc.

The Hon'ble Commission is admittedly carrying out physical verification of assets capitalized during the past periods. However, even after expiry of more than 15 years, capitalization is yet to be trued up from FY 2005-06 onwards, which is against the Hon'ble Commission's Tariff Regulations and MYT Regulations 2007, 2011, 2017 as was in force from time to time.

The enormity of the situation can be appreciated from the fact that against the actual capitalization of Rs. 4,871 Cr done during the period FY 2005-06 to FY 2017-18, the capitalization has been allowed to the extent of Rs. 4,098 Cr only thereby provisionally disallowing capitalization by Rs. 772 Cr apart from other associate financial impact like ROE, Depreciation and Financing Cost etc.

Table showing gap between capitalization provisionally approved vs. as per financial books is given below:-

Table: 3

(Figures- Rs. Cr)

Financial Year	Capitalisation Claimed (A)	Provisionally Approved by DERC during true-up (B)	Difference (A-B)
2004-05	242	241	1
2005-06	323	157	166
2006-07	277	200	77
2007-08	264	152	113
2008-09	337	329	9
2009-10	376	218	158
2010-11	390	562	-172
2011-12	346	324	21
2012-13	357	201	156
2013-14	343	220	123
2014-15	319	319	0

Financial Year	Capitalisation Claimed (A)	Provisionally Approved by DERC during true-up (B)	Difference (A-B)
2015-16	363	363	0
2016-17	455	455	0
2017-18	479	359	120
Total	4871	4098	772

(These figures are without retirement and generation).

This state of affairs apart from causing severe financial distress to the Petitioner, is exposing the consumers to substantial increase in tariff hike in coming period on account of consequential financial impact i.e. carrying cost for the period of delay. The consumers have already reaped the benefits of suppressed/lower tariffs fixed by the Hon'ble Commission in past due to deferment of true of capitalization.

The Tariff Regulations clearly require the truing up exercise to address recovery of recognized revenue gap as well as to make projection close to the real situation after factoring into all claims having arisen due to orders of various judicial authorities. These projections should be done in such a way that the exercise of projecting the revenue and allowable claims does not suffer from the deferment of the cost reflective tariff. The Hon'ble Commission may kindly implement the truing up concept with its intended purpose and do away provisional true up thereby making the final True up a never ending exercise without any fault of the Petitioner, thus making business prone to being commercially non-viable.

In the absence of the True-up of actual capitalization, we are facing severe difficulty in serving of the debt obligations despite the fact that the assets have been operationalized and that we are performing better than the targets as mandated in the standards of performance regulations. The consumers are being served in an efficient manner in line with stringent standards of performance framed by the Hon'ble Commission. It is therefore, imminent that the Hon'ble Commission may undertake and give effect to the final True up of the capitalization of assets as per regulatory filings of the Petitioner under various applicable Tariff Regulations.

The non-allowance of the capitalization by the Hon'ble Commission in a timely manner has not only lead to deprivation of adequate funding for us as a distribution licensee but has also created a sense of uncertainty regarding the financial outcome in terms of the amount to be allowed towards capital expenditure and capitalization from 2005-06 till date.

The Hon'ble Commission has from time to time in its Tariff Orders set out projections of capital expenditure/capitalization expected to be incurred during the ensuing control period. However, despite the fact that the actual capitalization made in the expansion/strengthening of network in various years have surpassed the projections made by the Hon'ble Commission, the Hon'ble Commission has proceeded to provisionally approve lower capitalization. The details and documents of such capitalization claims of the Petitioner have also been examined by the Hon'ble Commission's appointed auditors for carrying out prudence check before true up exercise.

Further, the tariff determined based on such suppressed lower capitalization also failed to take into consideration the difficulties faced towards the debt serviced by us for such assets. As a result, there is not only uncertainty about the final amount of CAPEX/capitalization to be approved by the Hon'ble Commission but also we are forced to carry out network expansion in discharge of our statutory performance standard obligation, without securing adequate returns in terms of ROCE and other related claims for carrying out the expansion of the network.

Apart from the above hardships, the Hon'ble Commission has even considered the figures recorded in the "Draft Report" on Physical verification reports on capitalization of FY 17-18, which have yet to attain finality after considering the submissions, justifications of Tata Power DDL. This approach of the Hon'ble Commission is excessive and further robs the utility of any opportunity to clarify any doubts, queries, factual inaccuracies. Vide our letter-bearing no. TPDDL/Regulatory/2019-20/03/176 dated 2nd Aug 2019 we had even brought to notice of the Hon'ble Commission regarding factual inaccuracies in Draft Report on physical verification for FY 17-18, but the same was not acted upon.

Thus, the true up of capitalization pending with the Hon'ble Commission requires closure in current True up exercise being undertaken for FY 2018-19.

C. PPAC related issues.

Another major issue being faced by the Petitioner is that while increase in cost of fuel for generation of power is a pass through and is recoverable from its beneficiaries without any delay, such as on a monthly basis as per the Generation Regulations framed by the CERC.

Corresponding increase is allowed on quarterly basis to be recovered from consumers after completing regulatory proceedings by this Hon'ble Commission which itself takes longer period thereby creating a mismatch in expenditure and revenue realization of the Petitioner leading to creation of regulatory assets and financial crunch.

As can be seen from Table 4; over the past 2 years FY 18-19 & 19-20 (7 Quarters) because of timing gap between increased fuel cost paid to power generator and corresponding increase allowed in PPAC orders after regulatory proceedings creating cash flow mismatch. This situation graver in Q2 & Q3 of FY 19-20 as balance amount of Rs. 461 Cr yet to be recovered from consumer. Deferment of Rs.461 Cr for a distribution utility like us that too in the Covid-19 lockdown situation is a very serious concern and needs intervention of Hon'ble Commission on sos basis.

Table: 4

Qtr	Petition filed for approval of DERC	Date of filing petition	Approval date by DERC	No. of days for processing	Balance Approved PPAC %	Gross Amount (Rs. Cr.)	Under Recovery* (Rs. Cr.)
Q3	35.05%	27.02.20	Order Pending		--	461	410
Q2	3.52%	13.11.19	Order Pending		--	116	51
Q1	7.05%	20-08-2019	11-10-2019	52	7.05%	176	-
Q4	6.42%	21-05-2019	29-08-2019	100	3.56%	139	-
Q3	6.78%	13-03-2019	18-02-2020	342	2.64%	159	-
Q2	0.84%	11-12-2018	18-02-2020	434	2.64%	93	-
Q1	0.98%	17-09-2018	18-02-2020	519	2.64%	99	-
			Total				**461**

*Amount shown, as under recovery amounting to Rs.461 Cr is total amount subject to PPAC minus 4.5% already billed or under billing.

It is further mentioned that as directed by Hon'ble Commission vide letter dtd. 06/03/2020 the Petitioner has approached to CERC for seeking deferment of future installments due as well as directing past paid amounts as per CERC orders, to be adjusted in future payments due vide Petition No.329/2020. The Petition has been heard on maintainability of such Petition and orders are awaited on the same. M/s. PPCL and other generating companies has strongly opposed our petition.

Based on above and seeing the liquidity crunch, it is requested to the Hon'ble Commission to dispose off the PPAC's petitions timely.

D. Tariff Structure related issue.

Based upon the guidelines set out in National Tariff Policy, 2016, the Hon'ble Commission's own tariff regulations, various research papers from renowned consulting firms like PWC etc. and in order to adopt prudent financial practices, a tariff rationalization exercise was under taken by this Hon'ble Commission during designing the electricity tariff as announced by the Hon'ble Commission on 28.03.2018.

The Hon'ble Commission has rightly conceived at that point of time that

(a) fixed cost of discom be recovered from fixed charges

(b) variable cost from energy charges

(c) cross subsidy should be minimized.

Relevant information (Extract from Tariff Order 2018) of the category wise Cross subsidy as specified for FY 2018-19 is given below:

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 (%)	Cross Subsidy (%)
1	Domestic	7.34	5.42	74	26
2	Non-Domestic	7.34	11.11	151	(51)
3	Industrial	7.34	9.54	130	(30)
4	Agriculture	7.34	5.12	70	30
5	Public Lighting	7.34	7.94	108	(8)
6	DMRC	7.34	6.22	85	15
7	DJB	7.34	6.77	92	8

This was also extremely necessary from ***business sustainability*** point of view. Accordingly, fixed charges for all category of consumers was increased and energy charges was reduced.

While increasing the fixed charges in FY 18-19 tariff order, it was thought prudent in line with the sector requirement that the rate of fixed charges be brought to the close of fixed charges components of Discoms like O&M Expenses, Network creation to meet the energy demand supply, Fixed charge/capacity charges paid to Genco's /Transco's etc and energy should be close to variable expenses of Discoms i.e. fuel charges etc.

Contrary to this, while announcing the next tariff order dtd.31.07.2019 the aforesaid revision was rolled back/ reversed for large category of domestic consumers but corresponding energy charges in that category was kept low as against the energy charges fixed for tariff order FY 17-18. However, in order to narrow the revenue gap there was marginal increase given in the energy charges applicable to high-end domestic consumers, commercial, industrial and public utility consumers etc. Such reduction in the fixed charges again in FY 19-20 tariff order is not in line with the distribution sector tariff fixation requirement and has further burned with the increase in revenue gap. This reversal in fixed charges is now creating serious financial trouble for the Petitioner. Further, it is submitted that by reducing the fixed charges for Domestic consumers, the Hon'ble Commission has increased cross subsidy for domestic consumers against the existing level.

Relevant information of the category wise Cross subsidy as specified for FY 2019-20 is given below: (Extract from Tariff Order 2019)

Table 5. 22: Ratio of ABR to ACOS of TPDDL approved for FY 2019-20

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to AcoS (%)	Cross Subsidy (%)
A	Domestic*	7.32	4.96	68	32
B	Non-Domestic	7.32	10.92	149	(49)
C	Industrial	7.32	9.33	127	(27)
D	Agriculture	7.32	3.90	53	47
E	Public Utilities	7.32	6.84	93	7
F	DIAL	7.32			
G	Advertisement & Hoarding	7.32	11.69	160	(60)

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to AcoS (%)	Cross Subsidy (%)
H	E-Vehicle Charging Stations	7.32	4.92	67	(33)

*Cross subsidy for domestic consumers increased from 26% to 32% which is against Clause 8.3 of the National Tariff Policy 2016. (i.e. Cross subsidy should be in the range of $\pm$20% of the average cost of supply). Hence need to be revised.

It is further mentioned that based on proposed ARR for FY 2020-21, ABR for domestic category consumers at current tariff to ACOS comes to 45% resulting into higher cross subsidy of 55% for domestic consumers.

Our revenue from Commercial & Industrial Consumers which used to be around 55% out of total Revenue of Rs. 700 Cr on an monthly average; because of Covid-19 and its consequent restrictions, lockdown reduced to around 15% of total revenue of Rs. 430 Cr in April' 2020, resulting into sharp under recovery of fixed cost.

Considering the existing situation, we estimate that, due to Covid-19 slowdown in Commercial, Industrial activities shall continue for next some months at least and gradually will ramp up, and only reach to full pace by the end of this financial year 2020-21 provided Covid-19 spread is under control.

This lowering of revenue from Commercial & Industrial consumers will further dent our financial position, as there would be less fixed cost recovery resulting into increase in Regulatory Assets to the tune of around Rs. 2078 Cr, if adequate provisions for increase in tariff is not made in ensuing tariff order.

E. Allocation of Cheaper Power from Tata Power Portfolio to BSES Discom.

As per instructions of the Hon'ble Commission, the Delhi SLDC vide letter NO.F.DTL/207/DGM(SO)2017-18/100 dated 1st September' 2017 reallocated the Petitioner complete share of power from Salal HEP, Rihand TPS and majority share from Sasan UMPP to BSES Discoms.

Subsequently, quantum of allocation from Sasan UMPP was changed vide the Hon'ble Commission's order dated 27.03.2018 between the three distribution companies as provided in the table below:

Table-5

Months	**BRPL**		**BYPL**		**Tata Power-DDL**	
	Present allocation (%)	**Revised Allocation (%)**	**Present allocation (%)**	**Revised Allocation (%)**	**Present allocation (%)**	**Revised Allocation (%)**
Apr' 18	14.83%	14.83%	54.49%	54.49%	30.68%	30.68%
May'18 to Oct'18	14.83%	14.83%	54.49%	69.83%	30.68%	15.34%
Nov' 18 to Mar'19	14.83%	14.83%	54.49%	79.03%	30.68%	6.14%

Order dated 27th March 2018 was valid till March 2019. On 03.04.2019, upon the expiry of the period as provided under its Order dated 27.03.2018, this Hon'ble Commission vide its letter extended the allocation between the three distribution companies beyond March 2019, till further orders.

The Petitioner requested the Hon'ble commission to reconsider the above reallocation and reassign our original share back to us from the above plants vide our letter dated 10.05.2019.

Around 146 MW of cheaper power of the Petitioner was allocated to other Discoms of Delhi vide above two reallocation orders. In energy terms, the said reallocation translates into around 1000 Mus on an annual basis, which was available with the Petitioner at a weighted average cost of around Rs. 1.70 per unit. The above reallocation led to an adverse annual financial impact of around Rs. 185 Cr on the Petitioner, resulting into an increase of around 19 paisa per unit in power purchase cost of the Petitioner. Details in respect of the same has been appended below for reference:

Table-6

S.no.	Plant Name	Mus which would have been received	Total Cost (Rs./Unit)	Amount (Rs. Cr)
1	Rihand -3	297	2.68	79.60
2	Salal	115	1.30	14.95
3	Sasan	600	1.29	77.40
	Total	1012		171.95
	Weighted Average Cost (Rs./Unit)			1.70

Table-7

Impact on PPC	
Energy Input 2018-19 (Mus)	9631
Total Cost in Rs. Cr	5911
PPC (Rs./Unit)	6.14
Expensive power procured in place of cheaper power (Mus)	1012
Cost of expensive power over cheaper power (VC of Aravali as of March'19 i.e. Rs. 3.53/- per unit minus weighted average Total Cost of cheaper power from 3 above	1.83
Total impact in Rs. Cr (Mus as per Table 3* 1.83/-)	185.29
PPC with cheaper power [Total cost in Rs. Cr (5911 Cr minus Impact cost of Rs. 185.29 Cr)/9631 Mus]	5.95
Difference (Rs./Unit)	0.19

Additionally, due to reallocation of the power from Salal HEP of NHPC, the Petitioner were constrained to buy additional REC's of around Rs. 2.4 Cr during FY 2018-19 due to reduction in purchase of power from Hydro Generating stations. Our REC purchase quantum has increased because of Salal hydro allocations being diverted to BSES. Details in respect of same has been appended below:

Table-8

RPO Impact: FY 2018-19			
Details	Mus	RPO (%)	Mus
Input energy for FY 2018-19; RPO percentage and corresponding Mus for RPO/ REC	9631	14.25	1372
Tata Power-DDL share from Salal (MUS)	115		
Remaining input Energy	9516	14.25	1356
Extra energy considered for RPO fulfilment (Mus) {1372 Mus minus 1356]			16
REC rate (Rs./Unit)			1.5
Extra REC purchase amount (Rs. Cr) {16 Mus* Rs 1.50 per unit}			2.4

Similar increase in REC purchase quantum has occurred in FY 2019-20 as well and the same is continuing so far. Further, as a direct consequence of the reallocation of power from Sasan UMPP, Rihand – III and Salal HEP, we have been subjected to unwarranted increase in the gross ex bus power purchase cost from long term sources.

