

BSES

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Date: 12 November 2021

To,
The Secretary
Delhi Electricity Regulatory Commission
Viniyamak Bhavan, Shivalik
Malviya Nagar
New Delhi-110017

Sub: Power Purchase Adjustment Charges (PPAC) for July, Aug and Sep'21

Ref: Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 and DERC's Tariff

Order dated 30.09.2021

Dear Sir,

1. We refer to aforesaid letter from Hon'ble Commission and Regulation 30 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 which provides for mechanism for recovery of Power Purchase Cost Adjustment. The relevant extract is shown below:

"30. MECHANISM FOR RECOVERY OF POWER PURCHASE COST ADJUSTMENT CHARGES

The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensee shall be as follows:

....

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

- a. in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.*
- b. in case PPAC exceeds 5% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.*

c. in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).

2. BSES Discoms had invoked Regulation 17 (1) of the CERC Tariff Regulations, 2019 on 23.11.2020 and sought an arrangement from NTPC for continuing supply of power from 01.12.2020 from Dadri-I plant of NTPC which was completing 25 years from COD on 30.11.2020. NTPC neither provided nor agreed upon an arrangement as per Regulation 17(1) of CERC Tariff Regulations 2019. BSES Discoms by their Communications dated 30.11.2020 exercised their right of first refusal under Regulation 17(2) of CERC Tariff Regulations, 2019 and discontinued scheduling of power from Dadri-I plant w.e.f. 01.12.2020 at 00.00 hrs, upon which NTPC was free to sell the electricity generated from Dadri-I plant in a manner as it deemed fit.
3. Despite the above, NTPC and NRLDC forced BSES Discoms to make payment towards Fixed Charges from Dadri-I under threat of coercive action. NTPC claimed that till the subsistence of the allocation of power by the MoP, the PPA/SPPA shall continue to operate. These actions of the NTPC and NRLDC were challenged by the BSES Discoms in February 2021 before the Hon'ble CERC in Petition Nos. 60 and 65/MP/2021.
4. On 01.07.2021, Hon'ble CERC disposed of the Dadri Petitions and decided all issues in favour of the BSES Discoms. However, the Ld. CERC erroneously directed the BSES Discoms to seek de-allocation of power from the MoP relating to the Dadri-I plant for implementation of Regulation 17(2). BSES Discoms have challenged this part of the Order of the Hon'ble CERC before the Hon'ble APTEL in Appeal Nos. 239 and 240 of 2021 wherein by Order dated 26.08.2021 the Hon'ble APTEL was pleased to stay the recovery of the capacity charges towards the Dadri-I plant. The Interim Order was later continued till further orders by Orders dated 17.09.2021, 24.09.2021 and 22.10.2021. The next date of hearing in the Appeals before the Hon'ble APTEL is 03.12.2021. The Order dated 26.08.2021 has been challenged by NTPC before the Hon'ble Supreme Court in Civil Appeal No. 5974 of 2021 and 6018 of 2021 which are likely to be listed on 22.11.2021.
5. NTPC is raising bills for Dadri-I Station which includes capacity charges and ancillary charges. As there is no stay against the Order dated 26.08.2021 of the Hon'ble APTEL, BRPL as of now has not considered the bills raised of Rs. 93 Cr. for Dadri-I station for capacity charges for the period i.e., July-21, Aug-21 and Sep-21 in Power Purchase cost and in Quarterly Power Purchase Audited statement. However, BRPL has paid ancillary charges in respect of Dadri-I plant as there is no clear direction against stay of ancillary charges towards Dadri-I plant. Subject to further orders and outcome of Appeals pending before Hon'ble APTEL, BRPL reserves its rights relating to the PPAC claim for Dadri-I Station and seeks liberty to claim PPAC in respect of Dadri-I, if required at a later stage.
6. Accordingly, and in accordance with Regulations 30 (4) above, we would like to intimate the Hon'ble Commission, that the PPAC of licensee for July, Aug and Sep of 2021 (Q2) is computed as 1.57% (details are as annexed herewith in **Annex-1**). Accordingly, BRPL in terms of the said Regulations, will levy 1.41% (Capped as per Business Plan Regulations) on the bills of all consumers from the billing cycle w.e.f. 15^h of November 2021 for a period of 3 months.

