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List of Abbreviations

Abbreviation	Full form
AAD	Advance Against Depreciation
ABR	Average Billing Rate
Act	Electricity Act' 2003
ADB	M/s. Asian Development Bank
AFC	Annual Fixed Charges
A & G	Administrative & General
AMR	Automated Meter Reading
APCPL	Aravali Power Company Private Limited
APTEL	Appellate Tribunal for Electricity
APDRP	Accelerated Power Development and Reform Programs
ARR	Aggregate Revenue Requirement
AT & C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BBMB	Bhakra Beas Management Board
BEST	M/s Brihanmumbai Electric Supply & Transport Undertaking
BYPL	M/s BSES Yamuna Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	M/s BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CC	Carrying Cost
CCO	Customer Care Officer
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CESC	M/s Calcutta Electricity Supply Company
CESU	M/s. Central Electricity Supply Utility

Abbreviation	Full form
CFL	Compact Florescent Lamp
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
CISF	Central Industrial Security Force
COVID-19	Corona Virus Disease
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CTC	Cost to the Company
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSPDCL	Chhattisgarh State Power Distribution Co. Ltd
DA	Dearness allowance
DDA	M/s Delhi Development Authority
DERC	Delhi Electricity Regulatory Commission
DIAL	M/s. Delhi International Airport Limited
DISCOM	Distribution Company
DJB	M/s. Delhi Jal Board
DMRC	M/s Delhi Metro Rail Corporation
DPCL	M/s Delhi Power Corporation Limited
DPPG	Delhi Power Procurement Group
DPR	Detailed Project Report
DT	Distribution Transformer
DTL	M/s Delhi Transco Limited
DVB	M/s Delhi Vidyut Board
DVC	M/s Damodar Valley Corporation
EA'03	Electricity Act' 2003
EHV	Extra High Voltage
EIC	Electrical Inspector Clearance

Abbreviation	Full form
ELR	Energy Law Reports
FPA	Fuel Purchase Adjustment
FRSR	Fundamental Rules & Supplementary Rules
FY	Financial Year
GENCO	Generation Company
GERC	Gujrat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoI	Government of India
GoNCTD	Government of National Capital Territory of Delhi
GPA	Gross Per Annum
GT	Gas Turbine
HEP	Hydro Electric Project
HERC	Haryana Electricity Regulatory Commission
HR	Human Resource
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
ICC	Indian Chamber of Commerce
ICWAI	Institute of Cost & Works of Accounts of India
IDBI	M/s. Industrial Development Bank of India
IDG	International Data Group
IEX	Indian Energy Exchange
IP Station	M/s Indraprastha Station
IPPAI	Independent Power Producers Association of India
IPGCL	M/s Indraprastha Power Generation Co. Ltd
IT	Information Technology

Abbreviation	Full form
IVR	Interactive Voice Response
JVVNL	M/s Jaipur Vidyut Vitaran Nigam Limited, Rajasthan
JJ	Jhuggi Jhopri
KESCO	M/s Kanpur Electric Supply Company Limited, Uttar Pradesh
Kms	Kilo Meters
kV	Kilo Volt
kVAh	Kilo Volt Ampere hour
kVArh	Kilo Volt Ampere Resistance hour
kW	Kilo Watt
kWh	Kilo Watt Hour
LDC	Load Despatch Centre
LPSC	Late Payment Surcharge
LT	Low Tension
LTAB	Low Tension Aerial Bunched
LVDS	Low Voltage Distribution System
MCD	M/s Municipal Corporation of Delhi
MDI	Maximum Demand Indicator
MERC	Maharashtra Electricity Regulatory Commission
MLHT	Medium Load High Tension
MoP	Ministry of Power
MRBD	Meter Reading and Bill Distribution
MSEDCL	Maharashtra State Electricity Distribution Co. Ltd
MU	Million Units
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration Laboratories