The detail of such financial impact after such reallocation till 31st March 2020 has been set out in the table below:

Tata Power-DDL gross ex-bus Long Term Actual Power Purchase cost (Rs./unit)			
April 2017 to August 2017	September 2017 to March 2018	April 2018 to March 2019	April 2019 to March 2020
4.11	4.48	4.6	5.23

The Petitioner again approached this Hon'ble Commission vide letter dated 6th June 2019, to reiterate the recurring financial prejudice being caused to us in light of the re-allocation of the cheaper power from our share of allocation to that of the other Discoms.

The fact of the matter remains that the unilateral re-allocation by the Hon'ble Commission effected from 27.03.2018 and 03.04.2019 has resulted in a burden of Rs. 185 Cr per year upon the consumers of the Petitioner.

Due to said reallocation of the Petitioner share of power from these plants, the long term power purchase cost of the Petitioner has become highest among the three utilities. As per the Hon'ble Commission Tariff Order for FY 19-20, Long term power purchase cost of the Petitioner is Rs 4.58/unit against Rs 3.47/unit of BYPL and Rs 4.29/unit of BRPL. Additionally the percentage increase of Long Term Power Purchase cost for FY 19-20 over FY 18-19 of the Petitioner was highest among utilities. It is 11% for the Petitioner while it is 9% for BSES and 5 % for BRPL.

Table 9: Gross ex-bus Long Term Power Purchase cost (Rs./unit) as per DERC Tariff Orders

Utilities	FY 17-18	FY 18-19	FY 19-20	% Variance FY 20 Vs FY 19
TPDDL	4.23	4.11	4.58	11%
BYPL	3.40	3.18	3.47	9%
BRPL	4.02	4.07	4.29	5%

Apart from the above mentioned losses suffered by the Petitioner/Consumers, this reallocation of power resulted into loss of incentives from the sale of surplus power for the Petitioner. Approximate estimates of incentive loss suffered by the Petitioner because of reallocation of its share from Sasan, Salal & Rihand 3 for FY 2018-19 & FY 2019-20 has been mentioned below:

Table-10

Loss of incentive for FY 2018-19		
S. No	Particulars	Nos.
1	Energy Corresponding to Reallocated Power from Sasan, Salal & Rihand-3 (for the period of November to March for 0-6 & 22-24 Hrs (Mus)	143
2	Weighted Average variable Cost of the above plants (R./Unit)	1.15
3	Exchange rate for 0-6 & 22-24 Hrs, for the period of November to March after accounting for charges and losses (around 40 Paisa) (FY 2018-19)	2.94
4	Net saving (Rs. Cr)	25.66
5	Tata Power-DDL Share (1/3) (Rs. Cr)	8.55

Note :-considering that this power is used to meet demand during the summer season

Table-11

S. No	Particulars	Nos.
1	Energy Corresponding to Reallocated Power from Sasan, Salal & Rihand-3 (for the period of November to March for 0-6 & 22-24 Hrs (Mus)	143
2	Weighted Average variable Cost of the above plants (Rs./Unit)	1.15
3	Exchange rate for 0-6 & 22-24 Hrs, for the period of November to March after accounting for charges and losses (around 40 Paisa) (FY 2019-20)	2.37
4	Net saving (Rs. Cr)	17.56
5	Tata Power-DDL Share (1/3) (Rs. Cr)	5.85

Note :considering that this power is used to meet demand during the summer season

Based on above submissions, the above issue of reallocation deserves to be revisited and rectified immediately to avoid subsidization of other Discoms consumers at our Consumers cost. The rightful restoration of the Petitioner share of lower cost power is essential to bring sustainability in power purchase costs which is the highest among all the three Delhi Discoms.

F. Non release of the credit charges by DTL/SLDC in violation of the Hon'ble Commission's Regulations and other Guidelines issued time to time, resulting into loss of working capital and carrying cost for the Petitioner

i) Non release of Credit towards STOA Charges of Rs 100.44 Cr

Vide DTL Tariff Order dated 31st July 2019 issued by the Hon'ble Commission, it was mandated that short term open access charges shall be refunded to Discoms by Delhi Transco Ltd (DTL) within 7 working days. Relevant extract of the order is given below:

Para 6.4

"The Commission directs the Petitioner to disburse short term open access charges to DISCOMS within 7 working days as per applicable rules and regulations."

On the basis of the above directive, the Petitioner vide Letter dated 31st Oct 2019 has written a letter to the Hon'ble Commission for seeking clarification and resolution of issue pertaining to DTL Tariff Order dated 31st July 19. Further, the Petitioner vide its letter dated 25th Nov 2019 has also written letter to DTL to refund the STOA Charges.

The Hon'ble Commission vide its letter dated no F.No 3(598)/Tariff –Engg./DERC/2019-20/6647/dated 20th Dec 2019 has directed DTL to comply with the direction given by the Hon'ble Commission in Tariff Order dated 31st July 2019.

Despite the clarification received from the Hon'ble Commission and regular follow up by the Petitioner with DTL, DTL has released only Rs. 44 Cr out of Rs.144.44 Cr for claim acknowledged till 31/03/2020. This act of DTL is in complete violation of the directives of the Hon'ble Commission's Tariff Order dated 31st July 19 followed by direction issued on 20th Dec 2019. This kind of conduct on part of a Licensee under regulatory control of the Hon'ble Commission is deplorable, especially, when the Hon'ble Commission already passed observations on such withholding of the STOA charges due to the Petitioner, by DTL in past also. (refer Petition No 77/2015). The withholding of such huge amounts of STOA charges by

DTL has created serious cash flow issues for us and the same needs effective and final resolution on immediate basis.

ii) Credit towards SCED Charges

In addition to above, it is further submitted that SLDC has received an amount of Rs. 17.50 Cr towards monthly National net SCED Benefits Distribution Statement issued by POSOCO for the period April 19 to February 2020, which SLDC has not shared with the Beneficiaries in their respective share. The Petitioner has already raised this issue before DTL/ SLDC vide Letter dated 24th April 2020 & 19th May 2020.

Based on above submission, we request the Hon'ble Commission to take cognizance of the above said fact and set out a mechanism in future tariff order where any credit (i.e. STOA / SCED) is allowed/ adjusted in the monthly transmission charges bill raised by DTL/SLDC.

G. Delay in receipt of Subsidy for Govt. of NCT of Delhi.

As per the provisions of section 65 of Electricity Act, 2003 and directions issued by this Hon'ble Commission to Govt. of NCT of Delhi, we are entitled to receive quarterly subsidy amount in advance. However, we never received the same in advance. Following is the details showing the delay in receipt of subsidy in last two financial year resulting into loss of Rs.21 Cr towards carrying cost/interest cost calculated @ 10% equivalent to our working capital interest rate.

Table:12

FY	Quarter	Amount (Rs./Cr)	Due date of Receipt	Date of Receipt	Delay (Days)
18-19	Q1	130	31-Mar-18	05-Jul-18	96
	Q2	131	30-Jun-18	5-Jul-18	5
	Q3	109	30-Sep-18	19-Oct-18	19
	Q4	122	31-Dec-18	18-Jan-19	18
19-20	Q1	138	31-Mar-19	12-Sep-19	165
	Q2	165	30-Jun-19	12-Sep-19	74
	Q3	212	30-Sep-19	31-Oct-19	31
	Q4	154	31-Dec-19	28-Feb-20	59
20-21	April -Q1 *	223	31-Mar-20	30-Apr-20	30

*Against due amount of Rs. 223 Cr we received Rs. 71 Cr for April'2020 and Rs 71.33 Cr was received on 29th May 2020.

Delay in payment of subsidy causing additional burden of working capital cost on Tata Power DDL and correspondingly erosion of assured RoE to Shareholders.

In this precarious situation of Covid-19, release of subsidy by GNCTD has been made on monthly basis and that too at the end of month. This deviation from quarterly to monthly grant of subsidy has made our cash flow position even more worsen than earlier and resulting into delayed payments to Delhi Genco/Transco.

H. Impact of Appeal / Issues already decided in favour of the Petitioner

The Petitioner in its True up Petition for FY 2018-19 has sought impact for the following judgment pronounced by Hon'ble APTEL, Hon'ble Commission in our favour.

a) Appeal no 246 of 2014,
b) Rithala Order dated 11th Nov, 2019,
c) Petition no 10/2014,
d) Petition no 4/2014 and
e) Solar batch appeal ,

In addition to above, the Petitioner filed an Appeal 213 of 2018 before the Hon'ble Appellate Tribunal for Electricity on being aggrieved by the specific observations and findings of Hon'ble Commission in Tariff Order dated 31.08.2017 passed in Petition No. 17 of 2017 and Petition No. 24 of 2017 (ARR Petitions) filed by the Appellant.

Out of the issues/grounds challenged, several issues involved non-implementation of Judgments/orders passed by the Hon'ble Tribunal and this Hon'ble Commission. On 30.01.2020, a note for hearing was filed by the Petitioner before the Hon'ble Tribunal seeking implementation of the judgment/orders passed in favour of the Petitioner in the following 6 issues:-

Issue 1.	Non-allowance of Financing Charges for FY 2016-17
Issue 9.	Non-Consideration of impact of Increase in Rate of Service Tax for FY 2016-17
Issue 16.	Revision of AT&C Loss for FY 2016-17 based on pending proceedings

Issue 25.	Disallowance of Rs. 1.56 Cr for FY 2016-17 On Account Of Merit Order Dispatch
Issue 15.	Merit Order Dispatch Disallowance for FY 2013-14
Issue 19.	Power Purchase Cost of Four Solar Own Generating Stations

However on the last date of hearing i.e. 19.05.2020 during the course of proceedings, on enquiry by the Hon'ble Tribunal, the Ld. Counsel for the Hon'ble Commission gave his consent only to the below mentioned 4 issues and stated that the Hon'ble Commission shall give effect to these issues in the ensuing ARR proceedings for FY 20-21. The Hon'ble Tribunal was pleased to record the above submissions and reserved the order on the issues agreed upon. The said order is awaited. The issues agreed upon are as follows-

Issue 1.	Non-allowance of Financing Charges for FY 2016-17
	(Impact 0.21 Cr)
Issue 9.	Non-Consideration of impact of Increase in Rate of Service Tax for FY 17
	(Impact of Rs. 11.62 Cr)
Issue 16.	Revision of AT&C Loss for FY 2016-17 based on pending proceedings
	(Impact of Rs 36.81 Cr)
Issue 19.	Power Purchase Cost of Four Solar Own Generating Stations
	(Impact of Rs. 5.02 Cr)

In addition to above, a favorable Order dated 28.02.2020 has been passed by the Hon'ble APTEL in EP 09/2016 which was filed by the Petitioner. The Petitioner vide its letter dated 18th March, 2020 has sought claim of Rs. 16.48 Cr towards the implementation of the said judgment.

In light of the above submissions, it request to this Hon'ble Commission to immediately give impact of the said judgments in the current ARR exercise along with carrying cost.

I. **Adverse financial impact due to Covid-19.**

As apprised to the Hon'ble Commission vide our Letter No.
(i)TPDDL/REGULATORY/2020-21/3/19 dtd.03/05/2020;

(ii) TPDDL/Regulatory/2020-21/3/09 dated 20th April' 2020;

(iii) TPDDL/Regulatory/2020-21/3/02 dated 8th April' 2020; and

(iv) TPDDL/Regulatory/2020-21/3/01 dated 3rd April' 2020

That this lockdown has impact the Petitioner financials severely because of peculiar nature of revenue mix. Our 55% of revenue comes from commercial & industrial consumers but during this lockdown period with such activities completely closed in our licensed area, there has been drastic reduction in ABR, and huge under recovery of fixed charges.

The Petitioner billing has drastically gone down in terms of units sold thereby leading to reduction in ABR as consumption of Commercial & Industrial consumers has reduced to 15% approx.. w.e.f. 24/03/2020. On the other side collections have also reduced because of various factors namely

(i) As consumers have stopped paying dues which were already billed before 24/03/2020 to retain their liquidity

(ii) Two weeks extension of due dates for payment of electricity bills allowed to domestic consumer and three months moratorium provided to Commercial & Industrial Consumers vide Hon'ble Commission's suo moto directions order.

The impact of these issues have been discussed in detail in subsequent paras. In addition to above, the following are some additional area of concern which have arisen due to Covid-19 pandemic and subsequent suo-moto directions of the Hon'ble Commission vide letter dated 7 April 2020 and needs due consideration for appropriate/ justified resolution by the Hon'ble Commission while preparing determining of ARR & corresponding Tariff for FY 2020-21.

i. Normative Rebate:

According to the regulation 84(4) of MYT Regulation 2017, working capital has been allowed to Discoms based on the normative concept and it is presumed that the working capital so allowed on normative basis is sufficient to earn the rebate at maximum level. The Hon'ble Commission is following the above approach for so many years and may hold true in the normal business situation. But due to Covid-19 pandemic, the collection has dropped drastically and the above assumption does not hold true that Discoms are getting collection in such a way where it can earn maximum rebate on power purchases payment.

In actual scenario, the Petitioner billing and collections have dropped to such a level, where the petitioner is finding difficult to make regular payment to power supply/ transmission companies and has resorted to bill discounting option therefore has not been in a position to avail any such rebate which is available if the payment is made on presentation of power purchase supply/ transmission bill.

It is clarified that Discoms would be able to take Rebate only in case entire billed amount is collected meaning thereby the continuation of normal operating cycle. If there is break in operating cycle i.e. deferment of billing amount it would result in shortage of funds in the hands of the Petitioner and ultimately resulting into the scenario of lower/ no rebate at all.

Therefore, considering the impact of Covid-19 on operating cycle of the Petitioner, the Hon'ble Commission has to consider extending suitable relaxation in considering the normative rebate towards ARR should be given till the time of operating cycle of the Petitioner gets normalized.

Therefore, Nil amount has been proposed towards normative rebate, due the ongoing crisis caused by Covid-19 pandemic. The Hon'ble Commission is aware of the various relaxations offered by the MoP, GOI and other ministries/agencies to assist the generating companies and utilities in restoring cash flows.

ii. Allowance of Stamp duty incurred on Bill discounting charges:

It is submitted that due to drastic drop in collection arising from Covid-19, funds are not available with petitioner to make regular payment to power supply/ transmission companies and in order to avoid late payment surcharge to the maximum extent possible and wherever the option of bill discounting is offered, the Petitioner is availing bill discounting offer from Genco's / Transco's. In the bill discounting offer, apart from normal interest charges, additional charges on stamp duty and additional interest arises due to advance payment of normal interest charges. These additional charges are being incurred by the Petitioner due to situation arising from Covid-19, being uncontrollable in the hands of the Petitioner, hence need to be allowed over and above normative O&M Expenses. On this account approx. Rs 20 lakh have been incurred in April 2020 and May 2020 and looking to the present situation of collection, the same may go up to around Rs. 1 Cr.

The Hon'ble Commission is requested to consider a provision of Rs. 1 Cr for the time being subject to true up of the same.

iii. LPSC charged by Genco's/ Transco's should be as pass though as a part of ARR:

As pointed out in (ii) above that due to drop in collection caused by Covid-19 pandemic, the Petitioner is making its all best efforts including bill discounting option to not end up in a default situation for power purchase/ transmission charges payment. Despite putting its all best efforts to make timely payment, there may be a situation where the Petitioner is not in position to make payment of power purchase/ transmission charges on due date or not honoring the payment on maturity date of bill discounting or non-availability of bill discounting facility from some Genco's/ Transco's. The said situation will arise due to mismatch in collection from consumers and due dates of Genco's/Transco's or bill discounting maturity date which is totally beyond the control of the Petitioner caused by Covid-19 pandemic force majeure and will lead to charging of Late Payment Surcharge (LPSC).

