DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1557)/DERC/2017-18/

Petition No. 07/2018

In the matter of: **Petition for True-up for FY 2016-17, Revised ARR for FY 2017-18 and corresponding determination of Tariff for FY 2018-19.**

New Delhi Municipal Council
Through its : **Director (Power)**
Palika Kendra, Sansad Marg
New Delhi 110 001 ...**Petitioner/Licensee**

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

ORDER

(Date of Order: 28.03.2018)

M/s New Delhi Municipal Council (NDMC) has filed the instant Petition for True-up for FY 2016-17, Revised ARR for FY 2017-18 and corresponding determination of Tariff for FY 2018-19. The Petition was admitted by the Commission vide Order dated 05.02.2018. The Petition along with Executive summary was uploaded on the website of the Commission seeking response of the stakeholders; and was also widely publicised through advertisement in newspapers.

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

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

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

(B. P. Singh)
Member

LIST OF ABBREVIATIONS

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

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

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

A1: INTRODUCTION

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

NEW DELHI MUNICIPAL COUNCIL (NDMC)

1.2 New Delhi Municipal Council (NDMC) is a Municipal Council engaged in the distribution of electricity to the consumers in the New Delhi area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994. NDMC is a Deemed Licensee under the Electricity Act, 2003 in respect of the specified area in New Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

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

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

THE STATE ADVISORY COMMITTEE MEETING

1.1 The Commission has, since constitution of the State Advisory Committee on 27/03/2003, in terms of Section 87 of the Act, has held 17 meetings. In the 17th State Advisory Committee Meeting held on 16th March, 2018, the Commission discussed the following:

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

Sr. No.	Issues Discussed
I	Tariff Petition for True up of FY 2016-17 and ARR for FY 2018-19 for GENCOs, TRANSCO and DISCOMs
II	Approach Paper on Tariff Rationalization
III	Energy Audit of the DISCOMs

MULTI YEAR TARIFF REGULATIONS

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

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

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

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

"NORMS OF OPERATION AND TRUING UP

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

FILING OF PETITION FOR TRUE UP AND ARR

FILING AND ACCEPTANCE OF PETITION

1.9 NDMC has filed its Petition on 02/02/2018 before the Commission for approval of Annual Revenue Requirement (ARR) for FY 2018-19 and True up for FY 2016-17.

1.10 The Commission admitted the Petition vide its Order dated 05/02/2018 subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 05/02/2018 is enclosed as Annexure I to this Order.

INTERACTION WITH THE PETITIONER

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

1.12 For this purpose, the Commission's Officers and Staff Consultants held discussions with the Petitioner, obtained information/clarifications wherever required and carried out technical validation with regard to the information provided.

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

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

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

PUBLIC NOTICE

1.16 The Commission published a Public Notice on its website and in the following newspapers on 26.02.2018 inviting comments from stakeholders on the Tariff petitions filed by the Petitioner latest by 09.03.2018:

(i)	Indian Express (English)	:	26.02.2018
(ii)	Hindustan Times (English)	:	26.02.2018
(iii)	The Times of India (English)	:	26.02.2018
(iv)	Navbharat Times (Hindi)	:	26.02.2018
(v)	Dainik Jagaran (Hindi)	:	26.02.2018
(vi)	Educator (Punjabi)	:	26.02.2018
(vii)	Jandid-in-dinon (Urdu)	:	26.02.2018

1.17 The Public Notice is available on Commissions website www.derc.gov.in

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

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

1.20 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 23/03/2018 in the following newspapers on the respective dates mentioned alongside:

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

1.21 The Public Notice is available on Commissions website www.derc.gov.in

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

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

LAYOUT OF THE ORDER

1.24 This Order is organised into six Chapters:

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

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

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

Commission.

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

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

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

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

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

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

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

APPROACH OF THE ORDER

APPROACH FOR FY 2016-17

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

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

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

APPROACH FOR FY 2018-19

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

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

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

A2: RESPONSE FROM STAKEHOLDERS

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

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the distribution licensees, after consideration of all suggestions received from the public and the response of the DISCOMs to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly public hearing was held on 23.03.2018 in Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi with consumers to discuss the issues related to the petitions filed by the DISCOMs viz., Tata Power Delhi Distribution Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited & New Delhi Municipal Council for true up of expenses for FY 2016-17 and Annual Revenue Requirement (ARR) for FY 2018-19.

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

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

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

ISSUE 1: PUBLIC HEARING AND OBJECTION PROCESS

STAKEHOLDER'S VIEW

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

BYPL

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

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

BRPL

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

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

NDMC

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

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

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

COMMISSION'S VIEW

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

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

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

> "9. In view of the above decision, we are to direct all the Commissions to conduct the proceedings irrespective of the quorum since the proceedings before the Commission could be conducted even by a single Member."
>
> "12. Therefore, we direct that all the Commissions concerned irrespective of the Regulations with regard to the quorum for a meeting, that Commission, even with a single Member despite that there are vacancies of other Members or Chairperson, can continue to hold the proceedings and pass the orders in accordance with the law."

2.22 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity

Act, 2003.

ISSUE 2: MYT REGULATION & BUSINESS PLAN

STAKEHOLDER'S VIEW

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

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

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

2.30 We agree with your observation that True up should be completed before the expiry of 2 years of tariff determination, and request Commission to consider the same.

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

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

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

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

BYPL

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

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

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

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

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

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

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

BRPL

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

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

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

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

NDMC

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

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

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

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

COMMISSION'S VIEW

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

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

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

ISSUE 3: POWER PURCHASE COST

STAKEHOLDERS' VIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

Procurement Cost and simultaneously, to meet the Renewable Power Purchase Obligation (RPO) mandated by DERC.

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

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

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

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

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

2.73 Power allocations entered into by DVB/DTL have been entered for Delhi as a whole. The power re-allocation has been done by DERC based on load profile, consumer profile of the respective geographical licensed areas. Further the Commission is bound under the Electricity Act 2003 not to show any undue preference to any specific consumers of an area.

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

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

BYPL

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

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

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

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

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

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

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

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

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

2.85 In view of the present precarious financial conditions of the distribution companies, it is necessary that the State Commissions also to provide for Power Purchase Cost Adjustment Formula as intended in the section 62(4) of the Act to compensate the distribution companies for the increase in cost of power procurement during the financial year. The same has also been directed by the Honb'le Appellate Tribunal for Electricity to all State Commissions vide its judgment dated 11.11.2011 in O.P. 1 of 2011.

BRPL

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

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

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

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

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

NDMC

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

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

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

2.94 The queries do not pertain to NDMC. However, on the issues raised by the consumer, it is submitted that the true-up petition has been filed based on the provisions of the regulations, regulatory orders and past precedence in the sector.

Any deviations from the norms have been substantiated in the petition and the same may be considered by the Commission based on merits of submissions made by the licensees.

COMMISSION'S VIEW

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

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

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

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

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

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

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

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

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

ISSUE 4: AT&C LOSSES

STAKEHOLDER'S VIEW

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

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

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

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

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

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

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

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

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

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

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

BYPL

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

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

2.122 Further, the Petitioner always endeavours to minimize the loss on account of theft as it not only impact its revenue but also hamper its performance in terms of AT&C loss. We are pleased to inform that BYPL has brought down its AT&C losses by more than 50% since FY 2002. This has been achieved through various efforts put in by the

Petitioner including theft control. In order to further reduce the losses and curb theft, the Petitioner has strengthened and streamlined its enforcement machinery along with the augmentation of requisite infrastructure. Teams of enforcement officers are dedicated for the purpose of detection of theft and bringing to book the offending consumers. We have intensified our drive against those stealing power. A large number of power theft accused in BYPL has also been sent to jail for varying jail terms. However, contribution of our esteemed and honest consumers is always vital in further improvement of the system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Street light not maintained by the Petitioner.
(ii) Maintenance work is in progress.
(iii) Automatic On/Off timer of the street light is faulty.

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

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

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

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

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

BRPL

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

Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction.

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

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

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

NDMC

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

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

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

COMMISSION'S VIEW

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

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

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

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

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

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

Commission has specified separate tariff category in its Tariff schedule.

ISSUE 5: POWER FOR SELF CONSUMPTION

STAKEHOLDER'S VIEW

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

BYPL

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

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

BRPL

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

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

NDMC

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

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

COMMISSION’S VIEW

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

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

ISSUE 6: CAPITALISATION & DEPRECIATION

STAKEHOLDERS' VIEW:

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

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

BYPL

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

BRPL

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

NDMC

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

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

COMMISSION'S VIEW

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

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

ISSUE 7: OTHER BUSINESS INCOME

STAKEHOLDER'S VIEW

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

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

PETITIONER'S SUBMISSION

TPDDL

2.176 No Response.

BYPL

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

BRPL

2.178 Unaware of the issue of Shastri Park Hotel.

NDMC

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

COMMISSION'S VIEW

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

ISSUE 8: REGULATORY ASSETS

STAKEHOLDER'S VIEW

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

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

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

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

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

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

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

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

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

2.196 Prudence check of DISCOMs True-up Petition for FY 2016-17 is already going on by CAG Empanelled Audit Firm appointed by Commission, in addition to the prudence check being done by the Commission itself.

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

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

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

BYPL

2.200 The Yearly Increase in Regulatory Asset of all DISCOMs is recognized by the

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

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

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

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

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

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

BRPL

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

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

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

a) Engaging in other businesses such as consulting for generation of non-tariff income. Benefit of such income is passed on to consumers reducing their tariff burden.

b) Optimization of operation and maintenance expenses by outsourcing maintenance contracts wherever possible.

c) Optimization in employee expenses.

d) Surrender of costly and inefficient power plants as highlighted earlier.

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

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

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

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

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

NDMC

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

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

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

COMMISSION'S VIEW

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

a) Carrying cost of Regulatory Assets should be allowed to the utilities.

b) Recovery of Regulatory Assets to be time bound and within a period not exceeding three years at the most, preferably within the control period.

c) The use of the facility of Regulatory Assets should not be retrospective.

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

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

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

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

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

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

2.223 UDAY scheme is not applicable to private distribution licensees.

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

ISSUE 9: PENSION TRUST

STAKEHOLDERS' VIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

2.240 Reconciliation statement has already been submitted to the Commission.

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

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

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

2.244 Commission may like to comment on the same.

BYPL

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

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

2.247 The ARR Petition is prepared in accordance with the provisions of Delhi Electricity regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, & DERC (Terms and Conditions for Determination of Tariff) Regulations, 2011; 2017 and DERC (Business Plan) Regulations, 2017. These Regulations or any other directive issued by the Commission does not mandate the Petitioner to project pension liability of DVB pensioners. However, the Commission in the Tariff Order for FY 2015-16 has directed M/s DTL to project pension liability from FY 2016-17 onwards. Further, DERC in its last Tariff Order has approved a mechanism for recovery of amount towards Pension payments through a separate surcharge of 3.70% w.e.f from Sep'17. Accordingly the Petitioner is billing and collecting the same from the consumers for onward payment to the Pension Trust on monthly basis.

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

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

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

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

2.252 It is denied that the DISCOMS are evading their part of payment to the Pension Trust which is creating serious impediments in the reforms process of Power Industry in

India. It is denied that there is any arbitrary action by DISCOMS in perpetuating labour unrest amongst the beneficiaries of the Pension Trust.

2.253 The Pension Trust was created after the unbundling of the DVB for the purpose of payment of pension and terminal benefits to the employees of erstwhile DVB on their superannuation with the initial corpus of Rs. 1329.10 crs. It is submitted that there was an initial underfunding to the Pension Trust by the GoNCTD/DVB to the tune of Rs. 1254 Crores and the matter with regard to the underfunding of the Pension Trust is already sub-judice before the Hon'ble High Court of Delhi, as the majority Union namely Delhi State Electricity Workers Union has filed a writ petition no. 1698/2010 and is scheduled for hearing on 08.03.2018. As per the provisions of the Pension Trust Deed, the Pension Trust to carry out annually actuarial exercise, which they have failed to do so.

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

BRPL

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

NDMC

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

COMMISSION'S VIEW

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

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

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

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

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

ISSUE 10: TARIFF HIKE

STAKEHOLDERS' VIEW

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

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

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

2.265 Incentivize DISCOMs for maintaining reliable power supply.

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

BYPL

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

2.271 Section 61 of Electricity Act 2003 mandates that while determining tariff the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner.

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

BRPL

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

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

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

NDMC

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

2.277 While the query does not pertain to NDMC as NDMC is not earning profits. On the other side, NDMC submits that approval of true-up and pass through of revenue gap through appropriate means including increase in tariff is a prerogative of the

Commission. The Commission may kindly consider the submissions made in the petition and allow the revenue gap based as deemed appropriate.

COMMISSION'S VIEW

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

ISSUE 11: CAG AUDIT

STAKEHOLDERS' VIEW

2.279 CAG Audit report to be made public.

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

2.284 Commission has already appointed a CAG empanelled Auditor for carrying out Regulatory Audit for DISCOMs of NCT of Delhi for True-Up of FY 2016-17.

BYPL

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

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

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

BRPL

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

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

NDMC

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

COMMISSION'S VIEW

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

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

ISSUE 19: TARIFF CATEGORY

STAKEHOLDERS' VIEW

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

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

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

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

2.297 Tariff should not be hiked in 11KV SPD GHS category.

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

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

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

BYPL

2.306 Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. Accordingly, for achieving the objective that the tariff progressively reflects the cost of supply of electricity, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

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

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

2.309 Commission in its Tariff Order dated 31.07.2017 has stated that the Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule

1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

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

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

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

BRPL

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

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

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

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

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

NDMC

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

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

COMMISSION'S VIEW

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

2.321 Providing subsidy is the prerogative of the Govt.

ISSUE 12: TARIFF FOR DMRC

STAKEHOLDER'S VIEW

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

2.323 ToD Tariff should not be imposed on DMRC.

2.324 Fixed Charges should not be levied on DMRC.

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

2.330 Any exemption in tariff is prerogative of the Commission.

BYPL

2.331 No Response.

BRPL

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

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

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

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

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

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

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

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

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

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

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

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

NDMC

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

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

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

COMMISSION'S VIEW

2.345 The DMRC has already been considered as a special tariff category in the tariff orders issued by the Commission year on year. The issue of drawing power at higher voltage and rebate thereon has been inbuilt in the Tariff design and addressed appropriately in the Tariff Order.

2.346 The Commission is of the view that any increase in tariff for DMRC is on account of increase in power purchase cost and other components forming part of the ARR of the distribution licensees.

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

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

ISSUE 13: COST OF FINANCE

STAKEHOLDER'S VIEW

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

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

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

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

PETITIONER'S SUBMISSION

TPDDL

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

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

BYPL

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

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

BRPL

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

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

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

NDMC

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

COMMISSION'S VIEW

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

ISSUE 14: MISCELLANEOUS

STAKEHOLDER'S VIEW

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

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

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

2.365 All Surcharges being levied may be withdrawn.

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

BRPL have to deposit all their receivables and the payments will be released to the DTL for current as well as past dues.

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

PETITIONER'S SUBMISSION

TPDDL

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

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

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

BYPL

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

BRPL

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

NDMC

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

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

COMMISSION'S VIEW

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

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

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

2.378 A surcharge of 8% for liquidation of Regulatory Assets. Further a surcharge of 3.8% has been allowed towards recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD.

A3: TRUE UP FOR FY 2016-17

BACKGROUND

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

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

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

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

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

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

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

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

a. Fixed Cost

b. Variable Cost

c. Arrears

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

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

(II) Reconciliation of Transmission Charges

(1) Central Transmission Utility

(2) State Transmission Utility

(3) Open Access

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

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

(V) Violation of Merit Order Dispatch Principle

(VI) Overlapping in Banking and Bilateral transactions

(VII) Contingency limit under UI

(VIII) Incentive for bulk sale of Power

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

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

a) Fixed charges

b) Energy charges

c) Theft / Misuse / Enforcement

d) PPAC

e) 8% Surcharge

f) Load violation surcharge (Maximum Demand)

g) ToD Surcharge/ Rebate

h) Electricity Duty / Tax

i) Late Payment Surcharge (LPSC)

j) Voltage Discount, etc.