Abbreviation	Full form
NCT	National Capital Territory
NDPL	M/s North Delhi Power Limited
NGO	Non-Government Organisation
NHPC	M/s National Hydroelectric Power Corporation Ltd.
NJPC	Nathpa Jhakri Power Corporation Ltd.
No.	Number
NOIDA	New Okhla Industrial Development Authority
NPCIL	M/s Nuclear Power Corporation India Limited
NRLDC	Northern Region Load Dispatch Centre
NTI	Non-Tariff Income
NTPC	M/s National Thermal Power Company Ltd.
O&M	Operation and Maintenance
OP	Original Petition
PFC	M/s. Power Finance Corporation
PGCIL	M/s Power Grid Corporation of India Limited
Ph	Phone
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PPCA	Power Purchase Cost Adjustment
PPCL	M/s Pragati Power Corporation Ltd.
PTC	Power Trading Corporation
RA	Regulatory Asset
R & M	Repair and Maintenance
RE	Renewable Energy
REC	Rural Electrification Corporation
REL	M/s Reliance Energy Limited
RERC	Rajasthan Electricity Regulatory Commission

Abbreviation	Full form
RoCE	Return on Capital Employed
RPO	Renewable Purchase Obligation
RPS	Renewable Purchase Specifications
RRB	Regulated Rate Base
Rs.	Rupees
RST	Retail Supply Tariff
RWA	Resident Welfare Association
SBI - PLR	State Bank of India - Prime Lending Rate
SCADA	Supervisory Control And Data Acquisition
SERC	State Electricity Regulatory Commission
SGS	State Generating Stations
SJVNL	M/s Satluj Jal Vidyut Nigam Limited
SLDC	State Load Dispatch Centre
SMS	Short Message Service
Sq. Kms	Square Kilometers
SoP	Standard of Performance
SVRS	Special Voluntary Retirement Scheme
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
T&D	Transmission and Distribution
THDC	Tehri Hydro Development Corporation Ltd.
TNERC	Tamil Nadu Electricity Regulatory Commission
TPDDL	Tata Power Delhi Distribution Limited
TRANSCO	Transmission Company
T.O.	Tariff Order
UERC	Uttarakhand Electricity Regulatory Commission
UPERC	Uttar Pradesh Electricity Regulatory Commission
UI	Unscheduled Interchange

Abbreviation	Full form
VRS	Voluntary Retirement Scheme
WACC	Weighted Average Cost of Capital
WPI	Whole Sale Price Index
Y-o-Y	Year on Year

BEFORE THE HON'BLE DELHI ELECTRICITY REGULATORY COMMISSION

VINNIYAMAK BHAWAN, C BLOCK, SHIVALIK, MALVIYA NAGAR,

NEW DELHI-110017

Petition _____ of _____

IN THE MATTER OF:-

BSES Yamuna Power Limited ("BYPL") **PETITIONER……**

Shakti Kiran Building, Karkardooma

New Delhi-110 032

AND

IN THE MATTER OF:- Annual Tariff Petition and Tariff for FY 2020-21 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017 and the Delhi Electricity Regulatory Commission Business Plan Regulations, 2019 (hereinafter referred to as "**Business Plan Regulations, 2019")** and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.

PETITION FOR REVISED ARR & TARIFF FOR FY 2020-21

RESPECTFULLY SHEWETH:

1. BSES Yamuna Power Limited (hereinafter referred to as **"the Petitioner"),** a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110032, is a license holder for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the *"License for Distribution and Retail Supply of Electricity"* issued by the Hon'ble Commission.
2. The revised Petition is being filed for Aggregate Revenue Requirement & Tariff for FY 2020-21 (hereinafter referred to as "the ARR Petition"), based on the actual expenses and income as per the audited Annual Accounts for FY 2018-19 and available data for FY 2019-20.
3. Aggregate Revenue Requirement/ Annual Tariff Petition of a Distribution Utility comprises of various components like Power Purchase Cost, Operation and Maintenance Expenses, Capital expenditure related expenses, Income Tax, Revenue from tariff, Non-Tariff Income etc.
4. In accordance with the Electricity Act, 2003 (hereinafter referred to as **"the 2003 Act"**), the License conditions, DERC Business Plan Regulations, 2019, DERC Tariff Regulations, 2017 and the Hon'ble Commission's letter ref no. F.3(588)/Tariff-Fin./DERC/2019-20/6596/2535 dated 14.01.2020, the Petitioner is required to file ARR Petition for Tariff for FY 2020-21.
5. Power Purchase Cost including Transmission Charges is one of the major components of ARR which contributes to almost 73 % of the total ARR of a Distribution Utility. Most of the power is being purchased from Central Generating Stations like NTPC Limited, NHPC Limited, DVC, State Gencos etc. Most of these Central/ State Generating Stations are Government bodies/ PSU for which the Audit is already being carried by the CAG. Petitioner