Therefore, the Hon'ble Commission is requested to consider approx. of Rs. 10 Cr provision in the ARR as a part of O&M expenses subject to true up of the same on actual basis.

iv. Direction to Delhi Gencos/ Transco's for deferment of capacity charges

The Hon'ble Commission is requested that while determining the ARR (Fixed/ Capacity charges) for Delhi Gencos/ Transco, instead of recovering these capacity charges in equal monthly installment, the Hon'ble Commission may if possible issue directive to recover lower ARR (i.e. equal to statutory expenses) in first 6 months and higher ARR for balance 6 months. By doing this the Hon'ble Commission on one side will match payment to Delhi Genco/ Transco with the collection of Discoms and on other side also ensuring recovery of entire ARR for Genco/ Transco's.

v. Additional working capital for extension of credit period to consumers and deferment of fixed charges:

The Hon'ble Commission vide its suomoto order dated 7th April, 2020 has announced relaxation for consumers

a) by giving them extra benefit for 15 days over and above the normal due date for making payment of their dues and

b) moratorium period for 3 months to industrial & non domestic consumers and further deferment of recovery of these accumulated fixed charges in 3 installments without LPSC.

These types of relief measures announced by the Hon'ble Commission would require additional working capital over and above the normative working capital available as per Tariff Regulations under normal business situation.

Treating this Covid-19 pandemic situation as force majeure, and deferment of the recovery of ARR would result in increase in collection period, hence, for FY 2020-21, as a special case working capital should be allowed for 2.20 months instead of 2 months. Detailed methodology is provided in the table computation of working capital for FY 2020-21

vi. Increase in funding cost

In the above para, the Petitioner has already explained in detail its deteriorating financial position on account of non-liquidation of revenue gap plus non recovery of timely PPAC. The situation has been worsened due to occurrence of Covid-19 pandemic, and bankers have been cautious and restricted their borrowing. In such a situation, now the lenders are quoting a spread level of 2% over and above normal rate on account of additional risk premium.

Thus, the Petitioner requests the Hon'ble Commission to allow additional spread of 2% for FY 2020-21 over and above the weighted average rate of FY 2019-20 (or actuals whichever is lower) so that all operations are run smoothly, all statutory obligations can be fulfilled timely and any penalty and default can be avoided.

vii. Revisit target for collection efficiency:

The Hon'ble Commission vide Business Plan Regulation 2019 dated 27th December 2019 has fixed the collection efficiency target for the FY 20-21 at 99.50% where Discom is liable to be penalized in case of short fall in the collection efficiency below the level of 99.50%. As pointed out above, there is a steep fall to the extent of 50% to 60% in the collection in first two months and likely to improve gradually in the coming months but it is very unlikely that collection will return to the level of normal course of business and there will be certainly a gap in the rolling collection efficiency caused by Covid-19 pandemic.

In view of this, the Hon’ble Commission is requested to waive of the penalty regulation in case collection efficiency goes below 99.50% and revise the collection target for FY 20-21 at 95.33%, subject to true up as detailed out in the section of computation of revenue.

It is worth to mention that the Hon’ble Commission vide communication dtd. 25/03/2020 has already declared Covid-19 as force major and mentioned that while true up of FY 19-20 target of collection efficiency shall be appropriately adjusted.

Thus, in line with above, similar relaxation is seeking for the FY 20-21 also as impact of Covid-19 is still continuing and uncertainty and drop in collection prevails.

Prayer

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

a) **Admit the supplementary amendment Petition:** TPDDL requests the Hon’ble Commission to kindly admit the present supplementary petition seeking revised ARR for FY 20-21. Any clarifications, additional information, details sought by the Hon’ble Commission shall be provided as and when directed by the Hon’ble Commission; and/or

b) **Consider and approve the revised ARR for FY 2020-21**

c) To device, a concrete plan for liquidation of Regulatory Assets of Rs 4579 Cr (As per the Petitioners books of accounts till FY 18-19 based on the assumption that the Hon’ble Commission will true up Rithala and finalization of capitalization related issue) preferably aimed to be liquidated by giving suitable increase in Deficit Revenue Recovery Surcharge (DRRS). Example at various level of DRRS % is given below:-

Table -13

Particulars	**DRRS Billed**		
	At 8%	**@ 12%**	**@ 15%**
For FY 2019-20 at existing Tariff	538.48		
DRS at proposed level		807.73	1009.66
Incremental amount in comparison to 8% DRRS		269.25	471.18
Expected years to liquidate the entire RA of Rs 4579 Cr	Approx. 4/5 of Revenue Gap would be outstanding after 7 years. *Hence not in line with National Tariff Policy*	Approx. 1/4th revenue gap would be outstanding after 7 years. *Hence not in line with National Tariff Policy*	Expected liquidation in FY 25-26 and in line with National Tariff Policy guidelines.

From the above, it is very clear that liquidation of Regulatory Assets required to be done well within 7 years as laid down in National Tariff Policy, 2016 is possible only if DRRS rate increased to 15%.

d) May restore fixed charges as announced in the Tariff Order dtd. 28/03/2018 or else, increased energy charges in domestic category and make it equivalent to tariff order of 17-18 so that revenue gap could be reduced to some extent. This correction shall be in line with the National Tariff Policy, 2016 and the Hon'ble Commission's own Approach Paper issued in Feb'2018.Further, this shall also reduce cross subsidy to some extent. In view of impact of Covid-19, this revenue gap has further increased and stand close to Rs. 2078 Cr for which we are filling this revised demand and collection projection.

e) To expedite the closure of Physical Verification exercise for FY 05-06 to FY 17-18 in time bound manner and till completion of it, provisionally recognize 95% of capital investment as appearing in our books of accounts along with corresponding financial impact in ensuing

Tariff Order so that our financial hardship could be reduced to some extent. To solve liquidity problem while doing so; necessary increase in tariff may please be given.

f) To issue suitable direction to DTL/SLDC once again for refund of credit Charges along with carrying cost as dues unauthorized hold by them. Also, incorporate sufficient provision in ensuing tariff order that in case of default of payment beyond 7 days DTL must pay carrying cost to discom and discom shall have right to recover carrying cost amount from Transmission bills if carrying cost on delayed refund of Credit Charges not paid by DTL/SLDC.

g) To amend the Suo moto order dtd.07/04/2020 as requested vide our Letter No. (i) TPDDL/REGULATORY/2020-21/3/19 May 03, 2020 (ii) TPDDL/Regulatory/2020-21/3/09 dated 20th April' 2020; (iii) TPDDL/Regulatory/2020-21/3/02 dated 8th April' 2020; and (iv) TPDDL/Regulatory/2020-21/3/01 dated 3rd April' 2020.

h) To issue suitable statutory advice to Govt. of NCT of Delhi u/s 86 of Electricity Act, 2003 for ensuring advance and timely payment of subsidy amount to us in terms of section 65 of the Electricity Act, 2003.

i) To reallocate the power from Sasan UMPP, Sala HEP and Rihand TPS; as the last reallocation done by the Hon'ble commission has led to increase in our power purchase cost ultimately contributing to increase in Regulatory Assets and also drop in ABR because of Covid-19 it is extremely necessary. Practically, the Petitioners consumers deprived with the financial benefits of such cheaper power.

j) To implement the financial impact along with carrying cost against the following orders pronounced by the Hon'ble Supreme Court, the Hon'ble APTEL, and by this Hon'ble Commission in ensuing tariff order. Necessary details along with all supporting documents have already submitted to the Hon'ble Commission.

a. Order dated 30.09.2019 passed by the Hon'ble APTEL in Appeal 246/2014
b. Order dated 16.04.2019 passed by the Hon'ble APTEL in Solar batch Appeals
c. Order dated 28.02.2020 passed by the Hon'ble APTEL in EP 09/2016
d. Order dated 06.12.2019 passed by the Hon'ble DERC in P 10/2014 and 04/2014

e. Appeal 213/2018 proceedings before the Hon'ble APTEL against Tariff order 2018 (order awaited)

k) To dispose of PPAC petitions within 15 days from date of filling with directions for recovering the differential amounts, so that the Petitioner can can recover amount already paid to Generation Company in timely manner and very purpose of PPAC could be achieved. Delay in disposal of these PPAC petitions largely defeating its objective in current period as described in Point No. 'C' – PPAC related issue.

l) As on date (upto Q4 FY 19-20), around Rs. 573 Cr is recoverable towards PPAC from consumers after suo moto 4.50% levy of PPAC. This amount pertains to Q2, Q3 & Q4 of FY 19-20. This amount includes Rs. 410 Cr paid to Central/State Genco's and PGCIL pursuant to the truing up of power generation and power transmission cost for the control period 14-19 and remaining amount towards normal fuel cost increase. Arrear bills payment of Rs. 410 Cr is a substantial amount for which regulatory proceeding will take time at the Hon'ble Commission end though the Petitioner has provided all required details and filed necessary petition as directed by the Hon'ble Commission.

The existing PPAC mechanism for recovery of the same to the extent of 4.50 % suo moto and balance after prudence check is grossly inadequate to address this kind of sudden increase in the power purchase cost. Therefore, the Hon'ble Commission is requested to allow as a special measure 95% recovery of the said arrears in next three quarters beginning from Q2 of FY 20-21 in the form of additional surcharge namely "Surcharge for past arrears allowed by the CERC".

m) The Petitioner is burden with accrual of LPSC to be payable to Genco's /Transco's with each unit of supply ensured by us to our consumers. As we are supplying electricity to consumer but the corresponding collection from consumers is not forthcoming which has crippled the Petitioner capacity to pay the outstanding bills of Genco's /Transco's. This delay is completely uncontrollable and must be attributed as occurrence of force measure event thereby impairing our capacity to pay. The Hon'ble Commission is requested to urgently grant us suitable relaxation in payment timelines for generation companies, Transmission licensee bills or consider the payment of bills with LPSC component in our power purchase component. This limited relief is only being sought for the period affected by *force majeure* event of Covid-19 only.

In light of above, the Hon'ble Commission should take cognizance of the Petitioner's difficulties in availing further borrowings from banks since the banks/lenders are not finding it feasible to provide financial support to us, with the present scenario continuing and no change of circumstances being foreseen till the time proposals submitted herein above are implemented appropriately. This request may kindly be considered in light of the fact that the Petitioner ability to supply power during forthcoming summer months may be affected adversely if the current financial position does not improve. However, our endeavour is to maintain reliable and uninterrupted power supply in our licensed area of supply for which the kind consideration, intervention of the Hon'ble Commission is urgently sought. The above submissions are without prejudice to rights and contentions available to the Petitioner in accordance with law.

n) To give relaxation in considering normative rebate

o) To defer the recovery of capacity charges of Genco's/ Transco's

p) To allow working capital based on 2.20 months instead of 2 months

q) To allow additional spread of 2% over and above weighted average loan portfolio of the Petitioner for the year.

r) To allow relaxation in target collection efficiency of 99.50% for FY 2020-21

s) In the event of any issues raised by the Petitioner in Appeal or Petitions referred above get adjudicated prior to issuance of the Tariff Order, by the Hon'ble APTEL/ Hon'ble High Court/ Hon'ble Supreme Court and the Hon'ble Commission, the impact of the same may be taken into consideration along with carrying cost while effecting Truing Up exercise; and/or

t) Exercise its inherent powers or powers of relaxation as sought by the Petitioner or in cases where so deemed fit suo–moto by the Hon'ble Commission in the interest of determination of Tariff; and/or

u) To give due consideration to the issues enumerated above which have been represented through various letters, communications from time to time; and/or

Any other order(s) it may deem fit.

Tata Power Delhi Distribution Limited

ARR for FY 2020-21

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, 2019, which contains the following parameter applicable for a Control Period (FY 2020-21 to FY 2022-23):

(1) Rate of Return on Equity

(2) Margin for rate of interest on Loan

(3) Operation and Maintenance Expenses

(4) Capital Investment Plan

(5) Mechanism for sharing of incentive-disincentive mechanism

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset

……..

(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.

Based on the above norms, the Petitioner submits its Aggregate Revenue Requirement for FY 2020-21.

Projected Energy Sales & Billed Revenue for FY 2020-21

This is a time of global crisis and the entire world including India is under the grip of this deadly disease. The Central & State Government in order to contain the spread of novel corona virus had issued several precautionary measures and advisories most important being **social distancing** and also ordered a nationwide lockdown/shutdown w.e.f. 23rd March, 2020 which was continued in 4 phases (14th April, 3rd May, 17th May, 31st may) and remains in effect even as on date of filing the revised projections.

The spread of the COVID-19 disease (*also referred widely as NOVEL CORONA VIRUS*), has already been declared as a PANDEMIC by World Health Organization . The occurrence of this PANDEMIC has been viewed and considered with utmost seriousness by the Government of India and various State Governments including GNCTD.
To contain and arrest the spread, transmission of the disease various Notifications, Guidelines, orders, directions were issued by the Ministry of Home Affairs (Government of India), GNCTD, SEBI, Ministry of Finance (Government of India), Ministry of Civil Aviation, Ministry of Power and various Authorities.

The following Notifications, Guidelines issued are relevant for our purpose:

- *Ministry of Home Affairs order No. 40-3/2020-DM-I-(A) along with Guidelines annexed therewith as amended from time to time*
- *Addendum dated 25.03.2020 to Home Affairs order No. 40-3/2020-DM-I-(A) along with Guidelines annexed therewith*
- *NDMA N0.1-29/2020-PP (Pt. II) dated 24.03.2020 issued by National Disaster Management Authority under Disaster Management Act, 2005 as amended from time to time*
- *GNCTD, Health & Family Welfare Order No. F51/DGHS/PH-IV/COVID-19/2020 prsecyfhw/3331-45*

Such a lockdown was strictly enforced by the Government agencies and the law and order machinery in the area of supply of Tata Power DDL. The said lockdown resulted in closure of all Industries, Factories, Malls, Commercial shops/ showrooms, Restaurants except few establishments which were categorized in essential services (hospitals, medical equipment, food processing etc.) Under such compelling circumstances Tata Power-DDL's routine business operations, revenues, commercial activities, operational capability, collection efficiency, standards of performance, schedule & break down, maintenance etc. have been severely affected because of unavailability of manpower, logistics services, contract employees etc. Thus almost all activities of commercial, Industrial units, Public Transport utilities etc. had come to a standstill thereby adversely affecting the electricity demand as well.

It is important at this juncture to draw your attention to the numerous communications exchanged between Tata Power-DDL, this Hon'ble Commission and other utilities like the Generating companies, transmission licensees citing the occurrence of COVID19 pandemic seeking various relaxations to deal with the present situation.

- Tata Power-DDL vide its letter dated 20.03.2020 titled ***"COVID 19 Implications – Tata Power-DDL Distribution Business: Relaxation of Standards of performance and other norms (collection efficiency, AT&C losses targets, enforcement activity for theft cases etc.)*** had requested the Hon'ble Commission to consider the present situation as occurrence of a Force Majeure event and sought relaxations in standards of performance , Norms of collection efficiency, AT&C losses targets etc. in line with the applicable Regulations and Electricity Act, 2003.

- This Hon'ble Commission vide its communication dated 25.03.2020 acknowledged the gravity of the situation and considered this unprecedented calamity as a Force Majeure Event not attributable to the DISCOMs.

- Vide dated 27.03.2020 to Inter State Generators and PGCIL etc. titled ***"1) Notification of occurrence of COVID 19 Pandemic, declared as national Disaster by Govt. of India-Compulsory Lockdown; seeking consideration for consequent delay in payments pertaining to Power Purchase to Power Purchase and Transmission service invoices. 2) Invocation of Force Majeure event in line with Power Purchase Agreement/Transmission Agreement."*** Tata Power-DDL requested that the timelines of payment of GENCOs' bills as per business will not be feasible and proposed to allow flexibility and extension in timelines of making payment without inviting any adverse consequences such levying of LPSC etc. because on account of low demand due to lockdown, DISCOM's are also facing the burden of fixed charges of Generators and Transmission Companies without getting commensurate recoveries.