(XI) Reconciliation of Category-wise Revenue Collected

a) 8% Surcharge

b) Electricity Duty / Tax

c) Late Payment Surcharge (LPSC)

d) Street Light Maintenance charges

e) Incentive on Street Light Maintenance charges

f) Theft / Misuse / Enforcement

g) Net Revenue

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

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

(XIV) Direct expenses of other business,

(XV) Revenue billed on account of Own Consumption,

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

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

(XVIII) Related party transactions

(XIX) Inter DISCOM fund transfer

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

(a) Equity

(b) Debt

(c) Consumer Contribution

(d) Grant etc.

(XXI) Prudency of Cost of Debt Financing

(XXII) Hedging policy and Hedging Cost incurred

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

(a) Capitalisation

(b) Working Capital

(c) Accumulated revenue Gap

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

(XXV) Reconciliation of Debtors and Computation of Collection Efficiency

(XXVI) Actual O&M expenses :

(a) Employee

(b) Administrative & General

(c) Repair & Maintenance

(XXVII) Actual Other expenses

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

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

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

3.7 In this Chapter, the Commission has analyzed the true up of ARR for NDMC in accordance with the principles laid down under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011.

ENERGY SALES

PETITIONER'S SUBMISSION

3.8 The petitioner has submitted that the actual category-wise energy sales during FY 2016-17 is 1312.44 The actual energy sales for FY2016-17 are compared against the approved energy sales of 1366.19 MU by the Commission in its Tariff Order for FY 2015-16.

3.9 The Petitioner has further stated that while the actual energy sales in FY 2015-16 have primarily declined owing to demolition of old Central Government residential colonies, which were under reconstruction and the energy efficiency measures taken by the petitioner in its area. However, in 2016-17, the sales have increased marginally in comparison to actual sales in 2015-16 and grew to 1312.44 MU as tabuled in the table below:

Table 2: Petitioner Submission - Category-wise Energy Sales for FY 2016-17 (in MU)

Sr.No.	Consumer Category	FY 2016-17
		Actual
1	Domestic	256.22
2	Non-Domestic Low Tension	245.97

Sr.No.	Consumer Category	FY 2016-17
		Actual
	(up to 140 kW/150 kVA)	
3	Mixed Load*	748.28
4	Small Industrial Power	0.05
5	Public Lighting	8.58
6	Others	11.51
7	DMRC	41.84
	Total	1312.44

*****Mixed Load includes Non-Domestic LT above 140 kW/ 150 kVA and Non-Domestic HT*

COMMISSION'S ANALYSIS

3.10 The Auditor has verified the category-wise sales data from the Petitioner's Form 2.1a for each month of FY 2016-17 and the Commission has trued up category wise energy sales for FY 2016-17 indicated in the table as follows:

Table 3: Commission Approved - Energy Sales for FY 2016-17 (MU)

Sr.No.	Consumer Category	FY 2016-17
		Trued up
1	Domestic	256.22
2	Non-Domestic Low Tension (up to 140 kW/150 kVA)	245.97
3	Mixed Load*	748.28
4	Small Industrial Power	0.05
5	Public Lighting	8.58
6	Others	11.51
7	DMRC	41.84
	Total	**1312.44**

*****Mixed Load includes Non-Domestic LT above 140 kW/ 150 kVA and Non-Domestic HT*

REVENUE FROM ENERGY SALES

PETITIONER'S SUBMISSION

3.11 The Petitioner has submitted that Revenue billed for the FY 2017-18 against the sales achieved by the utility is consolidated from the Form 2.1(a) and is tabulated as below:

Table 4: Petitioner Submission - Revenue from Sale of Power for FY 2016-17 (in Rs. Crore)

Sr.No.	Particulars	Actual
1	Revenue Billed (excluding Electricity Tax)	1091.14
2	Surcharge at 8%	0.01
3	Revenue Billed Excluding Electricity tax and including Surcharge	1091.55
4	**Total Revenue Billed for True up**	**1091.15**

3.12 The Petitioner humbly pleads before the Commission that the organization is not registered under Company Act and thus the reports are not audited by Chartered Accountant. All the reports are audited first internally and subsequently by CAG. Owing to this reason the Petitioner will not be able to furnish Auditor's Certificate and requests the Commission to accept the submission.

COMMISSION'S ANALYSIS

3.13 The Auditor has verified revenue billed based on form 2.1a submitted by the petitioner and as submitted in the tariff petition. Accordingly, trued up revenue billed for the Petitioner for FY 2016-17 is as follows:

Table 5: Trued up Revenue Bill for the Petitioner for FY 2016-17

Sr. No.	Category	Fixed Charges	Energy Charges	Other Charges	PPAC	E-Tax	ADSC 8%	Total
1	Domestic	3.77	141.68	0.15	3.24	7.06		155.89
2	Non-domestic							
2.1	NDLT	16.46	203.31	4.38	4.69	10.17	0.00	239.00
2.2	Mixed Load	67.00	590.60	-0.73	13.82	29.85		700.55
3	Small Industrial Power	0.00	0.03		0.00	0.00		0.04
4	Public Lighting		6.70		0.14	0.34		7.17
5	Others	0.00	0.02	0.00		0.00	0.00	0.03
6	DMRC	1.18	25.52	-1.06	0.50	1.28		27.43
7	Temporary	0.38	9.10	0.08	0.18	0.59		10.33
8	JJ Cluster		0.40					0.40
	Total	**88.79**	**977.36**	**2.81**	**22.58**	**49.28**	**0.01**	**1140.82**

AT&C LOSSES

PETITIONER'S SUBMISSION

3.14 The Petitioner has submitted its AT&C Losses achieved against the losses approved by the Commission vide its Tariff Order for FY 2015-16 as below :

3.15 The Petitioner has considered the total cost on account of long term sources for FY 2016-17 which includes the following:

Table 6: Petitioner Submission - AT&C Loss for FY 2016-17

Sr.No.	Particulars	Actual
1	AT&C Loss	13.41%

3.16 The Petitioner has submitted that the revenue collected and revenue billed (excluding E.tax) for FY 2016-17 is tabulated as below:

Table 7: Revenue Realised and Revenue Collected for FY 2016-17

Sr.No.	Item	Actual
1	Revenue Billed (Rs. Crore)	1,140.42
2	Revenue Realised (Rs. Crore)	1,105.45
3	Collection Efficiency (%)	96.93%

3.17 The determination of AT&C loss level for FY 2016-17 as submitted by the Petitioner is summarised below:

Table 8: Determination of AT&C Loss for FY 2016-17

Sr.No.	Particulars	Unit	Actual
1	Energy Input at NDMC Periphery	MU	1469.29
2	Units Billed	MU	1312.44
3	Amount Billed	Rs. Crore	1140.42
4	Average Billing Rate	Rs./unit	8.69
5	Distribution Loss	%	10.68
6	Amount Collected	Rs. Crore	1105.45
7	Collection Efficiency	%	96.93
8	Units Realized	MU	1272.20
9	**AT&C Loss Level**	%	**13.41**

COMMISSION'S ANALYSIS

3.18 The Commission observes that as there was no AT&C Loss target for FY 2016-17, therefore, the Commission has considered the target for AT&C Loss of FY 2015-16 as the target for FY 2016-17. The Commission vide its letter dtd. 18/12/2017 had sought Energy Input at Petitioner's periphery from SLDC. Accordingly, SLDC vide its email dtd. 02/02/2018 has submitted the Energy Input at Petitioner's periphery as 1464.36 MU.

3.19 The auditor has verified Revenue Billed & Revenue Collected for FY 2016-17 of the Petitioner as submitted in its petition & audited Financial Statements. Accordingly, the Commission approves Revenue billed and revenue collected at Rs.1088.19 Crore and Rs.1060.82 Crore respectively for FY 2016-17.

3.20 Accordingly, the Commission has computed the AT&C loss for FY 2016-17 as follows:

Table 9: Computation of AT&C losses

Sr. No.	Particulars	Unit	Petitioner Submission	Trued up	Reference
A	Energy Input	MU	1469.29	1464.36	
B	Energy Billed	MU	1312.44	1312.44	
C	Amount Billed	Rs. Cr.	1140.42	1088.19	

D	Average Billing Rate	Rs. kWh	8.69	8.29	D=C/B*10
E	Distribution Loss	MU		151.92	E=A-B
F	Distribution Loss	%	10.68%	10.37%	F=E*100/A
G	Amount Collected	Rs.	1105.45	1060.82	
H	Collection Efficiency	%	96.93%	97.48%	H= (G/C)*100
I	Units Realized	MU	1272.2	1279.43	I=B*H
J	AT& C Loss Level	%	13.41%	12.63%	J={1- (I/A)}*100

3.21 It is observed that actual AT&C loss achieved by the Petitioner is higher than the AT&C loss target for FY 2015-16, therefore, the Commission has computed the penalty on account of underachievement of AT&C loss for FY 2016-17 as follows:

Table 10: Commission Approved – Penalty on account of underachievement of AT&C Loss

Sr. No.	Particulars	Unit	FY 2016-17	
			As per AT&C loss approved for FY 2016-17	Now Approved
A	AT&C Loss	%	9.60%	12.63%
B	Under achievement (A-B)	%		3.03%
C	Energy Input	MU	1464.36	1464.36
D	Units realised	MU	1,323.78	1279.43
E	Average Billing Rate	Rs/Unit	8.29	8.29
F	Amount realised	Rs.Crore	1097.59	1060.82
G	Financial impact on account of under achievement which has to be borne by the Petitioner	Rs.Crore	(36.77)	
H	Total revenue available towards ARR for FY (Excluding Electricity Tax & 8% Surcharge)	Rs.Crore	1097.59	

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.22 The Petitioner has allocations of power from Dadri TPS, Badarpur TPS and Pragati Station. The Petitioner submitted to allow the actual gross power purchase as follows:

Table 11: Petitioner Submission - Power Purchase Quantum for FY 2016-17 (MU)

Sr.No.	Particulars	Actual
1	Power Purchase from Central Stations	423.83
2	Interstate Transmission Losses	14.83
3	Net Power Purchase from Central Stations	409.00
4	Power Purchase from State Stations	958.74
5	Power Purchase from Short Term Sources	274.82
6	Power Purchase from Renewable Sources	58.48
7	Gross Power Purchase	**1,701.05**
8	Intra State Transmission Loss	11.65

Sr.No.	Particulars	Actual
9	**Net Power Available at NDMC Periphery**	**1,689.39**
10	Sale of Surplus Power	220.10
11	**Net Power available for Retail sales**	**1,469.29**

COMMISSION'S ANALYSIS

3.23 The Auditor has verified the power purchase quantum based on the bills raised by various Generating stations and short term power procured by the Petitioner during FY 2016-17. Accordingly, the Commission approves the 1537.69 MU from Power Purchase Quantum from Long-Term Sources Station Wise (MU) and 168.15 MU from short term power purchase.

Table 12: Trued Up Power Purchase Quantum (MU)

Sr. No.	Particulars	FY 2016-17	
		Petitioner Submission	Trued Up
A	Power Purchase from Central Stations	423.83	423.85
B	Interstate Transmission Losses*	14.83	14.59
C	Net Power Purchase from Central Stations	409.00	409.25
D	Power Purchase from State Stations	958.74	958.74
E	Power Purchase from Short Term Sources	275.82	274.79
F	Power Purchase from Renewable Sources	58.48	57.78
G	**Gross Power Purchase**	**1701.05**	**1700.57**
H	Intra State Transmission Loss*	11.65	8.50
I	**Net Power Available at NDMC Periphery**	**1689.39**	**1692.06**
J	Sale of Surplus Power	220.10	220.12
K	**Net Power available for Retail sales**	**1469.29**	**1471.95**

COST OF POWER PURCHASE

PETITIONER'S SUBMISSION

3.24 The petitioner submits the cost of power purchase cost for the FY 2016-17 of Rs 683.30 Crore as follows:

Table 13: Petitioner Submission - Power Purchase Quantum for FY 2016-17 (MU)

Sr.No.	Particulars	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)

Sr.No.	Particulars	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
	Central Stations		
1	Dadri TPS	213.35	5.03
	State Generating Stations		
2	Badarpur TPS	134.47	4.76
3	Pragati I	222.97	4.21
4	Pragati III- CCGT Bawana	112.52	7.65
	Total	683.30	4.92

COMMISSION'S ANALYSIS

3.25 The Auditor has verified the power purchase cost based on the bills raised by various Generating stations for power procured from long term sources procured by the Petitioner during FY 2016-17. Accordingly, the Commission approves the long term power purchase as follows for FY 2016-17:

Table 14: Commission Approved – Long Term Power Purchase for FY 2016-17

Sr No.	Name of Generating Station	As per NDMC Petition	As per Bills					
			Fixed	Variable	Arrear Current Year	Arrears earlier	Others	Total
i	Dadri	213.35	72.04	140.73			0.07	212.84
ii	Badarpur TPS	131.89	24.28	101.98			0.92	127.18
iii	Arrears	2.58			1.19	2.99	0.00	4.18
i	Pragati I	222.97	61.07	161.90			0.00	222.97
ii	Pragati III – CCGT Bawana	112.52	74.91	37.31			-0.04	112.18
C	**Grand Total**	**683.30**	**232.30**	**441.93**	**1.19**	**2.99**	**0.94**	**679.34**

SHORT TERM POWER PURCHASE AND SALE

PETITIONER'S SUBMISSION

3.26 The Petitioner has requested the Commission to approve the cost of Short Term Power Purchase and Revenue from Short Term Power Sale as tabulated below.

Table 15: Petitioner submission - Short Term Power Purchase for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	
		MU	Amount
i	Bilateral	54.85	27.43
ii	Exchange	190.43	61.64
iii	Banking (PTC)	68.35	3.08
iv	Banking (Mittal)		
V	IDT	2.10	4.75
Vi	UI	13.94	3.60
Vii	**Total Short Term Purchase**		**100.50**

Table 16: Petitioner submission - Short Term Power Sale for FY 2016-17 (Rs. Crore)

Sr. No	Particulars	FY 2016-17	
		MU	Amount
i	Bilateral	0.00	0.00
ii	Exchange	39.05	9.73
iii	Banking (PTC)	70.85	2.31
iv	Banking (Mittal)		
V	IDT	17.79	6.03
Vi	UI	92.41	10.99
Vii	**Total Short Term Sale**	**220.10**	**24.44**

COMMISSION'S ANALYSIS

3.27 The Auditor has verified the power purchase cost based on the bills raised by various parties for power procured/sold from short term sources during FY 2016-17. Accordingly, the Commission approves the short term power purchase & sale as follows for FY 2016-17:

Table 17: Commission Approved - Short Term Power Purchase for FY 2016-17

Sr. No	Particulars	FY 2016-17	
		Petitioner Submission	Trued up
i	Bilateral	27.43	27.43
ii	Exchange	61.64	61.64
iii	Banking (PTC)	3.08	1.85
iv	Banking (Mittal)		1.23
V	IDT	4.75	4.76
vi	UI	3.60	5.47
	Total Short Term cost	**100.500**	**102.38**

Table 18: Approved Short Term Power Sale for FY 2016-17

Sr. No	Particulars	FY 2016-17	
		Petitioner Submission	Trued up
I	Bilateral	-	-
Ii	IEX	9.67	9.673
Iii	Other -PXI	0.06	0.056
Iv	IDT Sale	6.03	6.034
V	DTL Reactive Energy	-	0.412
Vi	Net UI	10.90	11.239
	Total Sale	**26.660**	**27.414**
B	**Cost Incurred for sale of energy**		
Ii	Banking (PTC)	2.31	1.436
Iii	Banking (Mittal)		0.877
	Total Cost		**2.314**

Sr. No	Particulars	FY 2016-17	
		Petitioner Submission	Trued up
C	**Net Revenue from Sale**	**24.35**	**25.100**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES
PETITIONER'S SUBMISSION

3.28 The Petitioner has referred that with regard to rebate on Power Purchase and Transmission charges, Regulation 5.24 of the DERC Wheeling and Retail Tariff Regulations, 2011 states that:

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

3.29 The Petitioner submitted the following details for the rebates received by the utility towards its power purchase cost as well as transmission charges.