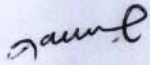
In view of the above, we shall upload PPAC computation on our web-site before the same is levied on the consumer's electricity bills.

The Power Purchase Audited statement and SLDC accounts as attached as **Annex-2** for reference.

Kindly acknowledge the receipt.

Thanking You,
Yours faithfully

For BSES Rajdhani Power Limited



Rajul Agarwal

Head- Regulatory Affairs

Encl: As above

Annex-1 - PPAC % Calculation for BRPL- July to Sep'21 #

Sr No	Parameters	DERC's (methodology)	Source
1	A (in Kwh)	2,93,09,97,321	As per PPAC Qtr Audited Sheet*
2	B (in Kwh)	7,88,98,698	Calculated
3	C (in Rs./Kwh)	0.16	Calculated
4	D (Rs. Cr.)	289	As per PPAC Qtr Audited Sheet*
5	E (Rs. Cr.)	308	As per Tariff Order
6	Z (in Kwh)	2,77,51,18,281	Calculated
7	Distribution Loss (%)	8.00%	As per DERC's Business Plan Regulations
8	Approved ABR (Rs./kwh)	6.77	As per Tariff Order
9	PPAC (nth Qtr) % = ((A-B)*C+(D-E)/((Z*(1-Distribution Loss in %/100)*ABR)	1.57%	Calculated
10	PPAC for Qtr (capped)	1.41%	Capped as per Regulations
A	Total unit procured in (n-1)th Qtr from power station having Long term PPA (in kwh) -(To be taken from bills of the Gencos issued to distribution licensee)		
B	Proportionate bulk sale of power from power station having long Term PPA (in Kwh) = Total unit Sold(Other than sold to direct consumer KWH) in (n-1) Qtr X A / Gross Power Purchase including short term power in (n-1)th Qtr (in Kwh)		
C	Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)		
D	Actual Transmission Charges paid in the (n-1)th Qtr		
E	Base Cost of Transmission Charges for (n-1)th Qtr= (Approved Transmission Charges/4)		
Z	(((Actual Power purchase from Central Generating Stations having Long Term PPA in (n-1)th Qtr (in kwh) *(1- Interstate Transmission licensee losses in % /100)) *(1-Intrastate losses in %/100)- B) in kwh		
ABR	Average Billing Rate for the year (to be taken from the Tariff Order)		
	Approved Avg PPA base (Rs./kwh)	4.34	As per Tariff Order
	Approved Interstate Transmission licensee Loss (in %)	2.00%	As per Tariff Order
	Approved Intrastate Loss (in %)	0.92%	As per Tariff Order
	Distribution Loss (in %)	8.00%	As per DERC's Business Plan Regulations
	Approved ABR (Rs./kwh)	6.77	As per Tariff Order
	Total unit sold other than Direct Consumer (in kwh)	11,44,23,338	As per SLDC
	Gross power Purchase including short term power (in kwh)	4,25,06,97,467	As per SLDC
	Actual Power purchase from Central Generating Stations having Long Term PPA (in kwh)	2,52,39,78,925	As per PPAC Qtr Audited Sheet*
	Power from Delhi Gencos including BTPS (in kwh)	40,70,18,396	As per PPAC Qtr Audited Sheet*
	Actual Avg PPC (Rs./kwh)	4.51	As per PPAC Qtr Audited Sheet*

#Above values are calculated based on Tariff Order dated 30.09.2021 excluding BTPS, Thyagraj, Rajghat and IP station as they are not in Approved Base cost.