- NHPC and other GENCOs vide their communication dated 05.04.2020 refused to entertain Tata Power DDL's requests for the relaxations sought for and stated that relaxations have already been provided by the Hon'ble CERC vide its order dated 03/04/2020 in suo-moto petition 6/SM/2020 and that the notice sent by Tata Power-DDL under "Force Majeure" clause is not warranted.

- Attention is drawn to this Hon'ble Commission's suo moto order dated 04.05.2020 wherein the Commission acknowledged the difficulties faced by the Consumers and directed that *"For industrial and non-domestic category of electricity consumers the provisional billing shall be resorted to only in those cases where the meter of the consumer could not be read/ recorded by the distribution licensee during the billing cycle, otherwise the distribution licensee shall raise the bill based on actual consumption of electricity recorded by the meter."*

The above mentioned restrictions on closure of industries, commercial establishments which contribute a significant share of billed revenue of Tata Power DDL (about 60-70%), has severely impacted our collection efficiency and our collections dropped by significant proportions.

Thus in order to nullify the negative impact on Tata Power-DDL's revenue and to correctly determine a cost reflective Tariff, this year has to be treated as extraordinary year requiring special focus for projecting billed units and revenue for FY 2020-21.

Based on the present scenario, Tata Power-DDL has revised its assumptions for projecting demand for various categories of consumers for FY 2020-21 as mentioned below:

Major Assumptions:

The Petitioner has considered the actual billed Sales of April'20 Month & 1st May'20 – 26th May'20 and thereafter sales is estimated based on certain assumptions and estimated improvement in economic activities from June'2020 onwards. While doing such estimation, we have considered the guidelines issued by Ministry of Home Affairs vide order No.40-3/2020-DM-I (A) dtd. 30/05/2020. For the sake of understanding, estimation of sale in MUs done month wise. Various factors influencing demand factors given below:

Domestic Consumers:

Normal Sales growth of 2% is considered towards Domestic Consumers as severity of summer is not high in comparison to previous years as per weather forecast. Additionally lot of migrant consumers have moved out to home state impacting low end domestic sales.

Industrial Consumers:

- ✓ Demand for industries will be severely impacted due to supply chain issues and migrant labour shortage. Industry will face shortage of skill work force as such work force scattered across country mainly at their native place.
- ✓ Labourers/workers may take long to return as they get welfare schemes in villages. Also, they are involved in agrarian work which will provide short term employment in villages. Furthermore schemes on these lines by Govt. of India are being implemented due to Covid-19 crisis for ensuring self-sustenance for migrants.
- ✓ In addition to this, some of these people usually visit their home town for Chat puja and Diwali (in the month of Nov this year). This may further delay their coming back.
- ✓ Industries Own demand will be low as consumer shall be tend to buy essential items only and postponing big buy decision for next years. Another contributor shall be less disposal income in the hands of consumer and they prefer to save more to survive in uncertain period.
- ✓ Reduced Production Capacity due to Safe Guards placed for Preventing Covid-19 among industrial workers.
- ✓ Closing of industrial units on detecting of Covid-19 case in factory premises.
- ✓ Due to other unforeseen circumstances, there are chances that factories may be able to resume only 10-30% of their operations. This is further supported by the

fact that in consumer survey done by TPDDL front end team, almost 80-85% percent of consumers are anticipating less demand and labour issue are prime concern for resuming their operations.

Based on above facts, negative consumption is estimated for overall Industrial consumers with some intermittent pickups in demand as given below.

- ✓ 100% Resumption is considered for Food industry like Dal/Rice/Flour Mill/ Confectionary after lockdown.
- ✓ Plastic Industry which contributes 25% of the total industrial demand is completely at a standstill with 90% drop in consumption. Resumption of 45% is assumed for June'20 onwards.
- ✓ Impact of Migrant labours are considered till October'20 End.
- ✓ Impact of Supply Chain and Raw material is considered till July'20 End.
- ✓ Resumption of 50% of overall Industrial operations is considered from Jul'20 onwards.
- ✓ Resumption of 70% of the operations is considered in Oct'20 as after Mid-October'20, with arrival of Festive Season Demand starts up to build in market and labour issue will also subside by that time.

The above estimates, projections are further subject to the compliance of directions issued by DPCC, Municipal corporations seeking closure, sealing of the industrial activities which is ongoing exercise, with compliance being reported by such agencies to the Hon'ble Supreme Court, National Green Tribunal and Delhi High Court.

Commercial Consumers:

In Commercial Consumer, there is large impact on sales due to closure of Hotels, Shopping Malls, Multiplexes, Educational Institute, Restaurants, Pubs, Banquet Halls, Retails Shops etc. These Commercial consumers will be effected even after May'20 and will take time to resume at their normal capacity by Sep'20. The following facts are considered for estimation of commercial sales:

- ✓ Small shops will resume their normal operation at a faster pace (3-4 months to restore their full demand).
- ✓ 100% Resumption is considered for Banks, Pumping Stations, Sewage Treatment Plant, Hospitals, Petrol Pumps & Towers after lockdown.

- ✓ Resumption of 90% till August'20 for Small Non-Domestic Consumers like normal shops.
- ✓ Resumption of 40% of operations in June'20 for big Commercial Units like Malls and Hotels, Demand will start to build up from September, 20 onwards.
- ✓ 95% Resumption of normal operations from Jan'21 onwards.

Public Utilities:

- ✓ 100% resumption of Public Utilities is considered from June'20 onwards.
- ✓ Reduction in Monthly Sales of DMRC by 8 MU in June'20 and 10 Mu from July'20 to Nov'20 and 5 Mu for Dec'20 onwards due to Open Access.

These assumption are derived based on the circumstances existing upto Lockdown-4 restrictions. Any further modification, increase in Lockdown period may adversely impact these projections and therefore, it is prayed to the Hon'ble Commission to consider further impact of lockdown if any before issuance of Tariff Order. If deemed fit Petitioner may be given an opportunity to further file revised ARR projections.

Based on aforesaid assumption revised category wise projection for Demand is computed as given below:

A) Month wise category wise billed sales for FY 2019-20

Table 14: Category wise actual billed sales for FY 2019-20

Category	Domestic	Non-Domestic	Industrial	Public Utilities	Others	Total
Apr'19	298.48	112.69	210.05	39.14	9.36	**669.72**
May'19	426.17	148.17	222.15	48.98	11.09	**856.56**
Jun'19	478.92	153.08	210.27	51.09	11.64	**905.00**
Jul'19	572.15	164.23	209.81	52.31	13.43	**1011.93**
Aug'19	482.91	159.30	222.14	55.95	13.03	**933.33**
Sep'19	563.68	164.16	199.77	52.83	15.14	**995.58**
Oct'19	342.64	138.76	207.90	51.23	11.46	**752.00**
Nov'19	263.48	122.91	182.90	54.07	11.08	**634.43**
Dec'19	235.15	102.61	200.68	48.72	9.67	**596.83**
Jan'20	258.99	103.23	225.12	43.92	11.25	**642.51**
Feb'20	247.87	95.82	204.56	42.90	10.06	**601.21**
Mar'20	150.67	87.35	201.21	38.75	8.65	**486.63**
Total	**4321.09**	**1552.30**	**2496.57**	**579.90**	**135.87**	**9085.73**

B) Estimated demand factor considered for projecting sales for FY 20-21

Table 15: Category wise demand factor considered for FY 2020-21

Category	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Domestic	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%
Non Domestic	40%	70%	75%	75%	85%	85%	85%	95%	95%	95%
Industrial	27%	45%	50%	60%	70%	75%	80%	90%	95%	100%
Public Utilities	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Others	70%	70%	70%	70%	80%	80%	80%	90%	90%	90%

C) Based on above, projected billed sales for FY 20-21 comes as 7603.24 MU/ Category wise computation is given below:

Table 16: Category wise projected Sales for FY 20-21

Category		Estimated demand (%)	Domestic	Estimated demand (%)	Non-Domestic	Estimated demand (%)	Industrial	Estimated demand (%)	Public Utilities		Estimated demand (%)	Others	Total
									Normal	Adjusted towards open access			
Apr	Actual	82	244	70	78.91	47	99.61	81	31.87		76	7.08	461.90
May	Actual *		298		39.84		37.49		28.99			5.91	409.97
May		93	98	32	7.66	20	7.21	71	5.57		64	1.14	119.84
Jun	Proj	102.00	489	40.00	61.23	27.00	56.77	100.00	51.09	-8.00	70.00	8.15	657.74
Jul	Proj	102.00	584	70.00	114.96	45.00	94.41	100.00	52.31	-10.00	70.00	9.40	844.68
Aug	Proj	102.00	493	75.00	119.48	50.00	111.07	100.00	55.95	-10.00	70.00	9.12	778.18
Sep	Proj	102.00	575	75.00	123.12	60.00	119.86	100.00	52.83	-10.00	70.00	10.60	871.36
Oct	Proj	102.00	349	85.00	117.95	70.00	145.53	100.00	51.23	-10.00	80.00	9.17	663.37
Nov	Proj	102.00	269	85.00	104.47	75.00	137.17	100.00	54.07	-10.00	80.00	8.86	563.33
Dec	Proj	102.00	240	85.00	87.22	80.00	160.55	100.00	48.72	-5.00	80.00	7.74	539.07
Jan	Proj	102.00	264	95.00	98.07	90.00	202.61	100.00	43.92		90.00	10.13	618.89
Feb	Proj	102.00	253	95.00	91.03	95.00	194.33	100.00	42.90		90.00	9.06	590.14
Mar	Proj	102.00	154	95.00	82.98	100.00	201.21	100.00	38.75		90.00	8.14	484.77
FY 20-21			**4308.79**		**1126.91**		**1567.83**		**558.21**	**-63.00**		**104.50**	**7603.24**
Actual			**542**		**118.75**		**137.10**		**60.86**			**13.00**	**871.86**
Extrapolated			**3767**		**1008.16**		**1430.73**		**497.35**	**-63.00**		**91.50**	**6731.37**

** It includes actual consumption for 26 days & for balance 5 days it is extrapolated*

Estimated Revenue at existing Tariff for next year

The Hon'ble Commission has followed two-part tariff principle for each consumer category (except CGHS colonies) consisting of fixed/ demand charges as well as energy charges.

1. 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.
2. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

In order to reduce the cost of power purchase during peak hours the Hon'ble Commission has implemented TOD (Time of Day Tariff) wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off peak time. The Hon'ble Commission in its Tariff Order September, 2015 has reviewed the TOD time slots and restrict the applicability of TOD for the period May- September instead of whole year.

It is further clarified that the Hon'ble Commission vide its Tariff Order dated July, 2012 has introduced 8% Deficit recovery surcharge which is directly linked with the aforesaid two part tariff. The aforesaid surcharge has been imposed for recovery of previous years accumulated Revenue Gap and carrying cost which otherwise has to be met through increase in two- part tariff. The Hon'ble Commission has instead of increase in basic two part tariff introduced additional surcharge directly linked to the fixed charges/ demand charges and energy charges.

Methodology for Computation of Fixed Charges for Domestic Consumers

a) For Domestic consumers with sanctioned load less than 5 kW, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the number of month for respective consumers in that particular tariff slab.

b) For Domestic consumers with sanctioned load exceeding 5 kW, the revenue from fixed charges is calculated by multiplying the specified fixed charge with the connected load (in kW) of the category.

Methodology for Computation of Energy Charges for Domestic Consumers

For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

Methodology for Computation of Fixed Charges & Energy Charges for other than Domestic Consumers and Advertisement & Hording Consumers

For Non-Domestic, Industrial, public utilities billing is done either on kW or kVA basis, as specified in the last approved tariff schedule. Since projections for next year is 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.

Based on the revised demand, revised category revenue is computed and given below:

Table 17: Category wise projected revenue for FY 2020-21

Consumers	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated
	Consumption		Fixed Charges- Rs Cr		Energy Charges- Rs Cr		Total Revenue- Rs Cr	
Domestic	542.21	3,766.63	34.12	167.37	195.81	1,450.62	229.93	1,617.98
Non –Domestic	118.75	1,008.16	57.38	321.21	99.14	839.49	156.52	1,160.70
Industrial	137.10	1,430.73	64.53	359.07	109.60	1,168.49	174.13	1,527.56
Agriculture	1.43	12.83	0.74	4.20	0.21	1.92	0.96	6.13
Mushroom Cultivation	0.02	0.13	0.00	0.02	0.01	0.08	0.01	0.10
Public Utilities	60.86	434.35	9.08	65.48	41.51	271.47	50.59	336.95
Adv. & Hoardings	0.18	1.00	0.02	0.11	0.14	0.95	0.16	1.07
E-Vehicle	1.22	12.65	0.00	-	0.55	5.94	0.55	5.94
Others* including Temporary Supply	8.90	49.89	1.30	8.67	3.24	18.62	4.55	27.30

Consumers	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated	Actual upto 26th May	Extrapolated
	Consumption		Fixed Charges- Rs Cr		Energy Charges- Rs Cr		Total Revenue- Rs Cr	
Own consumption	1.19	15.00	-	-	-	-	-	-
Total	**871.86**	**6731.38**	**167.17**	**926.14**	**450.23**	**3,757.59**	**617.40**	**4,683.73**

Collection efficiency

The Hon'ble Commission has approved collection target of 99.50% for 4th MYT Control period vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2019.
Relevant extract of the same is given below:

26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 99.50%.

Further, the Business Plan Regulations, provided that if collection efficiency goes below the target level of 99.50% then the petitioner has to bear penalty i.e. difference of actual collection amount versus target collection amount.

It is worth to mention that it is an admitted position that the collection efficiency of the petitioner is adversely impact in this Covid-19 period. Thus, considering the current and future scenario being affected by continued Covid-19 disruption it is nearly impossible to achieve collection efficiency of 99.50% for two categories (i.e for Industrial & No-Domestic/ Commercial Segment consumers).

It is worth to mention that on accumulated basis collection efficiency till May 26, 2020 comes to 64.87%. The suo moto order dated 07.04.2020, read with order dated 04.05.2020 further provided relaxations to the consumers which resulted in lower and deferred collection for the Petitioner. Thus Hon'ble Commission may considering these developments acknowledge the fact that on account its own orders the collection efficiency targets could not have been achieved by Petitioner as per norms @99.5%. Thus the collection efficiency norm may be relaxed for the FY by the Hon'ble Commission appreciating our submissions.

Hence, the Petitioner prays to the Hon'ble Commission to give relaxation to the DISCOMS to consider lower CE target of 95% for Non-Domestic/ Commercial Consumers & 90% for Industrial Consumers. Impact of the same on total collection efficiency for FY 2020-21 is given below:

Table 18: Category wise collection efficiency projected for FY 2020-21

Consumers	Actual	Extrapolated	Collection Efficiency for full year	Collection/ Revenue available
	Total Revenue- Rs Cr		%	Rs Cr
Domestic	229.93	1,617.98	99.50%	1,838.67
Non –Domestic*	156.52	1,160.70	95.00%	1,251.36
Industrial*	174.13	1,527.56	90.00%	1,531.52
Agriculture	0.96	6.13	99.50%	7.05
Mushroom Cultivation	0.01	0.10	99.50%	0.12
Public Utilities	50.59	336.95	99.50%	385.61
Adv. & Hoardings	0.16	1.07	99.50%	1.22
E-Vehicle	0.55	5.94	99.50%	6.46
Others* including Temporary Supply	4.55	27.30	99.50%	31.68
Own consumption	-	-		-
Total	**617.40**	**4,683.73**	**95.33%**	**5,053.69**

**Due to Covid-19 & non-operation of units*

It is worth to mention that the above computed collection efficiency of 95.33% (due to Covid-19) is an indicative that the Petitioner would not be able to reach the target Collection Efficiency of 99.50% as specified in BPR, 2019.