Table 19: Rebate on Power Purchase Cost for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	Gross Power Purchase Cost (applicable for Rebate)	759.80
2	Rebate towards Power Purchase cost	14.46
3	Total Transmission Cost	83.65
4	Rebate towards Transmission charges	1.18

COMMISSION'S ANALYSIS

3.30 The Auditor has verified the transmission charges of Rs. 83.65 Cr. based on the bills raised by various DTL, PGCIL and other parties during FY 2016-17. Further, the rebate of Rs. 15.64 Cr. on Power purchase cost & transmission charges has also been computed based on 2nd MYT Distribution Regulations.

TOTAL POWER PURCHASE COST FOR TRUE UP

PETITIONER'S SUBMISSION

3.31 The Petitioner has submitted the trued up power purchase cost as tabulated below:

Table 20: Petitioner Submission - Total Power Purchase Cost for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	Gross Power Purchase Cost	784.24
2	Cost of Short term and Renewable Purchase	
3	Less Revenue from Sale of Power	24.44
4	Rebate on Power Purchase Cost	14.46
5	**Net Power Purchase Cost**	**745.34**
6	Interstate Transmission Charges	30.09
7	Intrastate Transmission Charges including SLDC	53.56
8	Total Transmission Charges	**83.65**
9	Rebate on Transmission Charges	1.18
10	**Net Transmission Charges**	82.47
11	**Total Power Purchase Cost for True-up**	**827.81**

COMMISSION'S ANALYSIS

3.32 Based on the discussions above, the Commission approves trued-up power purchase cost per the following details:

Table 21: Commission Approved – Trued up Power Purchase Cost

Sr. No.	Particulars	FY 2016-17
1	Gross Power Purchase Cost	782.15
2	Less: Cost of Surplus Power Sold	24.44
3	Net Power Purchase Cost	757.71
4	Total Transmission Charges	83.65
5	Total Power Purchase Cost	841.36
6	Less Normative Rebate	(15.64)
7	Net Power Purchase Cost including Transmission Charges	825.72
8	Less: Additional UI Charges disallowed	(0.41)
9	**Trued-Up Power Purchase cost**	**825.31**

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

3.33 The Petitioner has added the following cost elements in the Operation and Maintenance (O&M) Expenses :

- Employee Expenses
- Administrative and General Expenses
- Repairs and Maintenance Expenses

3.34 **Employee Expenses** comprises of Salaries, dearness allowances, Leave Travel

Assistance, Earned Leave Encashment, Other allowances & Relief bonus and Honorarium/Overtime. The impact of actual pay revision has been provided in 2016-17 and shown in the appropriate formats. The petitioner requested the Commission to kindly consider the formats and approve the actual employee expenses for 2016-17.

3.35 **Administrative and General Expenses** mainly comprises of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, other debits.

3.36 **Repair and Maintenance Expenses** go towards day to day upkeep of distribution functions of the petitioner and form an integral part of the petitioner's towards reliable and quality power supply to its consumers and reduction of losses in its system. For 2016-17, in the absence of any specific order for the year, the normative R &M expenses for the year have been considered at the same level as approved by the Commission for 2014-15 i.e. Rs 55.83 Crore.

3.37 The details of O&M expenses submitted by the Petitioner are as below:

Table 22: Petitioner Submission - O&M Expenses for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Actual
1	Employee Expenses	219.52
2	A&G Expenses	10.24
3	R&M Expenses	55.83
4	Gross O&M Expenses	
5	Efficiency Factor	-
6	Less: Efficiency Improvement	-
7	**Net O&M Expenses**	**285.59**

*Without considering the impact of pay revision.

COMMISSION'S ANALYSIS

3.38 The auditor in its report has considered O&M Expenses for Fy 2016-17 as Rs 185.54 Cr. Accordingly the Commission has approved the same as follows:

Table 23: Commission Approved - True-up O&M Expenses (Rs. Crore.)

Sr. No	Particulars	UoM	Approved
A	Gross O&M Expenses	Rs. Crore	185.54
B	**Less**: Efficiency improvement factor	%	0
C	**Less**: Efficiency improvement Amount	Rs. Crore	0
D	**Net O&M expenses**	Rs. Crore	**185.54**

ADMINISTRATIVE AND CIVIL ENGINEERING DEPARTMENT EXPENSES

PETITIONER'S SUBMISSION

3.39 The Petitioner has submitted that regarding the allocation of Civil Engineering Department expenses to electricity supply business; the Commission in its tariff order for NDMC for FY 2005-06 dated 02/11/2005 mentioned the following:

> *"……………. As the exact details of the cost of the works carried out by the Civil Engineering Department for Electricity Department are not available at this stage, the Commission, for the purpose of determination of ARR for FY 2005-06, has considered a Lump sum amount of Rs. 1000 Lakh on provisional basis towards this expenditure. The Commission will consider the actual cost of works carried out by Civil Engineering Department for electricity appropriately during the truing up process at the end of the year…….."*

3.40 Since the Petitioner had to segregate the expenses shared by its Civil Engineering Department on account of electricity distribution business, hence the Petitioner requested the Commission to consider the same amount of Rs. 10 Cr against this head.

3.41 The Petitioner further stated that in respect of allocation of the Administrative Department expenses, Commission in the same tariff order has mentioned the following:

> *"…..Thus, while 19% of total administrative department expenses have been considered to be allocated to electricity department, an amount …………"*

3.42 The Petitioner submitted the Administrative Department expenses for FY 2016-17 as under.

Table 24: Petitioner Submission - Administrative &Civil Department Expenses for FY 2016-17 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Civil Engineering Department Expenses	10.00
2	Administrative Department Expenses	35.37
3	**Total Administrative and Civil Engineering Expense**	**45.37**

COMMISSION'S ANALYSIS

3.43 The Commission had asked the Petitioner to justify in administrative and civil engineering expense considered in the petition. The Petitioner vide letter dated

18.07.2017 submitted that currently NDMC is operating as a consolidated entity with multiple departments dealing in matters relating to taxation, revenue, budgeting, contracts accounts and audits, electricity, streets and sanitation, public health, public safety and suppression of nuisances, etc. Further, Petitioner submitted that NDMC is yet to segregate the expenses in various departments on account of electricity distribution business. A study with the same to the same is being undertaken by SBI Caps and results of the same may provide proper allocation of the amount that can be allocated towards electricity business of NDMC.

3.44 Further, the auditor in its report has also not recommended any Administrative and Civil Engineering Department Expenses for FY 2016-17. Accordingly, the Commission has not considered additional Administrative and Civil Engineering Department Expenses for FY 2016-17

NON TARIFF INCOME

PETITIONER'S SUBMISSION

3.45 The Petitioner has submitted the non-tariff income from the sale of electricity as per actual for FY 2016-17 as Rs. 2.13 Crore as per table tabulated below:

Table 25: Non-Tariff Income for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	Non-Tariff Income	2.13

COMMISSION'S ANALYSIS

3.46 The Regulation 5.36 of the 2nd MYT Regulations states that

"the amount received by the licensee on account of Non Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of such licensee".

3.47 The auditor in its report has considered NTI of Rs 2.93 Cr for FY 2016-17. Accordingly, the Commission has approved the same as follows:

Table 26 : Commission Approved - Trued-up Non Tariff Income for FY 2016-17 (Rs. Crore)

Particulars	Approved
Non Tariff Income	2.93

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

3.48 The Petitioner has submitted that it had appointed SBI Caps as external consultant to determine the actual assets and balance sheet of the Electricity Distribution Business

Unit. Based on the report and subsequent capitalisation of assets, the Petitioner had submitted the following details for Capital Expenditure and Capitalisation for 2016-17.

Table 27: Petitioner Submission - Gross Fixed Assets for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	Opening GFA	922.65
2	Capitalisation	6.92
3	Closing GFA	929.57
4	**Average GFA**	926.11

COMMISSION'S ANALYSIS

3.49 The Commission has approved the closing GFA for FY 2015-16 at Rs. 512.70 Crores. The Commission has observed in its Tariff Order dated 29.09.2015 as follows:

"3.11 The GFA addition during FY 2005-06 to FY 2012-13 has been restricted provisionally on the basis of minimum of GFA addition submitted by the Petitioner and maximum of Rs. 20 Crore GFA addition allowed without approval of the Commission during a year till the time the Petitioner submits the scheme wise details of Capitalisation for True up of Capitalisation.

3.12 The Petitioner is directed to submit the actual claim on account of GFA addition from FY 2005-06 to FY 2013-14 with scheme wise details on yearly basis. Further, no carrying cost shall be allowed on difference if any in the provisional capitalization and actual capitalisation."

3.50 Thus the Commission approves the capital Addition of Rs 6.92 Cr for FY 2016-17 as follows:

Table 28: Commission Approved - GFA for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Approved
A	Opening GFA	512.70
B	Capitalisation	6.92
E	Closing GFA	519.62

FINANCING OF NEW INVESTMENT AND DEPRECIATION

PETITIONER'S SUBMISSION

3.51 The Petitioner has submitted that financing the new assets capitalized through its internal resources and has not taken any debt for the same. Therefore, the Equity and Debt are determined at normative basis as per normative Debt-Equity ratio of

70% : 30%, as shown in the table below:

Table 29: Financing of New Investment for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual	Remarks
1	Capitalisation	6.92	
2	Consumers Contribution	1.55	
3	Balance Capitalisation	5.37	
4	Equity	1.61	30% x (3)
5	Debt	3.76	70% x (3)
6	Opening Consumer Contribution	16.14	
7	Closing Consumer Contribution	17.69	

3.52 The Petitioner has provided for depreciation on the basis of straight-line method, on the average Gross Fixed Assets at the beginning and at the end of each year. The depreciation is based on the original cost, estimated life and residual life. Depreciation for the control period is determined by applying depreciation rate as approved by the Commission in its tariff order for the control period. As per the methodology adopted by the Commission, depreciation has been computed at 3.60% of average GFA during the year as summarised in the table below:

Table 30: Depreciation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Actual
1	Average GFA	926.11
2	Average Consumer Contribution	16.92
3	Average Assets Net of Consumer Contribution	909.20
4	Average Depreciation Rate (%)	3.60%
5	**Depreciation**	**32.73**

COMMISSION'S ANALYSIS

3.53 As per Regulation 4.21 (b)(ii) of the 2nd MYT Regulations, Depreciation and Return on Capital Employed shall be trued up every year based on the Capital Expenditure and Actual Capitalisation vis-à-vis Capital Investment plan (Capital Expenditure and Capitalisation) approved by the Commission.

3.54 The Regulation 5.16 of the 2nd MYT Regulations, specify that

> "…… Provided that depreciation shall not be allowed on assets funded by consumer contribution and capital subsidy/ grant".

3.55 The Commission has considered rate of depreciation @ 3.60%. Accordingly, the Commission approves Depreciation as follows:

Table 31: Commission Approved - Depreciation

Sr. No.	Particulars	Approved
A	Opening GFA	512.70
B	Capitalisation	6.92
E	Closing GFA	519.62
F	Consumer Contribution Opening	7.80
G	Addition	1.55
H	Closing Consumer Contribution	9.35
I	Opening GFA net of Consumer Contribution	504.90
J	Closing GFA net of Consumer Contribution	510.27
K	Average GFA net of Consumer Contribution	507.59
L	Depreciation Rate	3.60%
M	Depreciation	18.27

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.56 The Petitioner has referred the Regulation 5.14 and 5.15 of the DERC Wheeling and Retail Tariff Regulations, 2011 which specifies that working capital shall consist of :

For wheeling business

(a) Receivables for two months of wheeling charges

For Retail supply business

(i) Receivables for two months of revenue from sale of electricity

(ii) Less: Power purchase costs for one month

(iii) Less: Transmission charges for one month, and

(iv) Less: Wheeling charges for two months

3.57 The Petitioner has computed the Working Capital requirements on normative basis as per the provisions of the Tariff Regulations. The details of proposed working capital requirements for FY 2016-17 is as follows:

Table 32: Determination of Working Capital for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Actual
1	Receivables from sale of Electricity	1255.66
2	Receivables Equivalent to 2 months	209.28
3	Net Power Purchase Expense (Including Transmission, SLDC, RPO and normative rebate)	827.81
4	1/12th of Power Purchase Expense	68.98
5	Total Working Capital	140.29
6	Less: Opening Balance of Working Capital	113.14
7	Change in Working Capital	27.15

COMMISSION'S ANALYSIS

3.58 The Regulation 5.14 and 5.15 of the MYT Regulations 2011 specify that working capital shall consist of:

For wheeling business

Receivables for two months of wheeling charges

For Retail supply business

(a) Receivables for two months of revenue from sale of electricity

(b) Less: Power purchase costs for one month

(c) Less: Transmission charges for one month, and

(d) Less: Wheeling charges for two months

3.59 The Commission had approved the closing working capital for FY 2015-16 at Rs. 114.01 Cr in its Tariff Order dated 31.08.2017. The approved working capital for FY 2016-17 is as follows:

Table 33: Commission Approved - Working Capital for FY 2016-17 (Rs. Crore)

Sr. No	Particulars	FY 2016-17	
		Petitioner's Submission	Now Approved
A	Receivables from sale of electricity	1255.66	1051.54
B	Receivables equivalent to 2 months	209.28	175.26
C	Net Power purchase expenses (including Transmission Charges, SLDC Charges, RPO and Normative Rebate)	827.81	825.31
D	Less: 1/12th Power purchase expenses	68.98	68.78
E	Total Working Capital	140.29	106.48
F	Less: Opening WC	113.14	114.01
G	**Change in Working Capital**	27.15	**-7.53**

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.1 The Petitioner has submitted the computation for Regulated Rate Base for FY 2016-17 based on the DERC Tariff Regulations, 2011 as given in the table below:

Table 34: Regulated Rate Base for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	**RRB - Base Year**	
A	Opening Balance of OCFA	922.65
B	Opening Balance of Working Capital	113.14
C	Opening Balance of Accumulated Depreciation	502.55

Sr.No.	Particulars	Actual
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	16.14
E	**(A+B)-(C+D) i.e., RRB opening**	517.10
2	**RRB - for the year**	
F	Investments in capital expenditure **during** the year	6.92
G	Depreciation for the year	32.73
H	Consumer Contribution, Grants, etc for the year	1.55
I	Fixed asset retirement/De-capitalisation applicable	
J	**Change in Working Capital**	27.15
	Change in RRB during FY 2017-18 ((F-G-H)/2+J)	13.47
3	**RRB Opening Balance**	517.10
	RRB for the year	13.47
	RRB Closing Balance (E+F+H-G)	530.57
4	Opening in Regulated Rate Base (RRB) (i)	517.10
	Change in RRB	13.47
	Regulated Rate Base (RRB) (i)	530.57

COMMISSION'S ANALYSIS

3.60 The RRB has been considered based on investment capitalised, depreciation and working capital requirements for FY 2016-17 as detailed in the table as follows:

Table 35: Commission Approved - RRB (Rs. Crore)

Sr. No.	Particulars	FY 2016-17 Now Approved
1	**RRB - Base Year**	
A	Opening Balance of OCFA	512.70
B	Opening Balance of Working Capital	114.01
C	Opening Balance of Accumulated Depreciation	390.16
D	Opening balance of Accumulated Consumer Contribution	7.80
2	RRB Opening Balance	228.74
A	Capital expenditure	6.92
B	Depreciation	18.27
C	Consumer Contribution, Grants, etc. for the year	1.55
D	Change in Working Capital	(7.53)
E	**RRB - Closing**	**208.31**
F	Change in RRB	(13.98)
3	**Regulated Rate Base (RRB) (i)**	**214.76**

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.61 The Petitioner has submitted that capital expenditure incurred for creation of assets has been majorly incurred through its budgetary support and internal accruals. It has not used any type of loan for creation of assets. NDMC has considered normative debt-equity ratio of 70:30 for calculating RoCE. The Rate of Return on Equity for the first control period is kept at 16% as per the DERC Wheeling and Retail Tariff Regulations, 2011. Rate of Return on the Debt is considered at the same level as approved by the Commission for 2015-16. The Detailed calculation of Weighted average cost of capital (WACC) and RoCE as submitted by the Petitioner is shown in the table below:

Table 36: Return on Capital Employed for FY 2016-17 (Rs. Crore)

Sr.No.	Description	Actual
1	RRB	530.57
2	Working Capital Loan	140.29
3	Net Regulated Rate Base (RRB)	390.28
4	Equity Rate	16%
5	Debt Rate	11.50%
6	Equity %	30%
7	Debt %	70%
8	WACC	12.49%
9	**Return on Capital Employed (RoCE)**	**66.28**

COMMISSION'S ANALYSIS

3.62 As per proviso of Regulation 5.11 of MYT Regulations, 2011,

"Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;"

3.63 The return on capital employed considered by the Commission based on the RRB(i) and WACC for FY 2016-17 is as given in the table below:

Table 37 : Commission Approved - Return on Capital Employed (RoCE)

Sr.No.	Particulars	UoM	FY 2016-17	Reference
A	RRB (i)	Rs. Crore	214.76	
B	Rate of Return on Equity (Re)	%	16.00	
C	Rate of Return on Debt (Rd)	Rs. Crore	10.00	
D	**WACC**	**%**	**11.80**	
E	**RoCE**	Rs. Crore	**25.34**	A x D

INCOME TAX

PETITIONER'S SUBMISSION

3.64 The Petitioner has submitted that NDMC is exempted from paying the Income tax, therefore claim for such tax liabilities has not been proposed in the petition.

