



Ref: RA/2023-24/01/A/ 497

Date: 1 February 2024

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

Sub: Power Purchase Adjustment Charges (PPAC) for Oct, Nov and Dec'23
Ref: Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023
and DERC's Tariff Order dated 30.09.2021

Dear Sir,

We refer to the Regulation 30 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 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 2023-24 to FY 2025-26 of the Distribution Licensees 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*



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- 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%).

- d) The Distribution Licensee shall file Petition only for their claim of PPAC.

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied in the consumers' electricity bills prospectively..."

Accordingly, and in accordance with Regulations 30 (4)(c) above, we would like to intimate the Hon'ble Commission, that the PPAC of licensee for Oct, Nov and Dec of FY 23-24 (Q3) is computed as 14.37%. However, in terms of Rule 14 of Electricity (Amendment) Rules, 2022 regarding "Timely recovery of power purchase costs by distribution licensee" the computed PPAC is 18.55%. The detailed computation are attached as **Annex-1**.

Other details like the Power Purchase Audited statement and SLDC accounts as attached as **Annex-2** for reference.

Hon'ble Commission vide its Tariff Order dated 30.09.2021 of BRPL, had considered the PPAC of 7.94% equivalent to Rs. 1116.30 Cr. for meeting the revenue gap arising in the Annual Revenue Requirement (ARR) for FY 2021-22. The relevant extracts are:

"Table 4. 62: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	ARR	8814.59
B	Carrying Cost for FY 2021-22	366.16
C	PPAC Cost Subsumed	242.8
D	Revised ARR	9423.55
E	Revenue at Revised Tariff	8325.13
F	Revenue from PPAC	1116.3
G	Total Revenue	9441.43
H	Revenue (Gap)/ Surplus	17.88

As evident from the above table, entire PPAC @7.94% has been utilized to meet the fixed cost recovery forming part of ARR of FY 2021-22. In past, the Hon'ble Commission has allowed PPAC including 7.94% along with other quarterly PPAC.

Therefore, the actual PPAC required for recovering of Power Purchase Cost is 22.37% (i.e. 14.37% + 7.94% PPAC)

Further, the Hon'ble Commission vide its Order dated 19.01.2024 has withdrawn its directions issued in para 2 of its earlier Order dated 21.07.23 for BRPL as well. The relevant extracts of the said Order is reproduced below:

- 1) The Commission vide Order dated 21.07.2023 had issued a direction in para 2 of the said Order to the DISCOMS regarding PPAC. In line with the direction issued vide Order dated 03.01.2024 in Petition No. 38 of 2023 of Tata Power Delhi Distribution Ltd., the Commission, hereby withdraws the said direction issued in para 2 in the above mentioned Order dated 21.07.2023 with immediate effect also for BRPL, BYPL and NDMC.

Accordingly, BRPL, in terms of the said Regulations, read with Hon'ble Commission's order of 19.01.2024, will also levy 8.75 % (Capped as per Business Plan Regulations) on the bills of all consumers from the billing cycle w.e.f. 1st of February 2024 for a period of 3 months.

For the balance PPAC, we shall be filling the separate petition before Hon'ble Commission.

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.

Kindly acknowledge the receipt.

Thanking You,
Yours faithfully

For BSES Rajdhani Power Limited



Rajul Agarwal
Head- Regulatory Affairs

Encl: As above

Annex-1 : BRPL PPAC % Calculation for BRPL for Oct- Dec 23

Sr No	Parameters	DERC Methodology	As per MOP
1	A (in Kwh)	2828	3254
2	B (in Kwh)	404	469
3	C (in Kwh)	1.25	1.46
4	D (Rs. Cr.)	217	217
5	E (Rs. Cr.)	308	308
6	Z	2351	2699
7	Distribution Loss	7.30%	7.30%
8	ABR	6.77	6.77
9	Avg PPA base	4.34	4.21
10	PGCIL Loss	2.00%	2.00%
11	DTL Loss	0.92%	0.92%
12	Distribution Loss	7.30%	7.30%
13	Total unit sold other than Direct Consumer (Provisional figure)	469	469
14	Gross power Purchase	3285	3285
15	Avg PPC [#]	5.59	5.67
16	Base	4.34	4.21
16	PGCIL Losses	2.00%	2.00%
17	DTL Losses	0.92%	0.92%
18	Z	2351	2699
19	CGS	2420	2846
20	SGS	408	408
21	PPAC (nth Qtr) %= ((A-B)*C+(D-E)/ ((Z*(1-Distribution Loss in %/100)*ABR)	14.37%	18.55%

Excluding the Cost and Quantum of Power Station whose cost is not approved in Base Cost

- 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 Genco issued to Discom)
- 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/ Gross Power Purchase (Kwh) in (n-1) Qtr X A
- C Actual Avg PPC (n-1) Qtr from bill - Projected avg PPC base from Tariff order
- D Actual Transmission Charges
- E Approved Transmission Charges
- Z {{{Power purchase from CGS having LTPP} *(1- PGCIL loss in % /100) +(PP from Delhi Genco including BTPS)} *(1-DTL loss%/100)- B) in KWH
- ABR Average Billing Rate