The Hon'ble Commission vide communication dtd. 25/03/2020 has already declared Covid-19 as force major and mentioned that while true up of FY 19-20 target of collection efficiency shall be appropriately adjusted. The similar relaxation are seeking for the FY 20-21 also as impact of Covid-19 is still continuing and uncertainty and drop in collection prevails.

Thus, it is requested to the Hon'ble Commission to consider Target Collection Efficiency of 95.33% for FY 2020-21 However, in view of consumer interest, we propose that there will not be any incentive or dis-incentive till the time collection efficiency is below 99.50%. Incentive will only be applicable if the Collection Efficiency goes beyond 99.50%.

Target for Distribution Loss Level

The Hon'ble Commission in its Business Plan Regulations, 2019 has approved distribution loss reduction targets as mentioned in table below in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019:

Table 19: Distribution Loss Target for FY 2020-21

Category	FY 2020-21
Approved Distribution Target Loss level	7.90%

Based on above table, distribution loss level of 7.90% for FY 2020-21 has been considered and corresponding energy requirement at TPDDL periphery comes to 8,255.42 MU for FY 2020-21.

Table 20: Estimated Energy Requirements for FY 20-21

Sl. No.	Particulars	UoM	Amount	Remark
A	Expected Sales	MU	7,603.24	Table 16
B	Distribution Loss	%	7.90%	Table 19
C	Energy Input (at TPDDL periphery)	MU	8,255.42	((A/(1-B))*100)
D	Distribution Loss	MU	652.18	(C-A)

Power Purchase Projections for FY 20-21

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.

For the purpose of projections for FY 20-21 we have considered the following:

1. Power purchase cost of April-2020 on actuals
2. Actual scheduled power till 24th May 2020 and extrapolated till 31st May 2020.
3. Revision of input energy after grossing up the monthly sales quantum

Allocation of Power from Central and State Generating Stations

- 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 has been considered.
- Further, allocation from various stations has been considered as per the Hon'ble Commission Tariff Order for FY 2019-20.
- It is further clarified that no power from unallocated quota has been considered for projection purposes.
- Firmed up Banking/ Bilateral transactions have been considered, remaining short term purchase and sale transactions are considered at exchange only.
- Kerala Banking import from June'20 to September'20
- Bilateral purchase of renewable Non- Solar energy from HPSEB (May'20 to first week of Oct'20)
- Bilateral purchase of renewable Solar energy from Karnataka (May'20 to Sep'20)

Energy Availability from the Central Sector, State Sector and Other Generating Stations

The Energy available in MU's for the purpose of projections has been computed as below:

Power Procurement from central & State Generating Stations (MU)

(i) No energy is considered to be scheduled from Rithala in view of the Hon'ble Commission directive. But in view of the pending Adjudicating of Appeal filed against the Hon'ble Commission Order dated Nov, 2019, the Petitioner has separately claimed an amount of Rs 29.72 Cr. towards Rithala CCP. The said claim is not forming part of normal Power Purchase Cost for FY 2020-21 but shown in Table no 50 Computation of Closing Revenue Gap.

(ii) The generation expected from Own TPDDL- Solar installed capacity has been considered of 1.65 MW @ 15% CuF.

(iii) Power procurement from IPGCL GT is considered upto 31st March 2021 in line with useful life and PPA with GTPS.

(iv) To estimate the energy (MU) which would be scheduled from the long term sources; stations like Hydro, Nuclear, Renewable & Delhi Genco stations have been considered as must run stations.

(v) All other plants have been considered to be running at minimum technical limit (MTL) or have been backed down to compensate the huge drop in the demand owing to Covid-19 situation and further, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to the maximum allocation as per requirement

Based on above assumption, power purchase & its cost from various state generating stations for next year is given below:

Power Procurement cost of the above State Generating Plant (Rs Cr.)

To compute the power procurement cost for next year, the following assumptions are considered:

(i) Fixed Cost is considered based on currently available information/tariff orders.

(ii) Based on the actual variable cost for last financial year i.e. FY 2019-20 for each generating station, the same variable rate is considered for the purpose of projections. It is further clarified that no increase is factored in variable cost for any of the plant for next year.

Table 21: Projected Power Purchase from State Generating Stations for FY 2020-21

Sl. No.	Stations	Petitioner Share (MU)	Fixed Charge (Rs Cr)	Variable Charge (Rs Cr)	Total Charge (Rs Cr)
A	**State Generating Stations**				
I	Pragati	231	35	112	147
II	GT	108	41	47	88
III	Pragati III	716	284	206	489
	Total SGS	**1055**	**360**	**365**	**725**

Central Sector Generating Stations

(i) Thermal Plants: The estimates for energy availability from coal based plants are based on the normative month wise availability (PAFM) of the stations.

(ii) Energy from Nuclear Stations: Energy from nuclear stations (NAPS and RAPS) is taken as per actual energy scheduled during previous years.

(iii) Hydro Plant: The generation considered is as per actual energy scheduled during previous years.

(iv) To estimate the energy (MU) which would be scheduled from the CSGS, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to 85% of allocation when required.

(v) Scheduling from these Central Generating Stations Plants have been factored @ 85%, but if variable rates of any station found higher than the sale rate at exchange for that particular month scheduling is restricted to 55%. (Minimum Technical Limit) or have been backed down in line with the input energy requirement for the month.

(vi) No New Thermal capacity addition has been considered.

Future Capacity addition & deletion: Year wise addition in new plants is given below:

a) New Plant Additions in FY 2020-21

Sun Edison - 90 MW at Rs. 3.96/- at 24% Cuf for entire year and remaining 90 MW from October 2020.

Taranda Hydro - 13 MW at Rs. 4.29/- at 45% Cuf for entire year

SECI Wind - 50 MW at Rs. 2.52/- at 40% Cuf from January-2021.

Power Procurement cost of the above Central State Generating Plants (Rs Cr.)

To compute the power procurement cost for next year, the following assumptions are considered:

(i) Fixed Cost is considered based on currently available information.

(ii) Based on the actual variable cost for complete FY 2019-20 for each generating station, the same is considered for the purpose of projections. It is further clarified that no increase is factored in variable cost for any of the plant for next year.

Based on above assumption, power purchase MU & its cost from Central State Generating stations for next year is projected as below:

Table 22: Projected Power Purchase from Central Generating Stations

Source	Petitioner Share	Fixed Charge	Variable Charge	Total Charge
	(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
Central State Generating Stations				
NTPC				
Singrauli	315	21	44	64
Rihand STPS-I	212	18	29	47
Rihand STPS-II	275	22	38	60
Rihand STPS-III	0	0	0	-
ANTA	6	7	2	9
Auriya GPS	12	10	4	14
Dadri GPS	35	12	13	24
Unchahaar-I TPS	27	5	9	15
Unchahaar-II TPS	53	10	18	28
Unchahaar-III TPS	38	8	13	21
Dadri (Th)	40	7	16	23
Dadri (Th) II	43	11	15	26
Kahalgaon-I TPS	101	11	23	34
Kahalgaon-II TPS	325	38	69	106
Farakka	42	4	11	15
Aravali	673	772	255	1,027
Total	**2,196**	**956**	**558**	**1,514**
NHPC				
Bairasiul	15	2	1	4
Chamera-I	62	5	7	12

Source	Petitioner Share	Fixed Charge	Variable Charge	Total Charge
	(MU)	(Rs Cr)	(Rs Cr)	(Rs Cr)
Chamera-II	40	6	4	10
Chamera-III	39	9	8	17
Dhauliganga	55	4	8	12
Dulhasti	77	19	21	39
Parbati-III	26	7	4	11
Sewa-II	26	5	7	11
Tanakpur	17	2	3	5
Uri	112	6	9	15
Uri-II	72	10	13	22
Total	**541**	**74**	**84**	**158**
THDC				
Tehri HPP	88	19	21	39
Total	**88**	**19**	**21**	**39**
DVC				
DVC (CTPS 7&8)	602	96	143	239
DVC (MTPS 6)	128	27	39	66
Total	**730**	**123**	**182**	**305**
NPCIL				
NAPS RAPS	218	-	76	76
Total	**218**	**-**	**76**	**76**
SJVNL				
Naptha Jhakri	200	24	24	48
Total	**200**	**24**	**24**	**48**
Others				
Tala	29	-	6	6
Sasan, MP	422	8	49	58
CLP Jhajjar	261	91	96	188
MPL	2,031	324	544	867
Total	**2,743**	**423**	**696**	**1,119**
Total CSGS	**6,716**	**1,619**	**1,640**	**3,260**

Renewable Power Purchase Obligation

The Hon'ble Commission has notified the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) Regulations, 2012 with effect from October, 2012.

Further the Hon'ble Commission in its Business Plan Regulation's 2019 for 4th MYT Control Period has notified the following RPO trajectory for DISCOM:

Table 23: Targets for Renewable Power Purchase Obligation

Sl. No.	Distribution Licensees	FY 2020-21	FY 2021-22	FY 2022-23
A	Solar Target	7.25%	8.75%	10.50%
B	Non Solar Target	10.25%	10.25%	10.50%
C	Total	17.50%	19%	21%

Based on above targets following RPO/REC cost has been considered for FY 20-21:

Table 24: RPO Compliance for FY 20-21

Sl. No.	Particulars	UoM	FY 20-21	
			Solar	Non Solar
A	Projected Energy sale for FY 2020-21 Less: Hydro consumption	MU	6745	
B	RPO target	%	7.25%	10.25%
C	RPO target in units	MU	489.01	691.36
D	Total Compliance	MU	427.28	589.93
E	RPO Compliance meet through physical power	MU	427.28	589.93
F	Excess/ (Shortfall)= (C-D)	MU	61.74	101.43
G	REC rate	Rs/kWh	2.016	1.15
H	Cost for REC purchase	Rs Cr	12.45	11.66
I	Total REC Cost			24.11
	Break up of Physical Power form Renewable source is given below			
Solar				Amount Rs Cr
	Purchase from TPDDL Solar	MU	2	3
	Purchase from SECI Solar (20 MW)	MU	39	21
	Sun Edison (180 MW)	MU	284	112

Sl. No.	Particulars	UoM	FY 20-21	
			Solar	Non Solar
	Karnataka Solar	MU	75	Amount factored as part of Short term purchase
	Net Metering- at Gross (29)	MU	29	0.5*
Non Solar				
	Purchase form Bawana W2E	MU	46	32
	Purchase from Small Hydro	MU	166	69
	Purchase from TOWMCL	MU	37	24
	SECI WIND	MU	43	11
	HPSEB Non Solar	MU	298	Amount factored as part of Short term purchase

**Amount considered on net basis*

Short Term Purchase

Firm Banking/Bilateral considered during the year

- Kerala Banking import from June'20 to September'20
- Bilateral purchase of renewable Non- Solar energy from HPSEB (May'20 to first week of Oct'20)
- Bilateral purchase of renewable Solar energy from Karnataka (May'20 to Sep'20)

Table 25: Projected Units purchase

Other Sources	Projection FY 20-21		
	MUs	(Rs Cr)	Av. Rate
Power Purchase from Other Sources			
Other Purchases Total	**1082**	**442.70**	**4.09**

Short Term Sale

Surplus unit: Based on the energy required at TPDDL periphery and Gross Power Purchased schedule to TPDDL, the surplus power available for sale is determined which shall be sold and the sale proceeds shall entirely go towards reducing the net power purchase cost charged to consumers.

Given below is the surplus power available for sale in FY 20-21:

Table 26: Short Term Power Sale

Source	Amount
Sale of Surplus Power – MU	935.64
Revenue from Sale of Surplus Power	235.45
Per unit Rate- Rs/kWh	2.52

Transmission Losses

Transmission losses have been considered @ 3% for PGCIL & DTL as a whole.

Given below is the year on year projected transmission losses for FY 20-21:

Table 27: Transmission Losses for FY 20-21

Source	MU's
Inter-State Transmission	**278.74**
Intra-State Transmission (DTL)	
Total Transmission Losses	

Transmission Charges:

Year on year transmission charges including increase in transmission charges on account of new transmission lines/network required for enhanced renewable capacity which will get socialized amongst the transmission beneficiaries:

Table 28: Transmission Charges (Rs Cr.) for FY 20-21

Source	Amount (Rs Cr)
PGCIL Charges	937.81
DTL & SLDC Charges	
Other Transmission charges, LDC charges. STOA Charges	
Total (excluding Pension Trust)	**937.81**

**STOA charges of Rs. 0.50/unit has been factored as a part of transmission cost.*

STOA charges should be credited by DTL on monthly basis which at present is not being passed on by DTL, which is in violation of the Hon'ble Commission's Regulations. This delays the recovery for Petitioner and causes undue benefit of Working capital to DTL thereby resulting in unnecessary carrying cost burden to retail consumers. Petitioner has been agitating the issue with the Hon'ble Commission for long term solution and it is requested strict directions should be issued to DTL.

Additional Impact due to CERC Tariff Regulations, 2019 on FGD

Flue-gas desulfurization (FGD) cost has been considered, the FGD cost has been factored in the year as mentioned in the CPCB sheet. It is projected that there would be additional impact of Rs 48.63 Cr on Power Purchase Cost for FY 2020-21.

In addition to the above, the following negative arrear of Rs 13.95 Cr has been received in FY 20-21 (for the months of April and May-2020) and the same has been factored in projected power purchase cost for FY 2020-21.

1. **MPL:** Credit of Rs. 2.33 Cr on account of RRAS & Gain Sharing.
2. **Sun Edison:** Credit of Rs. 7.40 Cr on account of Indemnification due to delay in actual COD.
3. **DTL STOA:** Credit of Rs. 8.48 Cr on account of DTL STOA refund.
4. **NHPC:** Rs. 5.40 Cr bill on account of AFC revision.

Normative Rebate

According to the regulation 84(4) of MYT Regulation 2017, working capital has been allowed to Discoms based on the normative concept and it is presumed that the working capital so allowed on normative basis is sufficient to earn the rebate at maximum level. The Hon'ble Commission is following the above approach for so many years and may hold true in the normal business situation. But due to Covid-19 pandemic, the collection has dropped drastically and the above assumption does not hold true that Discoms are getting collection in such a way where it can earn maximum rebate on power purchases payment.

In actual scenario, Tata Power-DDL's billing and collections have dropped to such a level, where petitioner is finding difficult to make regular payment to power supply/ transmission companies and has resorted to bill discounting option therefore has not been in a position to avail any such rebate which is available if the payment is made on presentation of power purchase supply/ transmission bill.

It is clarified that Discoms would be able to take Rebate only in case entire billed amount is collected meaning thereby the continuation of normal operating cycle. If there is break in operating cycle i.e. deferment of billing amount it would result in shortage of funds in the hands of the Petitioner and ultimately resulting into the scenario of lower/ no rebate at all.

Therefore, considering the impact of Covid-19 on operating cycle of the Petitioner, the Hon'ble Commission has to consider extending suitable relaxation in considering the normative rebate towards ARR should be given till the time of operating cycle of the Petitioner gets normalized.

Therefore, Nil amount has been proposed towards normative rebate, due the ongoing crisis caused by Covid-19 pandemic. The Hon'ble Commission is aware of the various relaxations offered by the MoP, GOI and other ministries/agencies to assist the generating companies and utilities in restoring cash flows.