COMMISSION'S ANALYSIS

3.65 No claim towards income tax has been considered by the Commission since the petitioner is exempted from paying the tax.

AGGREGATE REVENUE REQUIREMENT FOR TRUING UP FOR FY 2016-17

PETITIONER'S SUBMISSION

3.66 The Petitioner had submitted the Aggregate Revenue Requirement for FY 2016-17 as below:

Table 38: Provisional True-up of ARR for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Actual
1	Net Power Purchase Cost	759.80
2	Inter-State Transmission charges	30.09
3	Intra-state Transmission charges (including SLDC Charges)	53.56
4	Rebate on timely payments	-15.64
5	Operation & Maintenance (O&M)	285.59
6	Depreciation	32.73
7	Administrative Dept. & Civil Engg. Dept	45.37
8	RoCE	66.28
9	Income Tax	-
10	Less: Non-Tariff Income	2.13
11	**Aggregate Revenue Requirement**	1,255.66

3.67 The Petitioner had requested to approve and allow the Aggregate Revenue Requirement of Rs. 1,255.66 Crore as presented above, as against the Approved Aggregate Revenue Requirement of Rs. 1,129.92 Crore.

COMMISSION'S ANALYSIS

3.68 Based on the above, the Commission approves the Annual Revenue Requirement (ARR) in true up for FY 2016-17 as given in the table below:

Table 39: Aggregate Revenue Requirement approved by the Commission (Rs. Crore)

Sr. No	Particulars	FY 2016-17
A	Net Power Purchase Cost	825.31
B	Operation & Maintenance (O&M)	185.54
C	Depreciation	18.27
D	Administrative Dept. & Civil Engg. Dept.	0.00
E	RoCE	25.34
F	Income Tax	0.00
G	Less: Non-Tariff Income	2.93
H	**Aggregate Revenue Requirement**	**1051.54**

REVENUE (GAP)/SURPLUS

PETITIONER'S SUBMISSION

3.69 Based on the proposed as per actual expenditure and revenue from the electricity business, the Petitioner proposed revenue gap for FY 2016-17 is Rs.122 Crore as per table below:

Table 40: Revenue Gap/ Surplus for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	Actual
1	Aggregate Revenue Requirement, FY 2017-18	1,255.66
2	Revenue Available Towards ARR	1,056.18
3	**Revenue (Gap)/Surplus**	(199.48)

COMMISSION'S ANALYSIS

3.70 Based on the ARR and the revenue available towards the ARR, the Revenue Surplus/(Gap) is as follows:

Table 41: Revenue (Gap/surlus) for FY 2016-17 (Rs. Crore)

Sr. No	Particulars	FY 2016-17
A	Aggregate Revenue Requirement	1051.54
B	Revenue Available Towards ARR	1097.59
C	**Revenue (Gap)/Surplus**	**46.05**

3.71 The closing Revenue Gap for FY 2015-16 as per the Tariff Order dated 31.08.2017 is Rs. 91.00 Cr. The Revenue surplus/(gap) for FY 2016-17 as now approved by the Commission is summarized as follows:

Table 42: Net Revenue Surplus/ (Gap) at the end of FY 2016-17 (Rs Crore)

Sr. No.	Particulars	FY 2016-17
A	Opening Revenue Surplus/(Gap)	(91.00)
B	Revenue Surplus/(Gap) for the year	46.05
C	Rate of Carrying Cost	10.90%
D	Amount of Carrying Cost	(7.41)
E	Closing Revenue Surplus/(Gap)	(52.36)

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19

ENERGY SALES

PETITIONER'S SUBMISSION

4.1 The Petitioner has submitted the sales projection based on DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 referred as DERC Tariff Regulations, 2017

4.2 The Petitioner had submitted the category wise growth rate for different time period as tabulated in the table mentioned below:

Table 43: Historical Escalation Rates for Electricity Sales

Sr. No.	Consumer Category	Last 5 Years	Last 3 years
1	Domestic	0.33%	-0.90%
2	Non-Domestic Low Tension (up to 140 kW/150 kVA)	-0.01%	1.71%
3	Mixed Load*	1.21%	-0.19%
4	Small Industrial Power	-35.40%	-49.29%
5	Public Lighting	-12.16%	-3.73%
6	Others	9.17%	-25.14%
7	DMRC	18.34%	4.64%

**Mixed Load includes Non-Domestic LT above 140 kW/ 150 kVA and Non-Domestic HT*

4.3 The Petitioner further submitted that while there had been a reduction in consumption in certain categories especially domestic and mixed load categories on account of reconstruction of certain government buildings especially in Kidwai Nagar (East), in the past, however the reducing trend has now stabilised and the consumption in FY 2017-18 has grown to increase by around 6% in comparison to the consumption in 2016-17. However, the Petitioner has not envisage further growth in demand as some of the high rise buildings are like to be put to renovation in the ensuing year. Accordingly, estimated category-wise sales projections for FY 2018-19 is as below.

Table 44: Category-wise Energy Sales for FY 2018-19 (MU)

Consumer Category	2016-17	2017-18	YOY growth rate FY 2017-18 over FY 2016-17	Escalation rate used for Projection sales in FY 19	FY 2018-19 Projections
Domestic	256.22	267.32	4.33%		272.66
Non Domestic	994.25	1057.19	6.33%		1078.34
Industrial	0.05	0.05	1.45%		0.05

Consumer Category	2016-17	2017-18	YOY growth rate FY 2017-18 over FY 2016-17	Escalation rate used for Projection sales in FY 19	FY 2018-19 Projections
Public Lighting	8.58	7.78	-9.37%	2%	7.93
DMRC supply Voltage wise	41.84	60.89	45.52%		62.11
Temporary Supply	11.51	11.74	-		11.97
Total	**1312.44**	**1404.96**	**6.15%**		**1433.06**

**Mixed Load includes Non-Domestic LT above 140 kW/ 150 kVA and Non-Domestic HT*

4.4 The aforesaid escalation factors have been applied on the estimated sales of FY 2017-18. Accordingly, the projected sales for FY 2018-19 have been considered to be 1433 MU

COMMISSION'S ANALYSIS

4.5 The DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (referred to from here onwards as Tariff Regulations, 2017) stipulates the Sales projections to be made as follows

"5…

(7) Sales Forecast for each consumer category and sub-categories based on following factors:

a) Category wise growth in No. of Consumers,

b) Category wise growth in Sanctioned Load/Contract Demand (MW),

c) Economic Cycle (boom, recession, Government policies etc.),

d) Impact of Open Access (MU), Net Metering (MU), Demand Side Management measures (MU) etc.,

e) *Any other factor impacting the sales;"*

4.6 The actual category wise sales for FY 2010-11 to FY 2016-17 are shown in the table as follows:

Table 45 : Energy sales from FY 2010-11 to FY 2016-17 (MU)

Sr. No.	Category	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Domestic	239.13	243.89	259.01	251.61	251.57	247.09	256.22
2	Non-Domestic	250.84	247.70	253.99	239.37	247.36	247.63	245.97
3	Mixed Load	693.58	713.78	721.51	751.95	757.48	749.04	748.28
4	Industrial (SIP)	0.32	0.31	0.26	0.21	0.05	0.05	0.05
5	Public Lighting	8.37	12.95	8.21	8.32	8.08	7.71	8.58

Sr. No.	Category	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
6	DMRC	-	20.23	38.70	36.23	29.84	39.67	41.84
7	Others*	9.50	7.69	9.57	19.49	18.26	10.92	11.51
	Total	**1,201.74**	**1,246.55**	**1,291.25**	**1,307.18**	**1,312.64**	**1,302.13**	**1312.45**

4.7 The various years CAGR with respect to FY 2016-17 are as per the following table:

Table 46 : Five years' CAGR (%)

Sr. No.	Particulars	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic	0.99%	-0.27%	0.61%	0.92%	3.69%
2	Non-Domestic	-0.14%	-0.80%	0.91%	-0.28%	-0.67%
3	Mixed Load	0.95%	0.91%	-0.16%	-0.61%	-0.10%
4	Industrial (SIP)	-30.57%	-33.78%	-38.02%	0.00%	-7.41%
5	Public Lighting	-7.90%	1.11%	1.03%	3.05%	11.27%
6	DMRC	15.64%	1.97%	4.92%	18.41%	5.47%
7	Others	8.40%	4.72%	-16.10%	-20.61%	5.37%

ESTIMATED SALES FOR FY 2018-19

4.8 The Commission has adopted an Adjusted Trend Analysis method of demand forecasting for FY 2018-19 which assumes that the underlying factors driving the demand for electricity to follow the same trend as in the past. Hence, the forecast is also based on the assumption that the past consumption trend will continue in the future.

4.9 The trend based approach has to be adjusted based on judgment of the characteristics of the specific consumer groups/categories.

4.10 The strength of the method, when used with balanced judgment, lies in its ability to reflect recent changes and therefore probably best suited as a basis for a short term projections as used for the revenue projection in the context of ARR determination.

4.11 The Commission has considered sales for FY 2017-18 as submitted by NDMC wherein the CAGR has been applied for category-wise sales forecast for FY 2018-19 discussed as follows:

DOMESTIC CONSUMERS

4.12 The sales to Domestic consumer's category constitutes to about 20% of total sales in FY 2016-17. The Commission considers the growth rate of 3.69% based on 1 year CAGR on the actual sales of FY 2016-17 for projecting sales in FY 2018-19. Thus, the

Commission approves the sales of 277.20 MU for FY 2017-18 for Domestic consumer's category.

NON-DOMESTIC CONSUMERS

4.13 The sales to Non-Domestic consumer's category alone constitutes to about 19% of total sales in FY 2016-17. The Commission has considered 4 year CAGR for projecting sales in FY 2018-19 based on reasonable trend. Thus the Commission approves the sale of 272.24 MU for FY 2018-19 for non- domestic consumers.

MIXED LOAD CONSUMERS

4.14 The consumption of energy by Mixed Load category constitutes to about 57% of total sales in FY 2016-17. The Commission considers the growth rate of -0.16% i.e. 3 year CAGR for projecting sales in FY 2018-19. Thus, the Commission approves the sale of 781.49 MU for FY 2018-19 for mixed load consumer's category.

SMALL INDUSTRIAL POWER

4.15 The consumption of energy by small industrial power category was only 0.05 MU in FY 2016-17. The Commission has considered same sales for FY 2018-19 too.

PUBLIC LIGHTING

4.16 The consumption of energy by Public Lighting constitutes less than 1% of total sales in FY 2016-17. The Commission considers that the Petitioner is in the process of replacing the inefficient lights with the LED lighting, which will reduce the energy sales for the public lighting in its area. Thus, the Commission approves 7.87 MU sales to Public Lighting for FY 2018-19 considering the 4 year CAGR of 1.11%.

DELHI METRO RAIL CORPORATION (DMRC)

4.17 The consumption of energy by DMRC constitutes about 3% of total sales in FY 2016-17. The Commission inquired from DMRC about its projected quantum of sales in the Petitioner's area of supply. The Commission has considered the quantum of sale at 62.09 MU for the Petitioner as per 4 Year CAGR on FY 2017-18 sales as submitted by NDMC.

OTHER CATEGORIES

4.18 Other categories consist of enforcement, temporary connections etc. The sales for

FY 2016-17 are 11.51 MU. The Commission has considered sales for Other categories as submitted by NDMC for FY 2017-18.

APPROVED SALES FOR 2018-19

PETITIONER'S SUBMISSION

4.19 Based on the above, the energy sales for FY 2018-19 as approved by the Commission are as shown in the following Table:

Table 47 : Category-wise Energy Sales approved by the Commission for FY 2018-19 (MU)

Sr. No.	Category	Petitioner's Submission	Approved
A	Domestic	272.66	277.20
B	Non-Domestic	1078.34	272.24
C	Mixed Load		781.49
D	Small Industrial Power	0.05	0.05
E	Public Lighting	7.93	7.87
F	DMRC	62.11	62.09
G	Others	11.97	11.74
H	**Total**	**1433.06**	**1412.67**

REVENUE AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.20 As per two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed charges as well as Energy Charges. The fixed charges are specified for different categories as a fixed amount per month, or as a fixed amount per kW of connected load per month. The Energy Charges on the other hand are always usage-based and are specified per unit of electricity consumed.