<u>Energy balance for FY 20-21 is as follow:</u>

Based on all above submission, Energy balance for FY 20-21 is given below:

Table 29: Energy Balance for FY 20-21

Sl. No.	Particulars	Energy MU	Amt Rs Cr	Rate Rs/unit
A	Power from CSGS	6,715.64	3,259.68	4.85
B	Power from SGS	1,054.88	724.79	6.87
C	Short Term Power Purchase	1,082.27	442.70	4.09
D	RPO obligation to be met through purchase from Ren. sources	617.01	272.63	4.42
E	RPO obligation to be met through purchase of REC		24.11	
F	FGD		48.63	
G	Bill Discounting charges*		29.81	
H	Arrears		-13.95	
I	**TOTAL Purchase**	**9,469.79**	**4,788.41**	**5.06**
J	Less: Transmission losses (Intra state & Interstate)	278.74		

Sl. No.	Particulars	Energy MU	Amt Rs Cr	Rate Rs/unit
K	Transmission charges		937.81	
L	**Total Purchase with Tx**	**9,191.06**	**5,726.21**	6.23
M	Less: Short Term surplus power sale	935.64	235.45	2.52
N	Less: Normative Rebate			
0	**Net Power Purchase Cost**	**8,255.42**	**5,490.76**	6.65

***Bill discounting Charges has been considered for 4 months for Aravali and 5 months for NTPC, NHPC and PGCIL.**

Operation & Maintenance Expenses for FY 2020-21

The Hon'ble Commission in its Business Plan Regulations, 2019 has notified norms for operation and maintenance expenses in terms of Regulation 4(3).

Based on the estimated average network capacity for FY 2020-21, the Petitioner is seeking O&M Expenses for FY 2020-21 as given in table below.

Table 30: Projected Normative O&M Expenses for FY 2020-21 (Rs Cr)

Particulars	Average Capacity	O&M Expenses Per Unit		O&M Expenses
66 kV Line (kms) 33 kV Line (kms)	1,091.08	Rs. Lakh/Ckt. Km	3.079	33.59
11 kV Line (kms)	6,910.36	Rs. Lakh/Ckt. Km	0.935	64.61
LT Lines system (kms.)	7,340.86	Rs. Lakh/Ckt. Km	7.338	538.67
66/11 kV Grid sub-station (MVA) 33/11 kV Grid sub-station (MVA)	4,922.96	Rs. Lakh/MVA	0.954	46.97
11/0.4 kV DT (MVA)	6,170.00	Rs. Lakh/MVA	1.489	91.87
Total normative O&M Expenses				**775.71**

It is further mentioned that the average capacity considered for computation of O&M expenses are subject to change based on actual capitalization.

Any statutory levies arising due to Government of India's Notification or Change in law but not factored in base year expenses shall be claimed separately over and above normative allowed expenses.

Legal Expenses

The Hon'ble Commission in its "Statement of Reason on Business Plan Regulations 2019" has provided the treatment of Legal Expenses in its Explanatory Memorandum as follows:

"(6) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed."

With respect to above, the Petitioner would like to mention that legal expenses incurred by the Petitioner shall be allowed without any distinction. Non allowance of some legal expenses amounts to curtailment of Statutory Right of the Petitioner to challenge the decisions of the Commission and is against the principle of natural justice as well the same is against Article 14 of the Constitution of India. The distribution business is a regulated business under the aegis of this Commission. The majority of issues in Distribution Business will arise out of orders/ directions issued by the Commission. In all such case, the Petitioner has right to challenge the same before the Hon'ble High Court, Hon'ble Appellate Tribunal for Electricity and Hon'ble Supreme Court thereafter. The final Judgment passed at the Appellate stage will be binding on both the DISCOM as well as the Hon'ble Commission. Therefore, all legal expenses without any distinction should be allowed as an expense in the ARR.

The Petitioner request to the Hon'ble Commission to allow Rs 15 Cr. on adhoc basis in the ARR for FY 2020-21. The said amount shall be trued up based on prudence check of actual legal expenses.

Allowance of Stamp duty incurred on Bill discounting charges:

It is submitted that due to drastic drop in collection arising from Covid-19, funds are not available with petitioner to make regular payment to power supply/ transmission companies and in order to avoid late payment surcharge to the maximum extent possible and wherever the option of bill discounting is offered, TPDDL is availing bill discounting offer from Gencos/Transcos. In the bill discounting offer, apart from normal interest charges, additional charges on stamp duty and additional interest arises due to advance payment of normal interest charges. These additional charges are being incurred by TPDDL due to situation arising from Covid-19, being uncontrollable in the hands of TPDDL, hence need to be allowed over and above normative O&M Expenses. On this account approx. Rs 20 lakh have been incurred in April 2020 and May 2020 and looking to the present situation of collection, the same may go up to around Rs. 1 Cr. The Hon'ble Commission is requested to consider a provision of Rs. 1 Cr for the time being subject to true up of the same.

LPSC charged by Gencos/ Transcos should be as pass though as a part of ARR:

As pointed out in (ii) above that due to drop in collection caused by Covid-19 pandemic, TPDDL is making its all best efforts including bill discounting option to not end up in a default situation for power purchase/ transmission charges payment. Despite putting its all best efforts to make timely payment, there may be a situation where TPDDL is not in position to make payment of power purchase/ transmission charges on due date or not honoring the payment on maturity date of bill discounting or non availability of bill discounting facility from some Gencos/ Transcos. The said situation will arise due to mismatch in collection from consumers and due dates of Gencos/Transcos or bill discounting maturity date which is totally beyond the control of TPDDL caused by Covid-19 pandemic force measure and will lead to charging of Late Payment Surcharge (LPSC). Therefore, the Hon'ble Commission is requested to consider approx. of Rs. 10 Cr provision in the ARR subject to true up of the same.

Impact of DERC Covid-19 Order in order to grant relief:

The Hon'ble Commission on dated 07th April, 2020 and 4th May, 2020 has issued suomoto orders to mitigate the impact of Covid-19 on electricity distribution licenses and consumers. The various initiatives have been proposed for Consumers with the allowance of corresponding expense in the ARR of the Petitioner on actual basis at the time of true up.

Therefore, the petitioner at this movement is not seeking additional expenses towards the compliance of aforesaid Suomoto Order of the Hon'ble Commission. The Petitioner reserves its right to seek the said impact owing to additional expenses, cost borne due to aforesaid orders at time of True up for the FY 2020-21. Thus the Hon'ble Commission may kindly consider and allow the said costs, expenses on actual basis at the time of true up.

Based on all above submissions, projected normative O&M expenses for FY 2020-21 is given below:

Table 31: Projected Normative O&M Expenses for FY 2020-21 (Rs Cr)

Particulars	O&M Expenses	Remarks
Normative O&M Expenses for FY 2020-21	775.71	Table 30
Legal Expenses	15.00	Explanation given above
Stamp duty charges	1	Explanation given above
LPSC	10	Explanation given above
Impact of DERC Orders related to Covid-19	*	*To be allowed actual expenses at the time of true up
Total O&M Expenses	**801.71**	

Capitalization for FY 2020-21

The Hon'ble Commission in its Business Plan Regulations, 2019 has approved capitalization of Rs 465 Cr. for FY 2020-21 (excluding Rs. 50 Cr towards Capital Deposit).

Table 32: Approved Capitalization for FY 2020-21 **(Rs. Cr.)**

Particulars	Amount
Capitalization including deposit work	413
Smart Meter	102
Less- Deposit work	50
Total Capitalization excluding deposit work	465

It is worth to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2020-21 as approved in BPR, 2019 is given below:

Table 33: Capitalization considering Deposit work for FY 2020-21 **(Rs. Cr.)**

Particulars	Amount
Capitalization without deposit work	363
Smart Meter	102
Deposit Work	50
Total including Deposit Work	**515**

The Petitioner would like to mention that due to COVID 19 lockdown there is shortage of supplies of smart meters, hence, it is proposed for reduction in approved smart meter capitalization by Rs 56 Cr. For improving the reliability of electrical network and to cater the future load growth, TATA POWER-DDL have planned to commission one Grid at Bhalswa. Further, some Power Transformers shall be augmented/replaced because at they already outlived the useful life 25 years. In order to rationalise capital investments we are also planning to lay 11 kV additional feeders among few grids instead of commissioning separate grids in our license area. Also, some old cables of 11KV which are more than 25 years and contributing more in No Current Complaints shall be replaced. During summer we are experiencing more and more tormy weather hence, it is imperative to have more robust and reliable network hence additional capex is planned to incur in FY 20-21. This will increase our corresponding capex for other work. Ultimately there would be no change in total value of Rs 515 Cr capitalization for FY 2020-21.

Table 34: Revised capitalization target for FY 20-21 is proposed as below:

Particulars	Rs. Cr
Capitalization without deposit work	419
Smart Meter	46
Deposit Work	50
Total (inclusive of Staff Cost & IDC)	**515**

Considering the revised capitalization of Rs. 515 Cr, gross block of fixed assets for FY 2020-21 works out as follows:

Table 35: Capitalization of Fixed Assets **(Rs Cr)**

Sl. No.	Particulars	Amount	Remark
A	Opening Balance for FY 19-20	5,565.02	As per True up Petition FY 18-19 Table no 3.45
B	Projected Additions for FY 19-20	505.12	Actual Net capitalization for FY 19-20
C	Opening balance for FY 20-21	6,070.14	(A+B)
D	Addition during the year	515.00	Table 34
E	Deletion during the year*		
F	Closing Balance	6,585.14	(C+D-E)
G	Average Balance of Fixed Assets	6,327.64	((C+F)/2)

**No deletion has been considered*

Contributions, Grants, subsidies towards cost of Capital Assets

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. It is estimated that Rs 50 Cr will be capitalized towards consumer contribution for FY 20-21 and thereafter.

Table 36: Estimated Consumer Contribution capitalized **(Rs Cr)**

Sl. No.	Consumer Contribution/Grant	Amount	Remarks
A	Opening Balance for FY 19-20	868.51	As per True up Petition FY 18-19 Table no 3.46
B	Projected Additions for FY 19-20	32.43	Actual for FY 19-20
C	Opening balance for FY 20-21	900.94	(A+B)

Sl. No.	Consumer Contribution/Grant	Amount	Remarks
D	Capitalized during the year	50.00	Equal to Deposit work capitalized amount
E	Closing Balance	950.94	(C+D)
F	Average Cumulative Capitalized Consumer Cont.	925.94	(C+E)/2

Depreciation

The Hon'ble Commission in its 4th MYT Regulation's has followed same methodology for allowance of Depreciation as in 3rd MYT Regulations. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Thus, for the purpose of computation of Deprecation for FY 2020-21, the Petitioner has considered Deprecation rate of 4.98% equivalent to the rate considered for FY 19-20 in July 19 Tariff Order.

Table 37: Estimated Depreciation **(Rs Cr)**

Sl. No.	Particulars	Amount	Remark
A	Opening GFA	6,070.14	Table 35
B	Net Additions to Asset during the year	515.00	Table 34
C	Closing GFA	6,585.14	(A+B)
D	Average GFA	6,327.64	(A+C)/2
E	Less: Average Consumer Contribution	925.94	Table 36
F	Average GFA net of CC	5,401.70	(D-E)
G	Average rate of depreciation	4.98%	
H	Depreciation for the year	269.00	(F*G)
I	Opening Depreciation	2,081.41	Rs 1835.76 Cr for FY 18-19 & Rs 245.66 Cr for 19-20
J	Closing Depreciation	2,350.42	(I+H)
K	Average Depreciation	2,215.92	(I+J)/2

Working Capital Requirement

The Petitioner has computed working capital requirement as per Regulation 84 (4) Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017. 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:"

However, it is worth to mention that the Hon'ble Commission vide its suomoto order dated 7th April, 2020 has announced relaxation for consumers a) by giving them extra benefit for 15 days over and above normal due date for making payment of their dues and b) moratorium period for 3 months to industrial & non domestic consumers which have further been deferred for recovery in 3 installments without LPSC. Considering that these consumers contribute significantly in fixed charges therefore, deferment will significantly impact the collections and accordingly the additional working capital cost. This order was followed by 2nd Suo moto order dated 04.05.2020 on manner of raising bills on consumers.

The Petitioner has already explained that due to deferment of collection, it would have to borrow funds for extra 15 days & moratorium period also. This additional borrowing would result in increase in cost at petitioner end, hence, for FY 2020-21, working capital should be allowed for 2.20 months instead of 2 months. Based on the above computation of working capital is given table below:

Table 38: Computation of Change in Working Capital (Rs Cr)

Sl. No.	Particulars	3 months* (Apr- Jun)		9 months (Jul- Mar)	Amount FY 20-21		Remark
A	Annual revenues requirement	1939.59		5818.78	7,758.38		Table 45
	Further break up of Sr. no A- above	Fixed charge	Other than fixed charges				
A1		220.25	1719.34	5818.78	7,758.38		
B	**Receivables based on ARR**						
	Additional receivables towards deferment of Fixed charges of Nondomestic/ Industrial for 3 months* = A1/12*3	55.06	-			1,419.76	A/12*2.20 (i.e. 0.20 is the impact for whole year)
	Additional receivables for *15 days (Qtrly ARR – FC deferred) = A1/12*.5	-	71.64	-			
	Receivables equivalent to 2.00 months ARR = A1/12*2	36.71	286.56	969.80			
C	Power Purchase expenses				5,490.76		Table 29
D	Add: 1/12th of power purchase expenses					457.56	C/12
E	Total working capital for the year					962.20	B-E
F	Opening working capital As per True up Petition FY 18-19 Table no 3.50 + change in working capital of Rs 83.49 Cr for FY 19-2)					866.78	
G	Change in working capital					95.42	(E-F)

** This computation is done based on the Hon'ble Commission Covid-19 Order dated 7th April, 2020. Any further relaxation if given by the Hon'ble Commission in this regard is to be factored additionally.*

Means of Finance for Capitalization for FY 2020-21

The Petitioner has submitted that Regulation 63 of the Tariff Regulations, 2017, provided that for determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30.

Table 39: Computation of Means of Finance (Rs Cr)

Sl. No.	Particulars	Amount	Remarks
A	Capitalization	515.00	Table 34
B	Less- Consumer Contribution Capitalized during the year	50.00	Table 36
C	Funding Requirement	465.00	(A-B)
D	Through- Debt @ 70%	325.50	C*70%
E	Through Equity @ 30%	139.50	C*30%

Regulated Rate Base

Regulations 65 to 71 of the Tariff Regulations, 2018 deals with the methodology for determination of Regulated Rate Base (RRB), Weighted Average Cost of Capital (WACC) and computation of Return on Capital Employed (ROCE).

Regulation 66 of the Tariff Regulations 2017 provided that *"The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB."*

Based on the approved capitalization and corresponding deprecation thereon, estimated consumer contribution and estimated working capital requirement as computed above, computation of Regulated Rate Base for FY 2020-21 is given below:

Table 40: Computation of Regulated Rate Base (Rs Cr)

Sl. No.	Particulars	Amount	Remarks
A	Opening Balance of OCFA	6,070.14	Table 35
B	Opening Balance of Accumulated Depreciation	2,081.41	Table 37
C	Opening Balance of Accumulated Consumer Contribution	900.94	Table 36
D	Opening balance of working capital	866.78	Table 38
E	**RRB – Opening**	3,954.57	(A-B-C+D)
F	Capitalization during the year	515.00	Table 34
G	Depreciation for the year (Including AAD)	269.00	Table 37
H	Consumer Contribution, Grants,	50.00	Table 36
I	Change in Working Capital	95.42	Table 38
J	**ΔAB (Change in Regulated Base)**	193.41	
K	**RRB – Closing**	4,245.99	
L	**RRB(i)**	4,147.99	

Computation of WACC

The Hon'ble Commission in its Business Plan Regulations, 2019 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.

Further, Based on the 6 months actual cost of debt for capex loans @ 8.68% & working capital rate of interest of 8.49%, the weighted average rate of interest on loans (Capex & working capital) has been considered @ 8.60% for FY 2020-21.

In the above paras, the Petitioner has already explained in detailed its deteriorating financial position on account of non liquidation of revenue gap and non recovery of timely PPAC. The situation went worse due to Covid-19, where bankers have been cautious and restrict their borrowing. In this situation, now the lenders are quoting a spread level of 2% over and above normal rate on account of additional risk premium. Thus, the petitioner request the Hon'ble Commission to allow additional spread of 2% for FY 2020-21 over and above the weighted average rate of FY 2019-20 so that all statutory obligations can be met and operations can be run smoothly and any penalty and default can be avoided. However, the revised rate of debt will still be within the overall cap as defined in regulation 14 of BPR regulations, 2019

Considering the above cost of debt + additional spread of 2% 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 2020-21.

Table 41: Weighted Average Cost of Capital (WACC) sought for FY 2020-21

Sl. No.	Particulars	Amount	Remark
A	Equity	1,543.99	
B	Debt- Capex	1,641.80	
C	Debt- working capital	962.20	
D	Return on Equity	16%	
E	Normal Income Tax Rate	34.94%	
F	Grossed up Return on Equity	24.59%	

Sl. No.	Particulars	Amount	Remark
G	Rate of Interest	10.61%	Cost of Debt for Capex @ 8.68% & Working capital @ 8.49% + additional spread of 2%
H	Weighted Average Cost of Capital	15.82%	

Considering the above computed WACC of 15.82% the Petitioner has computed ROCE for FY 20-21 as follows:

Table 42: Computation of Return on Capital Employed (Rs Cr)

Sl. No.	Particulars	Amount	Reference
A	RRB (i)	4,147.99	Table 40
B	WACC	15.82%	Table 41
C	**Return on Capital Employed**	656.01	(A*B)

Non-Tariff Income

The Petitioner has kept Non-tariff income for FY 2020-21 at the same level i.e. Rs 85.85 Cr , as offered for truing up for FY 2018-19 , in line with the methodology followed by the Honb'le Commission in past.

Table 43: Non-Tariff Income (Rs Cr)

Sl. No.	Particulars	FY 20-21
A	Non-Tariff Income/Interest on Security Deposit	85.85
B	Additional Open Access charges	
C	Total	

Computation of Carrying cost Rate

The Hon'ble Commission has approved Return on Equity in terms of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 for computation of weighted average rate of interest for funding of Regulatory Assets/ accumulated Revenue Gap through Debt and Equity shall be considered at 14% on pre-tax basis in its Business Plan Regulations, 2019.

Further, the rate of interest at 10.78% for FY 2020-21 for funding revenue gap has been considered which includes 2% additional spread.

Based on the above, the carrying cost rate for FY 2020-21 computed as follows.

Table 44: Computations of carrying cost **(Rs Cr)**

Sl. No.	Particulars	FY 2020-21
A	Rate of Return on Equity	14.00%
B	Rate of Interest on Loan 8.78% + 2% additional spread	10.78%
C	Rate of Carrying Cost	11.75%

Computation of Aggregate Revenue Requirement

Based on the submission made above the total Revised Aggregate Revenue Requirement for the FY 2020-21 comes to Rs. 7,758.38 Cr. Component wise breakup of the same is given below:

Table 45: Summary of Revised Aggregate Revenue Requirement **(Rs Cr)**

Sl. No.	Particular	FY 20-21 Amount	Remarks
A	Cost of Power Purchase	5,490.76	Table 29
B	O&M Expenses including Legal expenses	801.71	Table 31
C	Depreciation	269.00	Table 37
D	Return on Capital Employed	656.01	Table 42
E	Carrying Cost	626.74	Table 50
F	Less: Non-Tariff Income/ Interest on consumer security deposit	85.85	Table 43
G	**Revised Annual Revenue Requirement**	**7,758.38**	

Revised computation of Revenue (Gap)/surplus without carrying cost & DRS for FY 2020-21

Based on the above submission, the Petitioner has estimated Revenue Gap of Rs. (2,077.95) Cr for FY 2020-21.

Table 46: Computations of Revenue (Gap) for the year without carrying Cost (Rs. Cr)

Sl. No.	Particular	FY 2020-21	Remarks
		Estimated	
A	Aggregate Revenue Requirement for the year without carrying cost	7,131.64	Table 45
B	Revenue available for the year without DRS	5,053.69	Table 18
C	Revenue (Gap)/surplus for the year	(2,077.95)	(B-A)

Computation of Additional Revenue Gap for FY 2019-20 to compute the Opening Revenue Gap for FY 2020-21

The Petitioner has provisionally computed closing revenue gap of Rs. (3,655.84) Cr upto FY 2018-19 in true up Petition for FY 2018-19. However for the purpose of computation of carrying cost for FY 2020-21 (i.e. component of Aggregate Revenue Requirement), the opening revenue gap for FY 2020-21 is required to be computed.

Thus, for this purpose, the Petitioner computed estimated ARR for FY 2019-20 and computed estimated Revenue Gap for FY 2019-20 as given below:

Table 47: Additional Revenue Gap for FY 19-20

Sl. No.	Particular	FY 2019-20	FY 2019-20	Difference
		As per DERC Order*	Revised Estimated^	
A	Cost of Power Purchase (Note no 1)	5,619.00	6,259.95	640.95
B	O&M Expenses (Note no 2)	672.00	747.00	75.00
C	Additional Other expenses/ statutory levies (Note no 3)	20.00	145.00	125.00
D	Depreciation (Impact of Capitalization)	238.00	245.66	7.66

Sl. No.	Particular	FY 2019-20 As per DERC Order*	FY 2019-20 Revised Estimated^	Difference
E	Return on Capital Employed (Impact of ROE, subject to APTEL Judgment)	408.00	582.33	174.33
F	Carrying Cost (Note no 4)	103.00	436.60	333.60
G	Less: Non-Tariff Income/ Interest on consumer security deposit	110.00	85.85	(24.15)
H	**Annual Revenue Requirement**	**6,950.00**	**8,330.68**	**1,380.68**
I	**Annual Revenue available**	**7,548.00**	**7,689.76**	141.76
J	**Revenue (Gap)/ Surplus**	**598.00**	**(640.92)**	(1,238.92)

** Approved in Tariff Order for FY 2019-20*

^subject to change at the time of True up, further no impact of incentive/disincentive is being factored in any of the components for aforesaid purpose in order to make corresponding comparison. Computation of Incentive/ penalty if any would be sought through True up Petition for FY 2019-20.

<u>Note No 1: Power Purchase Cost</u>

The Hon'ble Commission in its Tariff Order for FY 2019-20 has projected gross power purchase cost/unit @ Rs. 5.53. Against the said projected per unit cost; actual gross power purchase cost comes to Rs 6.52/unit. Thus, resulting into increase in power purchase cost of the petitioner for FY 2019-20. It is further clarified that the Power Purchase cost of Rs 6.52/unit is without considering the impact of Incentive for sale of surplus power. The major reason for increase in Power Purchase cost is on account of arrears bills received from Gencos/ Transco.

<u>Note No 2: Normative O&M Expenses</u>

The Hon'ble Commission in its Tariff Order for FY 2019-20 has provisionally allowed an amount of Rs 672 Cr against the total normative O&M allowance of Rs 747 Cr. (i.e. provisional basis 90% of O&M expenses are considered). Relevant extract of the Tariff Order is given below:

"4.115 The Commission observed that the Petitioner has projected the network capacity on higher side. The Commission has provisionally allowed 90% of O&M expenses determined based

on the network capacity projected by the Petitioner. The true up of O&M expenses shall be as actual network capacity."

Thus, for the purpose of computation of additional impact the said outstanding balance of 10% of O&M expenses of Rs 75 Cr (i.e. Rs. 747 Cr- Rs. 672 Cr) is considered additionally.

Note No 3: Additional O&M expenses

The Petitioner in its True up Petition for FY 2018-19 has sought additional O&M expenses of Rs. 145 Cr over and above the normative O&M expenses. The Hon'ble Commission has allowed Rs 20 Cr towards additional O&M expenses for FY 2019-20. Thus, the petitioner now considered additional impact of Rs. 125 Cr. for FY 2019-20 towards O&M expenses to meet its liability of statutory nature/ change in law etc.

Table 48: Additional O&M Expenses for FY 19-20 (0ver and above Normative O&M Expenses)

Particular	FY 19-20 Actuals Rs Cr.	Remarks
Impact of GST (unaudited)	37.23	**However for truing up purpose Rs 145 Cr is considered on account of these expenses.**
Water charges	1.79	
Impact of minimum wages (unaudited)	23.13	
Impact of 7th Pay Commission (interim relief)	37.56	
Provisional impact of 7th Pay Commission (Leave salary contribution/Pension contribution)	13.94	
Common effluent treatment plant charges	6.54	
Property tax	1.98	
Licensee fees	3.72	
Land license fees	11.42	
Legal Exp	21.14	
Total Expenses over and above normative O&M	158.45	

Note No 4: Carrying Cost Impact

The Hon'ble Commission in its Tariff Order for FY 2019-20 has computed carrying cost of Rs 103 Cr. in Table no 4.61, considering average revenue gap of Rs 997 Cr. However, against the same, the Petitioner has computed carrying cost of Rs 436.60 Cr. for FY 2019-20. Computation of the same is given below:

Table 49: Additional Carrying cost for FY 19-20

Sl. No.	Particular	FY 19-20 Amount as approved Rs Cr.	Remarks
A	**Opening Revenue Gap as per true up Petition for FY 2018-19**	(3,655.84)	As per True up Petition FY 18-19 Table no 3.67
B	Addition for the year	(640.92)	As computed above
C	Closing Revenue Gap	(4,296.77)	(A+B)
D	Average Revenue Gap	(3976.30)	(A+C)/2
E	Carrying cost @ 10.98%	(436.60)	

ARR for Rithala for FY 2020-21

The Petitioner in its true up Petition for FY 2018-19 has sought additional claim of Rs 29.72 Cr towards. The additional claim is sought towards non allowance of the remaining WDV of Rithala plant of Rs. 94.31 Cr. that should be allowed to the Petitioner. It is further submitted that the above claim of the Petitioner for full recovery (based on the assumption of 6 years permitted life) was made to the Hon'ble Commission in the backdrop of the efforts to sell the said plant to some interested party. The same did not fruitify till the time the said Petition was heard, disposed off by the Hon'ble Commission on 11.11.2019.

It is worth to mention that the Hon'ble Commission in para 5.3.2 of the said Order has duly acknowledged the said factum of plant's life to be 15 years and without waiting for the sale/disposal of the Plant, the Hon'ble Commission proceeded to determine the depreciation @ 6% and allow Tata Power-DDL the recovery of cost of plant in 15 years.

Thus in light of the said finding, Tata Power DDL is entitled to recover the cost of plant in 15 years along with the normal ARR of respective year.

Thus, Tata Power DDL shall act in accordance with the said finding, observation of the Hon'ble Commission and alternatively seek Y-o-Y recovery of all Tariff cost components to recover the cost of plant in the remaining successive years in respective ARR/True up Petitions as filed from time to time.

In the current tariff petition, the Petitioner is seeking ARR for FY 2020-21 therefore, in light of the aforesaid submissions also seeking additional amount of Rs 29.72 Cr (i.e. amount sought for True up of FY 2018-19). It is further clarified that this claim is subject to true up based on ARR submission at the time of true up for FY 2020-21

The said approach of the Petitioner is based on the interpretation of order dated 11.11.2019 and is without prejudice to its rights and contentions. The act of seeking the said Tariff components , depreciation etc. in any Petition (True up from FY 2018-19 onwards), shall not be construed as any kind of waiver, surrender of any rights, claims of Tata Power-DDL qua the order dated 11.11.2019 in Petition 51/2019.

Computation of Closing Revenue Gap (on Provisional basis) along with Carrying Cost upto FY 2020-21

For the FY 2020-21, the Petitioner has estimated an amount of Rs 404.30 Cr towards 8% Deficit recovery surcharge at 95.33% collection efficiency and thereafter adjusted the said amount against the total of closing revenue gap for the year.

The summary of addition in opening Revenue Gap along with carrying cost (net of 8% Deficit Recovery Surcharge) is given below:

Table 50: Computations of Closing Revenue Gap **(Rs. Cr)**

Sl. No.	Particular	FY 2020-21	Remarks
		Estimated	
A	Opening Revenue Gap for FY 2019-20	(3,655.84)	True up Petition for FY 2018-19
B	Additional impact for FY 2019-20	(640.92)	Table 47
C	Opening Revenue Gap for FY 2020-21	(4,296.77)	(A+B)

Sl. No.	Particular	FY 2020-21	Remarks
		Estimated	
D	Revenue (Gap)/Surplus for the year	(2,077.95)	Table 46
E	Closing Revenue (Gap)	(6,374.72)	(C+D)
F	Carrying Cost Rate	11.75%	
G	Carrying Cost	(626.74)	(C+B/2)*F
H	Recovery of carrying cost from 8% Deficit Revenue Recovery Surcharge	404.30	@ 95.33% collection efficiency
I	Additional Impact of Rithala	(29.72)	In line with True up Petition for FY 2018-19, further subject to be trued up along with true up for FY 2020-21
j	Closing Revenue Gap (including carrying cost)	(6,626.88)	(C+D+G-H+I)

Tariff Rationalization

Measures for Tariff Rationalization

At the outset, TPDDL wishes to clarify that while proposing tariff rationalization measures, the intention is not to earn net extra revenue in the process but to make structure simpler, balanced, Consumer friendly and more realistic.

TPDDL, would, therefore, request the Hon'ble Commission to determine Tariff structure in such a manner that the impact on the total revenue requirement merely on account of the rationalization is 'Nil', and allow such revenue to meet the approved expenditure of the Licensee.

TPDDL proposals on "Tariff Rationalization" are as follows:

1. **Time Bound Recovery of Regulatory Assets / Revenue Gap**

The Hon'ble Commission since its tariff order dated 13th July 2012 and till date has allowed for an additional surcharge of 8% **towards recovery of past accumulated deficit /regulatory assets.**

It is pertinent to mention that the said surcharge is not sufficient to ensure recovery of entire Revenue Gap in stipulated timeframe.

We would further like to draw your kind attention to the Judgment dated 11th Nov 2011 in OP No. 1 of 2011 of Hon'ble Appellate Tribunal for Electricity (APTEL) regarding *Tariff Revision (Suo-Moto action on the letter received from Ministry of Power)* where-in the Hon'ble APTEL has emphasized on timely recovery of regulatory assets.

The relevant observation of the Hon'ble Tribunal in the said matter is as under:

*"65 (iv).........**The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years** at the most and preferable within Control period. Carrying Cost of the Regulatory Asset should be allowed to utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the Distribution Licensee."*

The concern on creation of regulatory assets in future and the need for timely liquidation of the Regulatory has also been emphasized in the amendments to the National tariff Policy. The relevant extracts have been reproduced below:

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:
a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;

b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."

It may be appreciated that the major part of the regulatory asset has been hovering on the petitioner for more than 7 years and recovery of the high accumulated gap continues to remain a concern for the financial health of the Petitioner, given that there is no clear roadmap stipulated for recovery of the same.

Credit rating agency ICRA in its last rating has also expressed his concerns on the liquidation prospects of regulatory assets. Even a one notch down in credit rating from existing level will impact our interest rate by around 70-90 basis points. Also, absence of clear cut roadmap for the liquidation of regulatory asset severely impacts the future lending rates. Therefore, an early amortization of such huge built up Revenue Gap would further help in sustenance of the current credit rating of the Petitioner, ultimately resulting into lower cost of debt and saving of the carrying cost in the benefit of the consumers.

The Hon'ble Commission is requested to give an amortization schedule with annual recovery of the accumulated Revenue Gap along with Carrying Costs.