4.21 The Power Factor considered by the Commission for different categories is as follows:

Table 48: Power Factor considered by the Commission for FY 2018-19

Sr. No.	Consumer Slab	Power Factor
A	Non Domestic Low Tension (NDLT)	
i	Up to 10 kW	0.89
ii	10-100 kW	0.93
iii	Above 100 kW	0.93
B	Non Domestic High Tension (NDHT)	0.95
C	Small Industrial Power (SIP)	

Sr. No.	Consumer Slab	Power Factor
i	10-100 kW	0.91
ii	Above 100 kW	0.93
D	DMRC	1.00

4.22 Taking into account the sales, number of consumers and sanctioned load approved for each tariff category for FY 2018-19, the Commission has projected revenue at existing tariff at Rs. 1,150 Crore excluding Electricity Duty. The Collection Efficiency as per the Business Plan Regulations, 2017 is 99.50%. The category wise estimated revenue for FY 2018-19 is shown in the table below:

Table 49 : Revenue estimated by the Commission for FY 2018-19 at the Existing Tariff (Rs. Cr)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A	Domestic	5.75	147.38	153.13
B	Non-Domestic	9.04	930.01	939.04
C	Small Industry Power	0.00	0.04	0.04
D	Public Lighting	-	5.74	5.74
E	DMRC	0.13	37.87	38.01
F	Others	0.00	14.09	14.09
G	Total	14.92	1135.13	1150.05

DISTRIBUTION LOSS

PETITIONER'S SUBMISSION

4.23 The Petitioner has envisaged a distribution loss of 10% considering that capital expenditure is being incurred towards strengthening of the distribution system. Considering that incremental loss reduction would be CAPEX intensive and difficult to achieve, the distribution loss has been proposed as 10% as tabulated in the table below:

Table 50: Distribution Loss for FY 2018-19

Sr. No.	Particulars	FY 2018-19
1	Distribution Loss	10%

4.24 Further, the Petitioner has submitted that it has projected a constant collection efficiency of 99% for the FY 2018-19, as achieving 100% collection efficiency in the retail supply business is unlikely. Therefore, based on the projected distribution loss and 99% collection efficiency, the AT&C Loss for FY 2018-19 is tabulated as follows:

Table 51: AT&C Loss for FY 2018-19

Sr. No.	Particulars	FY 2018-19
1	Distribution Loss (%)	10.00%
2	Collection Efficiency (%)	99.00%
3	AT&C losses (%)	10.90%

COMMISSION'S ANALYSIS

4.25 The DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides as follows:

" (9) The AT&C Loss shall be the relationship between Distribution Loss and Collection Efficiency computed as per the following formula:

AT&$CLoss$ =[1− (1−$DistributionLoss$)∗$CollectionEfficiency$)]∗100
where,

AT&C Loss, Distribution Loss and Collection Efficiency are in (%) percentages

(10) Any units assessed and billed on account of theft shall only be considered in the year of its
realization as specified in the Section 126 (6) of the Act;

(11) Collection Efficiency shall be measured as ratio of total revenue realised to the total revenue billed in the same year:

Provided that Revenue Realised or Revenue Billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of Collection Efficiency;

(12) Distribution Loss shall be measured as the difference between the Energy units input into the distribution system for sale to all its consumer(s) and the total Energy units billed in its Licensed area in the same year;"

4.26 Accordingly, the Commission has considered the Distribution Loss target and Collection efficiency for FY 2018-19 as specified in Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 as tabulated below:

Table 52 : Distribution Loss target and collection efficiency for FY 2018-19 (%)

Particulars	Now approved
Distribution Loss target	9.63%
Collection efficiency	99.50%

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.27 Based on the projected Energy Sales and Distribution Loss for FY 2018-19, The Petitioner has projected the energy requirement as tabulated below:

Table 53: Energy Requirement Projections for FY 2018-19

Sr.No.	Particulars	FY 2018-19
	Energy Requirement	
1	Energy Sales (MU)	1433.06
2	Distribution Loss (%)	10.00%
3	Distribution Loss (MU)	159.23
4	**Energy Required at Distribution Periphery (MU)**	1592.33

COMMISSION'S ANALYSIS

4.28 The Commission has computed the energy requirement for FY 2018-19 based on the approved energy sales as follows:

Table 54 : Commission Approved - Energy Requirement for FY 2018-19

Sr. No	Particulars	UoM	Approved Energy Requirement
A	Energy Sales	MU	1412.67
B	Distribution Loss	MU	150.54
		%	9.63
C	Energy requirement	MU	1563.21

POWER PURCHASE QUANTUM

4.29 The Petitioner has projected its energy requirement to be met from various sources namely;

a) Power Purchase from NTPC- Dadri Power Station.

b) Power Purchase from plants located in Delhi- Badarpur Thermal Power Station, Pragati I and Pragati III (Bawana), Delhi MSW Solutions Ltd. and EDWPCL (3.77% of capacity).

c) The energy projections of these plants have been considered based on past trends. Further, an escalation factor of 4% has been considered to project the corresponding fixed and energy charges for such plants. As submitted in the previous section, the Petitioner reiterates that the commission may kindly consider the submissions of the Petitioner and no allocation from GT be made to the Petitioner in 2018-19.

d) Sale / Purchase from Short-Term, Bilateral and Inter-Discom sources.

4.30 The Petitioner's allocation from various power stations from which it sources power is given in the table below:

Table 55: Energy Availability Assumptions

Sr. No.	Power Plant	Total Installed Capacity (MW)	% Share
1	NTPC - Badarpur TPS	705.00	15.07%
2	NTPC - Dadri TPS	840.00	14.05%
3	Pragati Power Corp I	330.00	25.76%
4	PPCL III	1,371.20	7.30%
5	Delhi MSW Solutions*	24.00	5.09%
6	EDWPCL	10	3.77%

** As per DERC's Interim Order dated 29.04.2016 in Petition No. 27/2016*

4.31 For meeting the supply-demand gap during the peak hours, the Petitioner projects to rely upon Short-Term, Bilateral and Inter-Discom power purchase. Detailed methodology of projecting the power availability from various sources is detailed below.

4.32 The Petitioner further stated that energy availability has shown a substantial rise over the years and this has helped the Petitioner meet its peak power requirements comfortably. But, the last three years have witnessed a fall in PLF for the generating stations from which the Petitioner is presently procuring power. This has been taken into account for all projections made for FY 2018-19.

4.33 The Petitioner has considered the availability of power from such sources in the past and has accordingly worked out the expected availability from such stations for 2018-19 the overall estimated quantum of power to be purchased from each of the sources is provided in the appropriate formats and the same may kindly be approved by the Commission.

4.34 The Petitioner is positive that the shortfall in individual months shall be met from the power purchase agreements with Small Hydro Plants during the FY 2018-19. Further, the Petitioner has also been directed by the Hon'ble Commission to execute PPA with Delhi MSW Solutions Ltd, Bawana in lines with the provisions of Tariff Policy 2016, which mandates all Discoms to procure power from municipal solid waste based power plants at a tariff determined by the appropriate Commission. The Petitioner has also submitted that it may resort to other Banking and bilateral arrangements along with Short Term power sources to meet the energy deficits as and when required.

COMMISSION'S ANALYSIS

4.35 The Commission had directed SLDC to provide the availability of power at DISCOM Periphery for DISCOMs in Delhi from various Central, State and other generating stations from which DISCOMs in Delhi propose to purchase power for FY 2018-19.

4.36 The energy available to the Petitioner based upon the information provided by the SLDC vide email dated 12/03/2018 to the Petitioner as shown below:

Table 56: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations approved for FY 2018-19

Station	Plant Capacity	Delhi's Share	Delhi's Share	Petitioner's Share	Energy Delhi	Energy NDMC
	(MW)	(%)	(MW)	(MW)	(MU)	(MU)
BTPS	705	100%	705	125	808	155.00
NCPP - DADRI	840	90%	756	125	3462	452.00
Pragati -I	330	100%	330	99.99	1486	482.00
PRAGATI-III, BAWANA	1371	80%	1097	100.10	168	162.00
East Delhi MCW			3.00	0.00	10.25	5.25
Total	3246		2891	450.09	5934.25	**1256.25**

4.37 Accordingly, the power purchase cost allocation from various sources considered for NDMC is as follows:

Table 57: Commission Approved - Power Purchase Cost for various generating stations for FY 18-19

Station	Energy	Fixed Cost	V.C/unit	Variable Cost	Total Charges	Avg. Rate
	(MU)	(Rs. Cr.)	(Rs./kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
BTPS	155.00	17.16	3.65	56.59	73.75	4.76
NCPP - DADRI	452.00	73.82	3.17	143.30	217.12	4.80
Pragati -I	482.00	51.18	4.31	207.89	259.07	5.37
PRAGATI-III, BAWANA	162.00	43.51	3.77	61.15	104.66	6.46
East Delhi MCW	5.25	0.00	3.20	1.68	1.68	3.20
Total	**1256.25**	**185.67**		**470.61**	**656.28**	**5.22**

RENEWABLE POWER PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.38 The Petitioner envisages that Solar power purchase from various sources including MPUVNL and MNRE, will be considered in the ensuing year based on requirements. Procurement from such sources will be sufficient to meet the existing RPO targets specified by the Commission and hence the Petitioner has not projected any REC purchase for FY 2018-19.

NON-SOLAR

4.39 The Petitioner has projected Non-Solar power purchase from various sources including Small Hydro Projects, Delhi MSW Solutions Ltd. and EDWPCL which would be sufficient to meet the existing RPO targets specified by the Commission and hence the Petitioner has not projected any REC purchase for FY 2018-19. For EDWCPL, the tariff has been considered as approved by the Commission in the tariff order for BYPL for 2015-16. The said tariff has been escalated at 4% per annum to derive the charges for 2018-19. The Petitioner however requested to the Commission to approve the charges for such plants based on detailed and updated information as may be filed by such developers.

COMMISSION'S ANALYSIS

4.40 The Commission has notified the Business Plan Regulations, 2017 for the period of 3 years i.e., for FY 2017-18, FY 2018-19 and FY 2019-20. In the said Regulations, the Commission has specified RPO targets for the Petitioner for FY 2018-19 as indicated in the table as follows:

Table 58: Targets for Renewable Power Purchase Obligation

Sr. No.	Distribution Licensees	FY 2018-19
A	Solar Target (Minimum)	4.75%
B	Total	14.25%

4.41 As per the above said Business Plan Regulations, 2017, the Distribution Licensees have to purchase 14.25% of total energy sales approved by the Commission during FY 2018-19 from renewable energy sources including 4.75% from solar sources.

4.42 The Commission has approved the total energy sales of 1412.67 MU in FY 2018-19 for the Petitioner. Based on the sales approved, the Petitioner has to purchase from

Renewable Energy Sources for FY 2018-19 indicated in the table as follows:

Table 59: Procurement from Renewable Energy under RPO

Power Source	Approved Energy Sales (MU)	% of Total Energy Sales Approved in Regulations	Renewable Energy to be procured (MU)
Solar	1412.67	4.75%	67.10
Non Solar		9.50%	134.20
Total			**201.31**

4.43 CERC has fixed Floor Price and Forbearance Price for Non-Solar and Solar RECs for FY 2017-18 vide its order dated 30/03/2017 indicated in the table as follows:

Table 60: Floor and Forbearance Price for Non-Solar and Solar RECs

Sr. No	Particulars	Floor Price	Forbearance Price
A	Non-Solar	Rs. 1000/MWh	Rs. 3000/MWh
B	Solar	Rs. 1000/MWh	Rs. 2400/MWh

4.44 Further, Hon'ble Supreme Court of India has stayed the above mentioned Order of CERC vide its Order dated 08/05/2017 in Civil Appeal No. 6083/2017 and 6334/2017. Subsequently, Hon'ble Supreme Court of India in its Order dated 14/07/2017 has vacated the stay on trading of Non-Solar RECs at the Floor price prevalent earlier subject to pending Appeal No. 105/2017 before the Hon'ble APTEL. However, the obligated entities/Power Exchanges shall deposit the difference between Floor price prevalent earlier and Floor price as determined by CERC in its Order dtd. 30/03/2017 with the CERC. There is no vacation of stay on trading of Solar RECs.

4.45 In view of above, the Commission has considered the Floor Price of Non-Solar REC as approved earlier by CERC i.e., Rs. 1500/MWh on provisional basis subject to the outcome of Appeal No. 105/2017 filed before the Hon'ble APTEL.

4.46 It may be mentioned that the Forbearance price approved by CERC for Solar REC is Rs. 2400/MWh in its Order dtd. 30/03/2017 which is presently stayed by Hon'ble Supreme Court of India. Accordingly, the Commission has allowed the rate of Solar Energy to the Petitioner at Rs. Rs. 2.40/kWh.

4.47 The Commission observes that the petitioner during the meeting held in the office of the Commission on 26/03/2018 with DISCOMs, SLDC & DTL that the Petitioner has proposed to purchase Renewable Power to meet its deficit of power. Therefore, the

Commission has not considered additional cost on account of purchase of REC and has provided the rate of Short term power purchase of Rs. 3.00/kWh.

ENERGY BALANCE & NET POWER PURCHASE COST

PETITIONER'S SUBMISSION

4.48 The Petitioner has submitted the following table stating the projected energy balance arrived for FY 2018-19 after considering the projected sales, AT&C loss levels, transmission losses, power purchase and sale of surplus power.

Table 61: Energy Balance Projections for FY 2018-19 (in MU)

Sr.No.	Particulars	FY 2018-19
A	Energy Requirement	
1	Energy Sales	1,433.06
2	Distribution Loss (%)	10.00%
3	Distribution Loss (MU)	159.28
4	Energy Required at Distribution Periphery	1,592.34
B	Energy Availability	
1	Power Purchase from CGS outside the State	498.23
2	Power Purchase from within the State	1,034.89
3	Renewable Energy Procurement for Non-Solar RPO (including MSW)	34.35
4	Renewable Energy Procurement for Solar RPO	5.06
5	Purchase/ (Sale) from Short Term and Bilateral Sources	48.13
6	Gross Power Purchase Quantum	1,620.65
7	DTL Transmission losses (%)	28.32
8	Energy Available	1,592.34

COMMISSION'S ANALYSIS

4.49 The Commission observes that the petitioner is in shortfall of 328 MU in FY 2018-19, however, during the meeting held in the office of the Commission on 26/03/2018 with DISCOMs, SLDC & DTL, the Petitioner has submitted that they will meet its requirement through renewable power. The Commission has allowed the cost of 328 MU at rate of Rs. 3.00/kWh. Accordingly, the Commission has approved the power purchase cost for FY 2018-19 as follows:

Table 62: Approved Power Purchase Cost for FY 2018-19

Sl.	Particulars	Approved

No.		Quantity (MU)	Amount (Rs. Crore)	Average cost (Rs./kWh)
1	Power Purchase from CSGS except BTPS, SGS and RE Plants	452.00	217.12	**4.80**
2	PGCIL Losses & Charges	5.47	33.36	
3	Power Purchase from SGS including BTPS excluding RE Plants	799.00	437.47	**5.48**
4	Renewable Energy Plants	5.25	1.68	**3.20**
5	**Power Available at Delhi Periphery (cost excluding RECs)**	**1250.78**	**689.63**	**5.51**
6	DTL Loss & Charges including SLDC charges	15.47	66.18	
7	Power Purchase Rebate @ 2%		13.13	
8	Rebate on Transmission Charges @ 2%		1.98	
9	**Power Available to DISCOM**	**1235.31**	**740.71**	**6.00**
10	Sales	1412.67		
11	Distribution Loss	150.54		
12	**Net Power Purchase cost including Transmission charges and RECs**	**1563.21**	**839.08**	**5.37**
13	**Net Short term Power**	**(327.90)**	**98.37**	**3.00**

OPERATION AND MAINTENANCE EXPENSES (O&M)

PETITIONER'S SUBMISSION

4.50 The Petitioner has projected the O&M expenses as per the methodology specified in the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017. The Regulations specify:

"92. Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of:

a) Employee Expenses,

b) Administrative and General Expenses; and

c) Repair and Maintenance Expenses.

93. Normative Operation and Maintenance expenses of a Distribution Licensee for a Control Period shall be derived on the basis of audited Operation and Maintenance expenses for last five (5) completed Financial Years vis-å-vis normative Operation and Maintenance expenses allowed by the Commission *during the corresponding period based on the following parameters:*

a) Load growth,

b) Consumer growth,

c) Commercial loss,

d) Distribution loss,

e) Inflation,

f) Efficiency,

g) Capital base and,

h) Any other factor."

4.51 The Petitioner has submitted that employee expenses in 2016-17 have increased on account of pay revision and therefore it may not be prudent to consider the average of last five years to derive the expenses in the ensuing years. Accordingly, the actual expenses for 2016-17 have been escalated at 5.61% (escalation factor considered by the Commission in the tariff order for 2017-18) to arrive at the employee expenses in 2018-19. The Petitioner has submitted the actual expenses at the time of truing up and also provide justification of deviations, if any at that stage.

4.52 The Petitioner further submitted that it was not a party to the Transfer scheme notified for unbundling of erstwhile DVB. Accordingly, no liability of the Employee Pension Trust should be borne by the consumers in the NDMC license area. It is therefore requested that the Hon'ble Commission may kindly consider the aforesaid submission while deciding such matters.