2. Revised Power Purchase Cost Adjustment Charge (PPAC) Formula

The Petitioner once again would like to draw the attention of the Hon'ble Commission on existing Power Purchase Adjustment Charge (PPAC) Formula. It is worth to mention that the power purchase adjustment mechanism is to ensure that the impact of change in power purchase cost of the Distribution Companies is passed on to the consumers in a timely manner on a quarterly basis.

The main short comings of said PPAC Formula is that it factors only the variance in Long Term power purchase cost (Generation and Transmission) and not the variance in sale rate (which is also a part of power purchase cost) . Accordingly, the Hon'ble Commission is requested to incorporate the suggestion so that any gain/loss on account of sale of surplus power may also be allowed in a timely manner. The same will ensure timely recovery / adjustments on a quarterly basis and prevent doing the same at the end of the year at the time of true-ups which will result in savings of carrying cost burden on consumers.

It will also ensure that in the situation when the sale rate is more than the approved base cost, PPAC may not get computed/ may get nullified on account of increase in Fuel charges/ Transportation costs

To remove the above shortcoming, TPDDL in its previous year tariff Petitions has also suggested revised PPAC formula to the Hon'ble Commission. It is further submitted that the Hon'ble APTEL in its Judgment in Appeal no 177 & 178 of 2012 has directed the State Commission to consider the variation in sale price of surplus power in the PPA formula. Relevant extract of the same is given below:

"The Hon'ble Tribunal agreed with the prayer of the Appellant that Power sales constitute a major component of power purchase cost and the power purchase cost is trued up only after 2 years, putting additional burden on consumers by way of interest charges which have to be borne by the consumers additionally. The Hon'ble Tribunal agreed that any short term power purchase due to unforeseen outages would require prudence check. Keeping in view small amount of short term power procurement cost, the Hon'ble Commission may not include short term power procurement in PPCA.

However, the Hon'ble Tribunal also agreed that Sale of short term power is volatile and may vary from what has been considered in determining the net power

purchase cost in ARR. Therefore, State Commission should have considered the variation in sale price of surplus power in the PPCA formula."

The Hon'ble Commission in its previous Tariff Order dated September 2015 in para no 3.37 on page no 141 has mentioned that

"The observation of Hon'ble APTEL in Appeal 177 & 178 of 2012 regarding PPAC formula will be taken into consideration while formulating PPAC formula in next MYT Control period."

However, the same has yet not been considered by the Hon'ble Commission.

Based on the above facts, the Petitioner is once again reproducing the revised formulae for PPAC.

Proposed Formula for consideration is suggested as below:

PPA for nth Qtr. (%) *=*

$$\frac{A * C - B * F + + (D\text{-}E)}{\{Z * (1 - \text{Distribution Losses in } \%/100)\} * ABR}$$

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 Gencos issued to distribution licensees (No change from existing formula)*

B = *Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr. (in kWh) (No change from existing formula)*

= *Total bulk sale in (n-1)th Qtr. (in kWh) * A*

Gross Power Purchase including short term power in (n-1)th Qtr. (in kWh)

Total bulk sale and gross power purchase in (n-1)th Qtr. to be taken from provisional accounts to be issued by SLDC by 10th of each month.

C = ***C*** *actual* – ***C*** *projected (Change from existing formula)*

C *actual* = *Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr. excluding fixed cost of regulated stations (Rs./kWh).*

C *projected* = *Projected average Power Purchase Cost (PPC) from power stations having long term PPAs including new long term PPAs Added and excluding regulated stations / surrendered stations (Rs./kWh) (from tariff order) (Base Rate)*

Regulated/Added/Surrendered stations to be taken from SLDC/DERC. DISCOMs will provide audited figures for not paid stations.

D = *Actual Transmission Charges paid in the (n-1) th Qtr (no change)*

E = *Base Cost of Transmission Charges for (n-1) th Qtr= (Approved Transmission Charges/4) (no change)*

F *(new)* = *Actual average Power Sale Rate in the (n-1)th Qtr. (Rs./kWh) – Projected Average Sale Rate by DERC (from tariff order) (Change from existing formula).*

DISCOMs will provide duly audited average sale rate.

DISCOMs will provide duly audited figures.

Z = *[{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr. (in kWh) * (1 – PGCIL losses in %/100) + Power from Delhi Gencos including BTPS (in kWh)} * (1 - DTL losses in %/100) } – B] in kWh (No change from existing formula)*

Power from Delhi Gencos including BTPS to be taken from provisional accounts to be issued by SLDC by 10th of each month.

ABR *= Average Billing Rate for the year (to be taken from the Tariff Order)*

Distribution Losses (in %) *= Target Distribution Losses (from Tariff Order)*

PGCIL Losses (in %) *= 100 x Approved PGCIL losses in Tariff Order (kWh)*
Approved Long Term Power Purchase from Central Generating Stations having long term PPA in the Tariff Order (kWh)

DTL Losses (in %) *= 100 x Approved DTL Losses (from the Tariff Order)*
Power available at Delhi periphery
(from energy balance table-tariff order)

3. Upward revision in Credit Card / Debit Card Payment Limit

Recently, Ministry of Power, Govt. of India vide D.O. letter no. 1/10/2016-IT dated 09.12.2016 issued direction regarding digital cashless transaction in country. The clause (b) of MoP,Govt. of India in the said matter is as under:

b) *All convenience fee/charges for digital payment should be waived from customer.*

In view of above direction, Hon'ble Commission is requested that no processing fee should be charged from customer for payment through credit card / debit card irrespective of bill amount and same should be pass through in ARR on actual Basis.

4. Cash transaction for theft bills

The Hon'ble Commission has directed that the DISCOMs shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4000/- except from blind consumers and for court settlement cases or any other cases specifically no revenue collection above Rs.4,000/- should be collected through cash for theft charges.

In this regard, it is pertinent to mention that the Petitioner is facing certain problems in collection of theft bills in the mode other than cash. Following are some area of concerns which requires the immediate attention of the Hon'ble Commission in order to comply with the said directive:

a) Most of the theft cases are presently detected in JJ clusters and rural areas/villages where the consumers do not always have bank accounts to issue cheques.

b) Even if applied, acceptance of cheques itself poses problems of bounced cheques and further requirements of notices and litigation under Negotiable Instruments Act.

c) Recovery in theft cases is very difficult and there are frequent defaults. A very large number of consumers of JJ Clusters and villages seek installments for payments and there is lot of default and such consumers are less educated. Asking such persons to go to banks for preparation of drafts every month (due to installments) will be a strong dissuading factor and would involve inconvenience, extra formalities, delays and loss of work for such consumers.

d) Private banks do not issue drafts unless the applicant has an account with the bank and the public sector banks require PAN No. for transactions above Rs.50,000/-. The consumers of such areas would not be able to meet such requirements.

e) The Hon'ble Commission has issued the direction mainly due to an apprehension of cash collection without issuing receipts. The Petitioner follows a SAP based transparent process of recovery and unless a bill is issued, no payment can be accepted. Also, payment of only exact amount of the installment bill can be accepted and no one can make or accept any payment less or more than the amount of the bill. Therefore, there is absolutely no possibility of any collection without being accounted for in SAP or without issuing receipts. Both the activities of accounting for and issuing receipts are instant. Also, collections of theft bills are not carried out through any contractor or commission agent and all payments have to be made only at the collection counters of the company. The Petitioner further assures to the Hon'ble Commission that neither such transactions are carried out nor any such transactions is possible.

f) Even The Hon'ble Commission in past has considered and issued direction to DISCOMS vide letter No. F.3(427)/Tariff fin/DERC/2015-16/13784 dated 22/01/2016 to comply the direction issued by Hon'ble Special Electricity Court, Rohini in Case No. 652/14 dated 31/3/2015 to accept the cash payment towards theft Bill.

For the reasons cited above, the Hon'ble Commission may kindly exempt/exclude theft collections transactions from the said directive.

5. Penalty (ADSM – Additional Deviation Settlement Mechanism) on account of transmission line tripping

Under the Deviation Settlement Mechanism and Related Matters Regulations, 2014 effective from 17.02.2014, the Hon'ble CERC has assigned the responsibility of maintaining the grid discipline on the Buyers and Sellers only. It however needs to be noted that there are certain factors which are not under the control of the sellers/buyers but under the direct control of Transmission Utility and concerned Load Dispatch Centers. These mainly include tripping of transmission system and scheduling of power within four time block, which has considerable impact on execution of scheduling and dispatch plan set up by sellers/buyers. Tata Power DDL has filed a petition number 10 of 2014 with the Hon'ble Delhi Electricity Regulatory Commission (DERC) which also has details mentioned on the same including the issue of forced scheduling.

A) Tripping of transmission lines:

As per the Deviation Settlement Mechanism (DSM) Regulations 2014, penalty is imposed on DISCOM if it under drawls at high grid frequencies (above 50.1 Hz). One of the reasons due to which the DISCOMs under draw is when a section of the load is disconnected due to tripping of transmission lines or power transformers maintained by Central Transmission Utility(CTU) or State Transmission Utility(STU) due to faults. Further, the problem is compounded by the fact that Delhi DISCOMs procure bulk of the power from generating stations situated outside Delhi, except for some distributed solar (less than 2 MW), and are thus completely dependent on the STU and CTU for delivery of power. Any subsequent corrective action to revise our schedule to the altered demand will take at least 4 time blocks.

The Hon'ble Commission may therefore appreciate that, unless intimated beforehand, the DISCOM/Buyer cannot account for these events in Scheduled planning. By their inherent nature, a tripping or fault cannot be predicted. Also as the fault has occurred in a system not maintained by the DISCOM/Buyer, the DISCOM/Buyer cannot take any action to reduce them by predictive or preventive maintenance. Therefore, any ADSM charges/penalty on account of the same should be made pass through in the ARR of the DISCOM and the DISCOM should not be held liable for any under-drawal on account of any unforeseen failure of a CTU or STU equipment, which resulted in such under-drawal and may be excluded from liability in case of such events. Alternatively the DSM penalty imposed upon Discoms on account of transmission line trippings be imposed upon the STU as DISCOMs have no direct control over issues related to transmission line/ equipment trippings.

B) Scheduling/revision of power in four time block

IEGC 2010 and subsequent amendments stipulates that the scheduling/revision of power should be executed in four time blocks. This timeline is adhered to incase when revision is within region however, the process takes approx. 6 time blocks or more in cases when seller and buyer are located in different region. Further, the scheduling of URS takes more than stipulated 4 time blocks as consent of multiple parties is involved in the same. The Petitioner in the past has already brought this to the notice of the Hon'ble Commission by filing of an affidavit.

These discrepancies between regulation and execution restrict the immaculate planning and execution required to meet such a stringent norm.

Hence, the Petitioner request the Hon'ble Commission to consider suspension of Additional Deviation Settlement Mechanism (ADSM), penalty applicable on DISCOMs for reasons beyond their control such as transmission outages/ scheduling errors of third parties such as SLDC and NRLDC. In the event, suspension of Additional Deviation Settlement Mechanism (ADSM) is not possible; the responsibility for penalty and revenue loss by DISCOMs on account of transmission constraints must be borne by the CTU/STU and not by Distribution Utilities.

6. Flat Tariff for Pre-Paid connections (Domestic Category)

Due to complex slab based tariff structure for domestic category and logics involved in billing of Pre-paid connections, the Hon'ble Commission may consider allowing separate tariff for billing of such prepaid consumers under domestic category.

7. Value Added Services on Paid Basis

The Petitioner would like to inform the Hon'ble Commission that based on our interaction with various institutional consumers and other consumers having multiple connections, TPDDL has been receiving from time to time the following requests

a. Sharing of load survey data,

b. Sharing of yearly account statement,

c. Tool for consumption analysis and helping in demand side management etc.

This is also pertinent to mention that many services of similar nature, offered by banks / financial institutes, like issuance of detailed account statement, duplicate statement etc. are on paid basis. Similarly, railways issue duplicate tickets on chargeable basis.

Considering the increasing consumer requirement for data stored in meter in form of load survey data, a consumer ledger providing detailed billing and payment history over a period time, it is requested to the Hon'ble Commission to allow the DISCOMs to initiate such value added services on paid basis.

8. Levy of Surcharge on all residential connections under temporary supply

In recent tariff orders issued by the Hon'ble Commission, surcharge on residential connection under temporary supply category has been removed in line with residential co-operative group housing connections. While the applicability of the same for residential co-operative group housing connections is understandable, however including "other" residential connections in this category may be avoided due to following reasons.

a) Apparently now, there is no motivation for residential consumers to switch from temporary to permanent connection as he is availing temporary connection at the same tariff.

b) Also it will create a lot of safety concerns, since, there is no standardization of cables used by consumers. Also, there is chance of theft by tapping the service cable used by consumer.

c) Further, there is a scope of misuse of existing permanent connection as consumer will not ask for temporary connection for construction of additional floor/units by consumer as there is no fear of any penalty etc. on account of misuse. *(being on same tariff)*

d) Temporary connection cannot be denied as per supply code, and there is possibility that consumer will use the same and will not go for permanent connection which is provided subject to feasibility.

e) Already domestic consumer is subsidized and excluding surcharge from long term temporary connection is like providing them double benefit.

f) Also, TPDDL procures long term power based on the demand of the existing consumers and for the temporary connections (based on load demanded), for which TPDDL has to make temporary arrangement in terms of procuring additional power on short term basis, which is at much higher rates as compared to long term power being procured on a regular basis.

Considering above points it is requested to allow levy of surcharge on all residential connections under temporary supply category.

9. Revised methodology for LPSC

It has been observed that few consumers are taking undue benefit of change in the methodology for calculation of LPSC on daily basis as well as regulation of 15 days' notice period before disconnection. Some frequently defaulting consumers has made the habit of paying the bill after due date but well before completing the 15 days of notice period as a result of which TPDDL is neither able to disconnect consumer supply nor able to charge full month LPSC. This is seriously hampering our efforts for reducing AT&C losses and is affecting honest paying Consumers. Further it is unnecessary increasing DISCOMs Operational expenditure for sending DN and Follow Up for payment. Therefore, the Petitioner requests to the Hon'ble Commission to modify guidelines as follows at least for High End Consumer with Load > 10 KW as amount involved is very high:

1. The Consumers who defaults the payment twice or more in last six month should not be given the additional notice period of 15 Days in case consumer default bills and the bill itself should be treated as disconnection Notice.

2. The Consumers who defaults the payment twice or more in last six month, Full Month LPSC should be levied on consumer in case of Default.

3. DISCOM should be given option of converting connection of Consumers from Postpaid to Prepaid, if Consumer Defaults more than 2 times in a Year.

The Petitioner requests to the Hon'ble Commission to implement above guidelines at least for High End Consumer, so that honest paying and Small Consumer are not affected due to malpractice of frequent Defaulters.

10. RPO compliance

Open access consumers taking power from Renewable energy sources are exempted from payment of additional surcharge, wheeling charges and transmission charges. Accordingly these charges are paid by other Non-Open access consumers. As a compensation, the Hon'ble

Commission may allow Renewable power beyond RPO of Open access consumers to be considered as part of DISCOM RPO compliance. This will help in reduction of purchase of RECs which in no way is adding to physical power but is only an expense on the Non open access consumers in the form of cost of Renewable Energy Certificates.

11. Short term transmission charges

With abolition of Short term transmission charges of CTU being a part of Draft CERC Sharing of Inter-State Transmission Charges and Losses 2019, once the same is implemented the Hon'ble Commission should put some mandatory interstate short term transmission charges to be paid by Open access consumers/ deemed licensees like Railways which otherwise will not pay any transmission charges as they do not have any Long Term Transmission (LTA). Accordingly their burden of transmission charges will have to be shared by Non Open access consumers for which LTA has been secured by a utility.