4.53 On similar lines, the actual expenses for A & G and normative expenses for R & M as considered in 2016-17 have been escalated at 5.61% to arrive at the normative expenses for 2018-19. Repairs and Maintenance expenses are critical for ensuing reliable and quality power supply in the Petitioner license area and therefore the Petitioner requested Commission to consider the submissions and approve the O &M expenses as requested in this petition.

4.54 The O&M Expenses projected for FY 2018-19 is as follows:

Table 63: O&M Expenses Projected for FY 2018-19 (Rs. Crore)

Sr.No.	Particulars	FY 2018-19
1	Employee Expenses	154.68
2	A & G	11.42
3	R & M	62.27
4	**O&M Expenses**	**228.38**

4.55 The Petitioner has requested to the Commission to approve the O&M costs for FY 2018-19 as submitted above and allow the actual costs to be considered during True-up of the respective period.

COMMISSION'S ANALYSIS

4.56 As per the Delhi Electricity Regulatory Commission Business Plan Regulations, 2017

*"**20. OPERATION AND MAINTENANCE EXPENSES***

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

Table 15: O&M Expenses for NDMC for the Control Period

Particulars	*FY 2017-18*	*FY 2018-19*	*FY 2019-20*
66 kV Line (kms)	*3.297*	*3.482*	*3.678*
33 kV Line (kms)	*3.297*	*3.482*	*3.678*
11kV Line (kms)	*0.862*	*0.910*	*0.961*
LT Line system (kms.)	*5.170*	*5.460*	*5.766*
66/11 kV Grid substation (MVA)	*0.927*	*0.979*	*1.034*
33/11 kV Grid Sub-station (MVA)	*0.927*	*0.979*	*1.034*
11/0.415 kV DT (MVA)	*1.326*	*1.400*	*1.479*

"

4.57 The Petitioner has not submitted the details of network as sought by the Commission. Due to non-submission of the data by the Petitioner for determination of O&M expenses for the Business Plan, the Commission has considered the approved O&M expenses for FY 2015-16 and applied an escalation of 5.61% on year to year basis for projecting the O&M expenses for FY 2017-18 on a provisional basis. Accordingly, the O&M expense for FY 2018-19 is approved provisionally at Rs. 194.27 crore.

Table 64 : Gross O&M Expenses approved for FY 2018-19 (Rs. Crore)

Particulars	Petitioner's Submission	Now Approved
O&M Expenses	228.38	194.27

4.58 Impact of any Statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Petitioner and prudence check at the time of true up of ARR as specified in the Business Plan Regulations, 2017.

ADMINISTRATIVE DEPARTMENT AND CIVIL ENGINEERING DEPARTMENT EXPENSES

PETITIONER'S SUBMISSION

4.59 The Petitioner has submitted that it has a separate administration department consisting of the Petitioner's Board, Finance Department, General Administration, Law Department, Public Relations, Staff and Labour welfare, Vigilance department, Auto workshop, Information & Technology, Engineer-in-Chief etc. Also, there is a separate Civil Engineering Department and the services of the department are utilized for the civil works undertaken for electricity substation, lines and other electrical works. Thus, the services of the Administration & Civil Engineering Department are common to all the functions carried out by the Petitioner and the expenditure pertaining to these departments should be allocated to all functions of the Petitioner.

4.60 The Petitioner submits that it is in a process to segregate the Accounts of Electricity Division. This activity of segregation was assigned to SBI Caps, however, the completion of this activity has got delayed. The process of segregation of Accounts of Electricity Division is still under progress and expected to complete shortly. Till such time the Accounts are segregated, the Petitioner has proposed to consider the submissions as made in the current petition and requests the Hon'ble Commission to kindly approve the same.

Table 65: Allocation of Administrative Department and Civil Engineering Department Expenses (Rs. Crore)

Sr.No.	Particulars	FY 2018-19
1	Allocation of Administrative Expenses to Power SBU	35.37
2	Cost of Civil Engineering Department	10.00
3	**Total**	45.37

COMMISSION'S ANALYSIS

4.61 The Commission has already indicated in true up of ARR for FY 2016-17 and previous years that in absence of proper justification and bifurcation of expenditure on account of Administrative Department and Civil Engineering Department, these expenses shall not be allowed in ARR. Accordingly, the Commission has not allowed any expenses towards Administrative Department and Civil Engineering Department for FY 2018-19.

CAPITALISATION

PETITIONER'S SUBMISSION

4.62 The Petitioner has submitted that DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 specifies:

"5

…

(16) Capital Investment Plan taking into account the sales/demand forecast, power procurement plan, distribution loss trajectory, targets for quality of supply etc.;

(17) The investment plan shall be scheme-wise and include:

a) Purpose of investment (such as replacement of existing assets, meeting load growth, technical loss reduction, reactive energy requirements, customer service improvement, improvement in quality and reliability of supply, etc),

b) Capital Structure,

c) Capitalization Schedule,

d) Financing Plan,

e) Cost-benefit analysis,

f) Performance improvement envisaged in the Control Period,

g) Any other factors influencing investment,

…"

4.63 The Petitioner has submitted the following table stating a summary to the envisaged investment to be incurred in FY 2018-19.

Table 66: Capital Investment Planned/Capitalisation for FY 2018-19 (Rs. Crore)

Particulars	FY 2018-19
Renovation and Modernization of 33/11 KV SS	11.75
UG Cable	10.79
Installation of Distribution Transformer	1.46
Capacity enhancement of LT substation	19.19
Capacitor Bank	0.65
Metering	17.39
Others	39.87
Total	**101.10**

COMMISSION'S ANALYSIS

4.64 The Commission approves the projection of Capitalisation of Rs. 101.10 Crore based on submission of the Petitioner for FY 2018-19.

FINANCING OF NEW INVESTMENT

PETITIONER'S SUBMISSION

4.65 The Petitioner has submitted that being a Municipal Council, it doesn't take any debt and generate funds for capital expenditure from its internal resources only. However, in lines with the regulatory norms, the Petitioner wish to submit to the Hon'ble Commission to consider the normative Debt - Equity ratio of 70:30 for the purpose of allowing return on capital employed considering a normative debt rate of 8.10% and RoE of 16%.

COMMISSION'S ANALYSIS

4.66 The commission has considered the means of financing based on normative debt equity ratio of 70:30 as the petitioner has also submitted that it has not availed any loan for funding the Capitalisation.

DEPRECIATION

PETITIONER'S SUBMISSION

4.67 The Petitioner has stated that to apply an average rate of depreciation for distribution assets @ 3.60 % for computing depreciation for FY 2018-19.

Table 67: Projected Depreciation of Fixed Assets for FY 2018-19 (Rs. Crore)

Sr.No.	Particulars	Projections
1	Average GFA	1,132.20
2	Average Consumer Contribution	17.69
3	Average Assets Net of Consumer Contribution	1,114.51
4	Average Depreciation Rate	3.60%
5	**Depreciation**	40.12

4.68 The Petitioner has submitted that the Gross Fixed Assets has been arrived on the basis of the Draft Report submitted by SBI Caps with regards to separation of assets and accounts for Electricity Distribution SBU of the Petitioner and the actual capital expenditure and capitalization for FY15, FY16, FY 17 and projected capitalisation in FY 18.

COMMISSION'S ANALYSIS

4.69 The Commission has provisionally approved closing GFA of Rs. 519.62 Crore for FY 2016-17. The Commission assumes the Capitalisation for FY 2017-18 to be Rs. 152.08 Crore to arrive at the opening balance of GFA of the Petitioner for FY 2018-19. The Commission has considered the amount of consumer contribution for FY 2018-19 during true up after receiving the actual audited financial statements.

4.70 The Commission, subject to true up, considers the Depreciation for FY 2018-19 as per the following Table:

Table 68 : GFA and Depreciation considered for FY 2018-19 (Rs. Crore)

Sr.No.	Particulars	As Approved
A	Opening Balance of Fixed Assets	671.70
B	Addition During the year	101.10
C	**Closing Balance of Fixed Assets**	**772.80**
D	Opening Balance of Consumer Contribution	7.80
E	Addition during the year	8.34
F	**Closing Balance of Consumer Contribution**	**16.14**
G	Opening Balance of Fixed Assets Net of Consumer Contribution	663.90
H	Closing Balance of Fixed Assets Net of Consumer Contribution	756.66
I	Average Balance of Fixed Assets Net of Consumer Contribution	710.28
J	Depreciation Rate (%)	3.60%
K	**Depreciation**	**25.57**

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.71 The Petitioner has submitted that DERC Tariff Regulation, 2017 specified the following for computation of Working Capital.

"84.

…

(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 cost for one month;

(c) Less: Transmission charges for one month.

4.72 Accordingly, the Petitioner has computed the Working Capital as below:

Table 69: Projected Working Capital for FY 2018-19

Sr.No.	Particulars	FY 2018-19
1	ARR for two months for retail supply business of Electricity	210.65
2	Less: Net Power Purchase Cost for one month	73.88
3	Less: Transmission Charges for one month	
4	Working Capital	**136.78**

COMMISSION'S ANALYSIS

4.73 The approved Working Capital for FY 2018-19 as per Regulation 84 of tariff Regulations, 2017 is as follows:

Table 70: Working Capital as approved for FY 2018-19

Sr. No	Particulars	FY 2018-19
A	Receivables from sale of electricity	1,100.00
B	Receivables equivalent to 2 months	183.33
C	Net Power purchase cost	839.08
D	Less: $1/12^{th}$ Power purchase cost	69.92
E	Total Working Capital	**113.41**
F	Less: Opening WC	155.27
G	Change in Working Capital	(41.86)

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.74 The Petitioner had proposed Non-Tariff Income for FY 2018-19 which is as follows:

Table 71: Projected Non-Tariff Income for FY 2018-19

Non-Tariff income	FY 2018-19
Total	**2.37**

COMMISSION'S ANALYSIS

4.75 The Commission approves the NTI at Rs. 2.93 Cr for FY 2018-19 as approved in FY 2016-17.

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

4.76 For the purpose of this submission, the Petitioner has submitted the ROCE calculations in line with the Tariff Regulations 2011. For calculating RoCE, the Petitioner has adopted of normative debt – equity ratio of 70:30, and calculated WACC considering return on equity at the rate of 16% and cost of debt at 8.10%. Detailed calculation of Regulated Rate Base, Change in Working Capital, WACC leading up to estimation of RoCE is shown in table below:

Table 72: RRB for FY 2018-19 (Rs. Crore)

Sr.No.	Particulars	Actual for 2018-19
1	RRB - Base Year	
A	Opening Balance of GFA	1081.65
B	Opening Balance of Working Capital	130.68
C	Opening Balance of Accumulated Depreciation	570.85
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	17.69
E	(A+B)-(C+D) i.e., RRB opening	623.79
2	RRB - for the year	
F	Investments in capital expenditure during the year	101.10
G	Depreciation for the year	40.12
H	Consumer Contribution, Grants, etc for the year	-
I	Fixed asset retirement/Decapitalisation applicable	
J	Change in Working Capital	6.10
K	Change in RRB During 2018-19	36.59
	[(F-G-H)/2+J]	

Sr.No.	Particulars	Actual for 2018-19
3	RRB Opening Balance	623.79
	RRB for the year	36.59
	RRB Closing (E+F+H-G)	660.38
4	Opening in Regulated Rate Base (RRB) (i)	623.79
	Change in RRB	36.59
	Regulated Rate Base (RRB) (i)	660.38

COMMISSION'S ANALYSIS

4.77 The RRB has been considered based on investment capitalised, depreciation, consumer contribution and working capital requirements for FY 2018-19 as detailed in the Table as follows:

Table 73: RRB considered by the Commission for FY 2018-19 (Rs. Crore)

Particulars	FY 2018-19
Opening Balance of OCFA	671.70
Opening Balance of Working Capital	147.74
Opening Balance of Accumulated Depreciation	429.60
Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	9.35
RRB Opening Balance	101.10
Investments in capital expenditure during the year	25.57
Depreciation for the year	8.34
Consumer Contribution, Grants, etc. for the year	
Change in Working Capital	-41.86
RRB – Closing	380.49
Change in RRB	-8.27
Regulated Rate Base (RRBi)	**372.23**

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

4.78 The Petitioner has adopted rate of return on equity for FY 2018-19 at 16% as per DERC Tariff Regulations, 2017. Interest rate on the Debt has been taken as 8.10% for FY 2018-19 as considered by the Commission for determination of tariff for 2017-18. The said rate may kindly be considered as per prevailing rates in the market at the time of truing up for 2018-19.

Table 74: Return on Capital Employed for FY 2018-19 (Rs. Crore)

Sr.No.	Particulars	FY 2018-19
1	Regulated Rate Base (RRB)	656.27

Sr.No.	Particulars	FY 2018-19
2	Working Capital Loan	134.93
3	Net RRB	521.34
4	Rate of return on Equity	16%
5	Rate of Return on Debt	8.10%
6	Weighted Average Cost of Capital (WACC)	9.98%
7	**Return on Capital Employed (RoCE)**	**65.51**

COMMISSION'S ANALYSIS

4.79 The return on capital employed considered by the Commission based on the RRB(i) and WACC for FY 2018-19 is as given in the Table below:

Table 75: Commission Approved - RoCE for FY 2018-19

Sr.No.	Particulars	UoM	FY 2018-19
A	RRB (i)	Rs. Cr.	372.33
B	Rate of Return on Equity (Re)	%	16.00
C	Rate of Return on Debt (Rd)	%	8.10
D	WACC	%	**10.47%**
E	RoCE	Rs. Cr.	**38.97**

INCOME TAX

PETITIONER'S SUBMISSION

4.80 The Petitioner being exempted from Income tax has not proposed any tax liability for 2018-19.

COMMISSION'S ANALYSIS

4.81 No income tax is allowed for FY 2018-19 as NDMC is exempt from Income Tax.

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.82 The Petitioner had submitted the Aggregate Revenue Requirement for FY 2018-19 as below:

Table 76: Projected ARR for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19
1	Cost of power purchase, including T&D Losses	810.57
2	Inter-State Transmission charges	33.36
3	Intra-state Transmission charges including SLDC charges	59.39
	Rebate on Timely Payments	-16.80
4	Net Operation & Maintenance (O&M)	228.38
5	Depreciation	40.12

Sr. No.	Particulars	FY 2018-19
6	Administrative Dept. & Civil Engg. Dept	45.37
7	RoCE	65.90
8	Income Tax	-
9	**Aggregate Revenue Requirement**	**1266.30**
10	Less: Non-Tariff Income	2.37
11	**Aggregate Revenue Requirement (9 - 10)**	**1263.92**
12	**Revenue at Existing Tariff**	**1250.78**
13	**Revenue (Gap)/Surplus for FY 2018-19 (11 - 12)**	**(13.15)**
14	**Revenue (Gap)/Surplus for FY 2017-18**	**(42.78)**
15	**Revenue (Gap)/Surplus for FY 2016-17**	**(199.48)**
16	**Total Revenue Gap to be adjusted in ARR FY 2018-19**	**(255.41)**

COMMISSION'S ANALYSIS

4.83 The Commission therefore approves Aggregate Revenue Requirement of FY 2018-19 as follows:

Table 77: ARR approved for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19
A	Net Power Purchase Cost	839.08
B	Operation & Maintenance (O&M)	194.27
C	Depreciation	25.57
D	Administrative Dept. & Civil Engg. Dept.	0
E	RoCE	38.97
F	Income Tax	0
G	Less: Non-Tariff Income	2.93
H	**Aggregate Revenue Requirement**	**1,094.96**

4.84 The Revenue Surplus/ (Gap) for FY 2018-19 is as follows:

Table 78: Revenue Surplus/(Gap) for FY 2018-19 (Rs. Crore)

Sr. No	Particulars	Amount
A	Aggregate Revenue Requirement	1,094.96
B	Revenue Available Towards ARR at Existing Tariff @ 99.50% Collection Efficiency	**1144.31**
C	**Revenue Surplus /(Gap)**	49.34

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Sector Revenue (Gap)/Surplus.

b. Cost of service

c. Cross-subsidization in tariff structure

Revenue (Gap)/Surplus till FY 2016-17

5.2 The Commission has approved the Revenue (Gap)/Surplus for the Petitioner for FY 2016-17 as discussed in detail in Chapter A3 of this Order. The Revenue (Gap)/Surplus upto FY 2016-17 is summarised in the table as follows:

Table 79: Revenue (Gap)/Surplus upto FY 2016-17

Sr. No.	Particulars	FY 2015-16	FY 2016-17
A	Opening Revenue Surplus/(Gap)	(121.71)	(91.00)
B	Annual Revenue Requirement for the Year	1104.34	1,051.54
C	Revenue for the year	1146.05	1097.59
D	Revenue Surplus/(Gap) for the year	41.71	46.05
E	Rate of Carrying Cost	10.90%	10.90%
F	Amount of Carrying Cost	(10.99)	(7.41)
G	Closing Revenue Surplus /(Gap)	(91.00)	(52.36)

REVENUE (GAP)/SURPLUS FOR FY 2018-19 AT REVISED TARIFF

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

5.4 The summary of revenue billed at revised tariffs, for FY 2018-19 is as follows:

Table 80: Revenue at Revised Tariffs of NDMC for FY 2018-19 (Rs. Crore)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	23.01	117.75	140.76
2	Non-Domestic	17.35	889.44	906.79
3	Public Lighting	0.52	4.52	5.04
4	DMRC	0.25	35.70	35.95
5	Others	0.00	14.09	14.09
6	Total	**41.15**	**1061.54**	**1102.69**

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
7	**Revenue @ 99.50% Collection Efficiency**			**1097.18**

5.5 The Summary of net revenue (gap)/ surplus approved for NDMC at revised tariffs for the current year, FY 2018-19 is as follows:

Sr. No.	Particulars	FY 2018-19
A	Revenue Requirement for the year	1,094.96
B	Revenue available at revised tariffs @ 99.50% Collection Efficiency	1097.18
C	(Gap)/Surplus for the year	2.21

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.6 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

5.7 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources *through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.*

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power.

Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

5.8 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.

5.9 At present, there are number of consumer classes e.g. some slabs of domestic consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other consumers.

5.10 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.

TARIFF STRUCTURE

DOMESTIC TARIFF

5.11 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.

5.12 All the Cattle/ Dairy Farms and Dhobi Ghat across Delhi with a total consumption of 400 units has been revised to 1000 units in a month. However, in case the consumption in a month exceeds 1000 units, the total consumption including the first 1000 units shall be charged non- domestic rates as applicable to the consumers falling under the Non Domestic category.

5.13 All the consumers under domestic categories having sanctioned load upto 5kW and providing paying guest facility from their own premises shall be charged as per domestic tariff.

5.14 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e., fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

NON-DOMESTIC TARIFF

5.15 The Commission has rationalized the tariff for Non-Domestic category and various slabs have been eliminated and all the consumers under this category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.16 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.17 Non domestic consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

INDUSTRIAL TARIFF

5.18 The Commission has rationalized the tariff for Industrial category and various slabs have been eliminated and all the consumers under this category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.19 The Commission has extended the scope of Industrial tariff to Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

5.20 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.21 Industrial consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

AGRICULTURE & MUSHROOM CULTIVATION

5.22 *Agriculture & Mushroom cultivation consumers having sanctioned* load up to 20 kW for tube wells for irrigation, threshing, mushroom growing/cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

PUBLIC UTILITIES

5.23 The Commission has merged following Categories and has created new Category namely public Utilities which provide public services:

a. **DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.

b. **RAILWAY TRACTION:** Available for Indian Railways for Traction load.

c. **DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. **PUBLIC LIGHTING:** Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.24 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.25 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings" category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

5.26 The Commission has revised the fixed charge methodology from Rs. 500/hoarding to 250 Rs./kVA/month.

TEMPORARY SUPPLY

5.27 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.28 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

TIME OF DAY (TOD) TARIFF

5.29 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.30 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.

5.31 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.32 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.33 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours has decided to lower the applicability limit for ToD Tariff.

5.34 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.35 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.36 In this Tariff Order, the Commission has revised existing Time of Day (ToD) Tariff as follows:

a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.

b. Optional for all three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.

c. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.

d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

TARIFF SCHEDULE FY 2018-19

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES				
1	**DOMESTIC**						
1.1	**INDIVIDUAL CONNECTIONS**		**0-200 Units**	**201-400 Units**	**401-800 Units**	**801-1200 Units**	**>1200 Units**
A	Upto 2 kW	125 Rs./kW/month	3.00 Rs./kWh	4.50 Rs./kWh	6.50 Rs./kWh	7.00 Rs./kWh	7.75 Rs./kWh
B	> 2kW and ≤ 5 kW	140 Rs./kW/month					
C	> 5kW and ≤ 15 kW	175 Rs./kW/month					
D	>15kW and ≤ 25 kW	200 Rs./kW/month					
E	> 25kW	250 Rs./kW/month					
1.2	**Single Point Delivery Supply at 11kV for GHS**	150 Rs./kW/month	4.50 Rs./kWh				
2	**NON-DOMESTIC**	250 Rs./kVA/month	8.00 Rs./kVAh				
3	**INDUSTRIAL**	250 Rs./kVA/month	7.25 Rs./kVAh				
4	**AGRICULTURE & MUSHROOM CULTIVATION**	125 Rs./kW/month	1.50 Rs./kWh				
5	**PUBLIC UTILITIES**	250 Rs./kVA/month	5.75 Rs./kVAh				
6	**DELHI INTERNATIONAL AIRPORT LTD. (DIAL)**	250 Rs./kVA/month	7.25 Rs./kVAh				
7	**ADVERTISEMENTS AND HOARDINGS**	250 Rs./kVA/month	8.00 Rs./kVAh				
8	**TEMPORARY SUPPLY**						
8.1	Domestic Connections including Group Housing Societies	Same rate as that of relevant category	Same as that of relevant category without any temporary surcharge				
8.2	For threshers during the threshing season	Electricity Tax of MCD : Rs. 270 per connection per month	Flat rate of Rs. 5,400 per month				
8.3	All other connections including construction projects	Same rate as that of the relevant category	1.30 times of the relevant category of tariff				
9	**CHARGING STATIONS FOR E-RICKSHAW/ E-VEHICLE ON SINGLE POINT DELIVERY**						
9.1	**Supply at LT**	-	5.50 Rs./kWh				
9.2	**Supply at HT**	-	5.00 Rs./kVAh				

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES
9.2	**Supply at HT**	-	5.00 Rs./kVAh

Notes:

1. For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in *DERC (Supply Code and Performance Standards) Regulations, 2017*, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.
2. **Time of Day (ToD) Tariff**
    e. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
    f. Optional for all three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
    g. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.
    h. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.
    i. Further, the Commission has reviewed the latest available Demand and Supply of Delhi and has revised the time slots for Peak and Off-Peak hours as follows:

MONTHS	PEAK HOURS	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS	REBATE ON ENERGY CHARGES
May-September	1400 Hrs – 1700 Hrs & 2200 Hrs – 0100 Hrs	20%	0400 Hrs – 1000 Hrs	20%

3. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV

shall be applicable.

4. Maintenance Charges on street lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per the Commission's Order dated 22nd September 2009 in addition to the specified tariff. These charges are exclusive of applicable taxes and duties.
5. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:

   Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

   Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.
6. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.
7. For prepaid consumers, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the tariff applicable.
8. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.
9. Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
10. The Single Point Delivery Supplier availing supply at HT & above shall charge the tariff to

its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount to cover losses and all it's expenses.

11. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA but served at LT (415 Volts) shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).
12. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
13. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 1.5% per month shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.
14. No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total Cash collection exceeding the limit.
15. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS

1. DOMESTIC CATEGORY

1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers

b. Hostels of recognized/ aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].

c. Staircase lighting in residential flats separately metered.

d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.

e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.

f. Dispensary/Hospitals/Public Libraries/School/College/ Working Women's Hostel/ Orphanage/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.

g. Small Health Centres approved by the Department of Health, Government of NCT of Delhi for providing Charitable Services only.

h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.

i. Public parks except temporary use for any other purpose.

j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.

k. Places of worship.

l. Cheshire homes/orphanage.
m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.
n. Electric crematoriums.
o. Gaushala Registered under GoNCTD.
p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.
q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.
r. The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged Domestic Tariff.
s. Cattle Farms / Dairy Farms / Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on 11 kV Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA

Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. NON-DOMESTIC

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
c. Railways (other than traction), Hotels and Restaurants
d. Cinemas
e. Banks/Petrol pumps
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Single Point Delivery for Commercial Complexes supply at 11 kV or above
m. Pumping loads of DDA/MCD
n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than traction
o. Any other category of consumers not specified/covered in any other category in this Schedule

3. INDUSTRIAL

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. AGRICULTURE & MUSHROOM CULTIVATION

Available for load up to 20 kW for tube wells for irrigation, threshing, mushroom growing/cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. PUBLIC UTILITIES

a. **DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.

b. **RAILWAY TRACTION:** Available for Indian Railways for Traction load.

c. **DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. **PUBLIC LIGHTING:** Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC/MES / GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

6. DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.

7. ADVERTISEMENT/ HOARDINGS

Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

8. TEMPORARY SUPPLY

a. Available as temporary connection under the respective category

b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

9. CHARGING OF E-RICKSHAW/ E-VEHICLE

a. **Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery**: Available to charging stations as per the provisions of DERC SOP Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

6.2 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.3 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.4 The Commission directs the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner.

6.5 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

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

6.7 The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit an annual compliance report by 30th April of the next year.

6.8 The Commission further directs the Petitioner :

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.
b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.
c. To conduct a safety audit and submit a compliance report within three months;
d. To carry out preventive maintenance as per schedule;
e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;
f. To submit the annual energy audit report in respect of their network at HT level and above.
g. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;
h. To incorporate the following information in the annual audited financial statements:-
    i. Category-wise Revenue billed and Collected,

ii. Category-wise breakup of 8% and 3.70% Surcharge billed and Collected,
iii. Category-wise PPAC billed and collected,
iv. Category- wise Electricity Duty billed and collected,
v. Category-wise subsidy passed on to the consumers during the financial year, if any,
vi. Category-wise details of the surcharge billed on account of ToD,
vii. Category-wise details of the rebate given on account of ToD,
viii. Street light incentive and material charges for street light maintenance,
ix. Direct expenses of other business,
x. Revenue billed on account of Own Consumption,
xi. Revenue collected on account of enforcement/theft cases,

i. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year.

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

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

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

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

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

6.9 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

Annexure - I

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1557)/DERC/2017-18/

Petition No. 07/2018

In the matter of: **Petition for True-up for FY 2016-17, Revised ARR for FY 2017-18 and corresponding determination of Tariff for FY 2018-19.**

New Delhi Municipal Council
Through its : Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001 **...Petitioner/Licensee**

Coram:

Sh. B. P. Singh, Member.

ORDER

(Date of Order: 05.02.2018)

1. M/s New Delhi Municipal Council (NDMC) has filed the instant Petition for True-up for FY 2016-17, Revised ARR for FY 2017-18 and corresponding determination of Tariff for FY 2018-19. The said Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. Clarifications/additional information, if and when required, would be sought from the Petitioner.

2. The Petition is admitted.

Sd/-
(B. P. Singh)
Member

Annexure-II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE TRUE UP OF EXPENSES UPTO FY 2016-17 AND ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2018-19.

S. No.	R. No.	Name	Address	Date of Receipt
1.	1	Sh. Raj Kumar Member	rajkumaraapka@gmail.com	03.01.2018
2.	2	Sh. S.R. Abrol	L-2-97B, DDA, LIG Kalkaji, New Delhi 110 019 Nyayabhoomi2003@gmail.com	04.01.2018
3.	3	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	04.01.2018
4.	4	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 pradeepgupta111@yahoo.in	04.01.2018
5.	5 5A 5B	Sh. Vivek Agarwal General Manager/Electrical	Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	12.01.2018
6.	6	Sh. Anil Sood Hony President CHETNA	A-403-414-415, Somdutt Chamber-1 5 Bhikajicama Place, New Delhi anilsood@spchetna.com	15.01.2018
7.	7	Sh. S.K. Jain	4509, Trilok Bhawan, 7 Darya Ganj, New Delhi 110 002	16.01.2018
8.	8	Sh. Ashok Bhasin	North Delhi Residents Welfare Association 1618, Main Chandrawal Road Delhi 110 007	19.01.2018
9.	9	Sh. Kanwar Ajay Singh	Kanwarajaysingh74@icloud.com	19.01.2018
10.	10	Sh. R.D. Singh	J6C, East Vinod Nagar, Delhi 110 091 Rdsingh1949@gmail.com	19.01.2018
11.	11 11A	Sh. B.S. Sachdev President	B-2/13A, Keshav Puram, Delhi 110 035	23.01.2018 12.03.2018
12.	12 12A 12B 12C	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	29.01.2018
13.	13	Sh. Harmeet Singh President	Koshish Resident's Welfare Association (regd.) 2462, Basti Punbian,	29.01.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Roshnara Road, Subzi Mandi Delhi 110 0017	
14.	14	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	29.01.2018
15.	15	Sh. Sanjay Dangi	Gali No. 20, Plot 12 Uttam Nagar, Delhi Sanjudangi88@yahoo.in	30.01.2018
16.	16	Sh. Kuldeep Kumar General Secretary	Delhi State Electricity Workers Union, Genco, Transo DISCOM iii L-2, Main Road, Brahmpuri, Delhi	30.01.2018
17.	17	Sh. Bittu Bhardwaj	Bittoobhardwaj42@gmail.com	30.01.2018
18.	18	Sh. Krishan Kumar	Krishankumar2360@gmail.com	31.01.2018
19.	19	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 Pradeepgupta111@yahoo.in	31.01.2018
20.	20	Sh. B.B. Tiwari	sarwasharpan@gmail.com	20.02.2018
21.	21 21A	Sh. A.K. Datta	222, Pocket E, Mayur Vihar, Phase 2 Delhi 110 091 Mmathur2001@yahoo.com	20.02.2018
22.	22 22A	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi C-6/7, Rana Pratap Bagh Delhi 110 007 urdwas@gmail.com	21.02.2018
23.	23 23A 23B	Sh. Sudhir Aggarwal Secretary	Brotherhood Society G-3/5, Model Town III Delhi 110 009	21.02.2018
24.	24	Sh. Anil Chandi Gen. Secretary	C-8/1, Rana Pratap Bagh, Delhi 110 007	21.02.2018
25.	25	Sh. Rajan Gupta	H. No. 355, Udyan, Nerala Delhi 110 040	16.02.2018
26.	26	Ms. Neeta Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd. Sector : 14 Extn. Rohini, Delhi 110 085 Neetagupta.vg111@gmail.com	20.02.2018
27.	27	Sh. Rohit Arora President	Gyan Park Welfare Society (Regd.) 12A, Gyan Park, Chander Nagar, Krishna Nagar, Delhi 110 051	21.02.2018
28.	28	Sh. Vipin Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd.	20.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Sector : 14 Extn. Rohini, Delhi 110 085 Vipin.bfi@gmail.com	
29.	29	Sh. Mukesh Rikhi Gen. Secretary	Resident Welfare Association Hakikat Nagar, (Regd.) 97, Hakikat Nagar, GTB Nagar, Delhi 110 009	22.02.2018
30.	30	Sh. Chander Singh Kataria Gen. Secretary	Keshav Nagar Jan Kalyan Samiti Regd. B-246/4, Keshav Nagar, Near Mukti Ashram Burari Road,Delhi 110 036	22.02.2018
31.	31	Sh. Rajiv Kakria Hony President Chetna	A-403-414-415, Somdutt Chamber-1, 5, Bhikajicama Place New Delhi Rkakria2@gmail.com	22.02.2018
32.	32	Sh. Anil Sood Hony President Chetna	A-403-414-415, Somdutt Chamber-1,5, Bhikajicama Place New Delhi	22.02.2018
33.	33	Sh. Alam Gir President	Rani Garden Resident's Welfare Association REgd. C-17, Rani Garden, Geeta Colony, Near Taj Enclave Delhi 110 031	23.02.2018
34.	34	Ms. Madhu Malhotra President	Krishna Nagar Janhit Vikas Samiti E-7/12, Krishna Nagar, Delhi 110 051	23.02.2018
35.	35	Sh. Sarvesh Kumar Verma President	Resident Welfare Association A-2/219, New Kondli Delhi 110 096	26.02.2018
36.	36	Sh. P.S. Tomar	C-7/89 Yamuna VIhar, Delhi 110 053	26.02.2018
37.	37	Sh. K. Pratab Singh	D-408, St. No. 90 Bhajan Pura, Delhi 110 53	26.02.2018
38.	38 38A	Sh. D.M. Narang President	R-Block Welfare Assocaition R-599, New Rajinder Nagar, New Delhi 110 060	26.02.2018
39.	39	Dr. Faheem Baig Gen. Secretary	Jafirabad Resident Welfare Association 1202, Street No. 39/4 Jafirabad, Delhi 110 053	27.02.2018
40.	40	Smt Sushma Sharma President	Resident's Welfare Assocaition, Control Romm Gate No. 1 Pocket B, Dilshad Garden,	28.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Delhi 110 095	
41.	41	Sh. Anil Kumar Jha	A-4, St. No. 13 Mandawali Unchepar, Delhi 110 092	27.02.2018
42.	42 42A	Sh. K.K. Verma Gen. Manager (C&RA)	33KV Grid S/Station Building, IP Estate, New Delhi 110 002	22.02.2018 06.03.2018
43.	43 43A 43B	Sh. Bharat Kumar Bhadawat HoD Regulatory	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lines Kingsway Camp, Delhi 110 009	23.02.2018 12.03.2018 12.03.2018
44.	44	Sh. Abhishek Srivastava Authorised Signatory	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma, Delhi 110 032	28.02.2018
45.	45	Sh. Deepak Narang LPresident	Resident's Welfare Association, Pkt H-164A, Dilshad Garden, Delhi 110 095	28.02.2018
46.	46	Sh. Syed Khalid Akbar Gen. Secretary	DVB Pensioners Association 85, Ram Nagar, Krishna Nagar, Delhi 110 051	28.02.2018
47.	47	Sh. Kulwant Rana President	Dilshad Colony Residents Welfare Association G-87, Ist Floor, Dilshad Colony Delhi 11 095	05.03.2018
48.	48	Sh. Harbansh Sharma	RWA, 295 Kucha Ghasi Ram, Chandni Chowk, Delhi 110 006	05.03.2018
49.	49	Sh. Kishan Kumar	Kucha Brijnath Resident Welfare Association, 420, Kucha Brijnath, Chandni Chowk, Delhi 110 006	05.03.2018
50.	50	SH. Daya Ram Dwivedi Vide President	Daily Passengers Association 262, Katra Pyare Lal Chandni Chowk, Delhi 110 006	05.03.2018
51.	51	Sh. Vijay S. Rawat Vice President	DDA Janta Flats Resident Welfare Association 12-A, Pkt. D2, Mayur Vihar Phase III, Delhi 110 096	05.03.2018
52.	52	Sh. Gyanender Kaushik Vice President	East Babarpur Residential Welfare Association	05.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			E-1044-4/F, Inder Gali, Babarpur, Shahdara, Delhi 110 032	
53.	53	SH. Pradeep Arora President	Resident Welfare Association A-87, East Nathu Colony, Main Mandoli Road, Delhi 110 093	05.03.2018
54.	54	Sh. Pawan Salwan President	Residents' Welfare Association Pocket IV, Mayur Vihar, Phase -1 Delhi 110 091	05.03.2018
55.	55	Sh. Mini Shreekumar President	Residents' Welfare Assocaition Pocket-2, Mayur Vihar, Phase-1 Delhi 110 091	05.03.2018
56.	56	Sh. Sanjeev Singh Tomar President	Vikas Simiti, Durga Puri Vistar Loni Road, Delhi 110 093	05.03.2018
57.	57	Sh. Subhash Chand Saxena	Resident Welfare Assocaition 4996, Ground Floor, Ghas Mandi Ahata Kidara Pahari Dhiraj, Delhi-110 006	05.03.2018
58.	58	Sh. Shivkumar Sharma	Brijpuri Residents Welfare Association D-8/154, Brij Puri, Delhi 110 094	05.03.2018
59.	59	Dr. Arjun Kumar Founder Chairman	Dignity Restoration & Grievance Settlement Association B-4/84/2, Safdarjung Enclave, New Delhi 110 029	05.03.2018
60.	60	Sh. Arvind K. Mehta President	Residents Welfare Association 542, Double Storey, New Rajinder Nagar, New Delhi	28.02.2018
61.	61	Sh. Farooq Engineer	Rehayeshi Welfare Anjunman Shivaji Road, Azad Market, Delhi 110 006	28.02.2018
62.	62	Sh. B.S. Vohra President	East Delhi RWAs Joint Front-Federation F-19/10, Krishna Nagar, Delhi-51 rwabhagidari@yahoo.com	06.03.2018
63.	63	Sh. Samson Frederick Joseph Gen. Secretary	All India Minorities Fundamental Rights Protection Committee 2109/18, Turkman Gate, New Delhi	06.03.2018
64.	64	Sh. Ompal Singh	New Chauhan Pur Residents Welfare	06.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Assocaition 40/240, New Chauhanpur, Karawal Nagar Road, Delhi 110 094	
65.	65	Sh. Vivek Agarwal General Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	07.03.2018
66.	66 66A 66B	Sh. B.B. Tiwari	sarwasharpan@gmail.com	07.03.2018 12.03.2018 14.03.2018
67.	67	Sh. Sanjeev Bhatnagar President	Resident's Welfare Assocaition New MIG Flats Prasad Nagar, New Delhi	08.03.2018
68.	68	Sh. Prem Nagpal Vice President	E-221, West Patel Nagar, New Delhi 110 008	08.03.2018
69.	69	Sh. Deepak Kumar Goyal President	Delhi Dall Mill Association 4122, Ground Floor, Main Raod Naya Bazar, Delhi 110 006	12.03.2018
70.	70	Sh. Rajesh Chhabra Vice President	West Patel Nagar Veopar Mandal A/31, West Patel Nagar, Main Market, New Delhi 110 008	08.03.2018
71.	71	Sh. Sushil Mishra Patrons	Jhilmil DDA Flats Residents Welfare Assocaition Gate No. 2, Satyam Enclave, Delhi 110 095	09.03.2018
72.	72	Sh. G.R. Luthra Secretary	Vivek Vihar Phase-II, A-Block Residents Welfare Association A-98, Vivek Vihar, Phase II, Delhi 110 095	12.03.2018
73.	73	Choori Walan Welfare Society	Choori Walan, Tokri Walan, Pahari Imli, Chitla Gate, Delhi 110 006	09.03.2018
74.	74	Sh. Mazar Ullah President	Resident Welfare Assocaition 1855, Gali Pattey Wali Sui Walan, Darya Ganj New Delhi 110 002 galipatteywalidaryaganj@in.com	08.03.2018
75.	75	Sh. Mahesh Chand General Secretary	Khatik Kalyan Parisad 1820, Gali Khatikan, Chowk Shan Mubarak, Baar SIta Ram, Delhi 110 006	09.03.2018
76.	76	Ms. Kalpana Chawla,Adv. President	Wall City Mahila Panchayat Samiti 1831-32, Gali Mandir Wali,	09.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Chowk Shah Mubarak, Bazar Sita Ram, Delhi 110 006	
77.	77	Sh. Atul Chawla	Chawla.atul@yahoo.com	09.03.2018
78.	78	Sh. Arun Kumar Chairman	Dignity Restoration & Grievance Settlement Association B4/84/2, Safdarjung Enclave, New Delhi110 029 director@dignityindia.org	18.03.2018
79.	79	Sh. J.B. Sahdev	Qutab Enclave MIG Residents Welfare Association Qutab Enclave, Phase-1 New Delhi 110 016	19.03.2018
80.	80	Sh. V.S. Mahindra	H-3/45, VIkaspuri, New Delhi 110 018	19.03.2018
81.	81	Sh. S.K. Bhatia	3/102, Subhash Nagar, New Delhi 110 027	19.03.2018
82.	82	Sh. Suresh Gupta	B-71, New Town Cooperative Gourp Housing Society Limited Sector – 14 Extension Rohini, New Delhi 110 085	19.03.2018
83.	83	Sh. V.P. Garg	B-2/48A, Keshavpuram New Delhi 110 035	19.03.2018
84.	84	Sh. A.K. Jain	DDA Flats, Kalkaji New Delhi 110 019	19.03.2018
85.	85	Sh. Jagdish Prasad	A-129, Pulprhalad New Delhi 110 019	19.03.2018
86.	86	Sh. J.N. Bagehi	F-1152, C.R. Park New Delhi	19.03.2018
87.	87	Sh. Vishvas, President,	1, North West Avenue , Punjabi Bagh, New Delhi-110026	19.03.2018
88.	88	Sh. Gyanender Kaushik	RWA, Babur Pur, Delhi	23.03.2018
89.	89	Sh. Ashok Bhasin	President, North Delhi Residents Welfare Federation 1618, Main Chandrawal Road, Delhi-110007	23.03.2018
90.	90	Sh. Deepak Joshi	17D, Pocket B Dilshad Garden, Delhi	23.03.2018
91.	91	Sh. K.K. Verma	DVB-ETBF-2002, Pre-Fabricated Building, Rajghat Power House, New Delhi-110002	23.03.2018
92.	92	Sh. Harmeet Singh	Koshish Residents' Welfare Association(Regd.)	23.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			2462 Basti Punjabian, Roshanara Road, Subzi Mandi , Delhi-110007	
93.	93	Sh. Hemanta Madhab Sharma	146 Vinobha Puri(FF), Lajpat Nagar-II, New Delhi-110024	23.03.2018
94.	94	Sh. Narender Kumar	RWA, New Usman Pur, Delhi	23.03.2018
95.	95	Sh. Ompal Singh Ahlawat	E-186, Chhattarpur Ext., New Delhi-110074	23.03.2018
96.	96	Sh. Ved Prakash Arya	RWA, 895A-1 Ward, No 8, Mehrauli-110030	23.03.2018

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS, GENCOS, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2016-17 AND ANNUAL TARIFF PETITION FOR FY 2018-19

Sr. No.	Name	Address
1	Sh. Vivek Aggarwal	DMRC
2	Sh. Manoj Singhal	DMRC
3	Sh. Subodh Pandey,	DMRC
4	Sh. Satish Moza	DMRC
5	Sh. Reddy Sai Raj	DMRC
6	Sh. Sukhdev Raj, Kalkaji	South Delhi
7	Sh. Om Pal Singh Ahlawat	RWA Chhattapur Extn.
8	Sh. Ved Prakash Arya	RWA Mehrauli
9	Sh. Shankar Swami	RWA Mehrauli
10	Sh. Gyanedra	RWA Babar Pur
11	Sh. G. S. Kohli	RWA Vasant Kunj
12	Mrs. Mini Sree Kumar	RWA Pkt.-2, Mayur Vihar-I
13	Sh. Vishal Malhotra	Naraina
14	Sh. Harsh Puri	Galaxy Print Process
15	Sh. Rajender Singh	DMRC
16	Sh. Gokul Chander Mittal	Model Town
17	Sh. Gaurav Mittal	
18	Sh. Rohit Arora	RWA Krishan Nagar
19	Sh. Noor Mohd. Khurashi	Krishna Nagar
20	Sh. Shubham	DMRC
21	Sh. B. B. Tiwari	URD
22	Sh. Narender Kumar	RWA North East, Usman Pur
23	Sh. Kunwar Pratap Singh	RWA Bhajan Pura
24	Sh. Vijay Singh Rawat	RWA, Mayur Vihar Phase-II
25	Sh. Rajeev Kakaria	GK-I, RWA
26	Sh. Ashok Bhasin	NDRWF, Delhi
27	Sh. Harban Sharma	RWA Chandni Chowk
28	Sh. Kishan Kumar	RWA Chandni Chowk

Sr. No.	Name	Address
29	Sh. Harsh Swaroop Bakshi	RWA Rohini
30	Sh. Dharmender Gupta	RWA Mangol Puri
31	Sh. H. M Sharma	Lajpat Nagar, Delhi
32	Sh. Saurav Gandhi	URD
33	Sh. Ramesh Chand	RWA Karol Bagh
34	Sh. Har Bhajan Singh	RWA Shashtri Nagar
35	Sh. Dharminder Kumar	RWA Pritam Pura
36	Sh. Jatin	ES&S Hospitality Services Inc.
37	Sh. Deepak Joshi,	RWA Dilshad Garden
38	Sh. J. G. Abrol	RWA Jasola
39	Sh. Mahesh Chand Chola	RWA Darya Ganj
40	Sh. Daya Ram Diwedi	Chandani Chowk RWA
41	Md. Etbar Ahmed	RWA Darya Ganj
42	Smt. Sudha Sharma	Mahila Panchayat Sumiti
43	Sh. Mazhar Ullah	RWA Gali Pattey Wali Darya Ganj
44	Sh. Man Mohan Verma	RWA Rohini
45	Sh. H. C. Dhupar	RWA Rohini
46	Sh. Prem Pal Sharma	RWA Sultan puri
47	Sh. Dharamveer	RWA Sultan Puri
48	Sh. Dharam Pal Pawar	RWA Sultan Puri
49	Sh. Harmeet Singh	RWA Subzi Mandi
50	Sh. Dilip Chadha	RWA RP-I
51	Sh. Surender	RWA N.W. Sultan Pur
52	Sh. Mohan Kumar	D-1/249, Sultan Pur
53	Sh. Jagjeet Singh	RWA Hudson Line GTB Nagar
54	Sh. Prem Singh	RWA Khanpur
55	Sh. Balvinder Singh Thaper	RWA Vikas Puri
56	Sh. Paramjeet Singh	RWA Vikas Puri
57	Sh. Dharmender Kumar	RWA Vikas Nagar
58	Sh. Shushil Kumar	RWA, Nagloi
59	Sh. Harish Kumar	RWA Nagloi
60	Sh. Surender Saini	RWA Nangloi

Sr. No.	Name	Address
61	Sh. Satya Galla.	Mercados Energy Markets India Pvt. Ltd
62	Sh. Shiv Kumar	RWA, Brijpuri
63	Sh. Surendra Sharma	RWA, Brijpuri
64	Sh. Rakesh Sharma	RWA Prem Nagar, Karawal Nagar
65	Sh. Vijay Batra	Kirti Nagar, Industrial Association
66	Sh. V. K. Malhotra,	DVB Pension Trust
67	Sh. Rajan Gupta	DVB Pension Trust
68	Capt. Anju	Dwarka Sector- 8
69	Dr. Naresh	Dwarka, Sector – 8
70	Sh. A. K. Dutta	Mayur Vihar Phase-II
71	Sh. Ashok Sikka	Kirti Nagar Industrial Association.
72	Sh. Jitender Tyagi	President URD
73	Sh. Karnail Singh	Kirti Nagar Indl. Area
74	Sh. Balbir Singh	Kirti Nagar Indl. Area
75	Smt. Poonam	MMTC
76	Smt. Anita Guptrishi	MMTC
77	Sh. B.D. Sharma	RWA Mundka Division
78	Sh. Dharamveer	RWA Mundka Division