purchases power from Central Generating Stations at the rate specified by CERC in its various Tariff Orders. Further various CERC orders for true up of FY 2014-19 is expected shortly, same will be communicated as per the availability of the Tariff orders to Hon'ble Commission.

6. The Petition contains the following chapters:

   i. Chapter 1 – Executive Summary
   ii. Chapter 2 – ARR for FY 2020-21
   iii. Chapter 3 - Tariff Design and Tariff Proposal for FY 2020-21

   The above chapters are essentially a part and parcel of this Petition (Hereinafter collectively referred to as the "**ARR Petition**").

7. The Petitioner is filing the revised ARR Petition to ensure prompt determination of ARR and Tariff for FY 2020-21 and requests the Hon'ble Commission to permit recovery of expenses as prayed for as well as to:

   (a) Enable the Petitioner to comply with various directions of the Hon'ble Commission;
   (b) Enable the Petitioner to meet performance standards and mitigate the impact of the large increase in power purchase costs and other uncontrollable costs.
   (c) Set a realistic, achievable and practical trajectory for various heads based on the actual performance of the Petitioner.

8. The Petitioner inter alia seeks:

   (d) Set a trajectory for various heads based on the criteria mentioned for each of the individual tariff items in the Petition.

FACTORS IMPACTING THE PETITIONER AND THE CONSUMERS:

9. A commercially sustainable tariff is a sine qua non for the health of the electricity sector. The financial health of the DISCOM is in the larger interests of the consumers themselves. The entire scheme and intent of the EA 2003 is consumer interest. However, consumer interest does not lie in lower tariff

alone. It lies equally, if not more, in the financial health of the utilities which are dedicated to serve their consumers. It is further submitted that the Petitioner is severely affected owing to the following factors amongst others, and therefore the Petitioner requests the Hon'ble Commission to take the same into consideration while disposing of the Petition:

a) Creation and continuance of Non-cost-reflective tariff over the years for the Petitioner Licensee;

b) Absence of justifiable True up of uncontrollable expenditure including but not limited to power purchase costs;

c) Long Regulatory time taken in True up of uncontrollable expenditure;

d) Variation in the power purchase costs nationwide which is uncontrollable;

e) The realistic rate of sale of surplus electricity is lower than the rate factored in by the Hon'ble Commission and the differential amount from the total power purchase cost creates an adverse effect on the Petitioner;

f) Progressive buildup of revenue gap and regulatory assets since FY 2006-07;

g) Absence of any time bound mechanism for recovery of accumulated shortfall;

h) Non recognition of Regulatory Asset (RA), in consonance with various judgments of the Hon'ble ATE. In terms of the same, the surcharge ought to be revised appropriately so that the RA is recovered speedily without burdening the future consumers with the past costs. It is submitted that the decision of the Hon'ble Commission to continue to retain a meager surcharge of 8% over the revised tariff strikes at the very root of the ability of the Petitioner to be in a position to clear its outstanding dues to the generating companies and the transmission licensee who have/had issued disconnection notices.

i) The Petitioner finds it extremely difficult to raise funds for undertaking schemes for loss reduction from financial institutions due to the continued absence of time bound amortization schedule of the Regulatory Assets by the Hon'ble Commission which is required in line with the revised Tariff Policy, 2016 and findings of the Hon'ble ATE in its various judgments.

j) The ability of the Petitioner to liquidate the dues of the generating companies and the transmission licensees is adversely affected owing to the increase of the recognized regulatory assets from Rs. 158.50 crore upto FY 2006-07 to Rs. 2677.2 Crore equivalent to 100% of annual power cost upto FY 2017-18 as against the mandatory requirement of being amortized within the first MYT control period ending FY 2011-12 as per the DERC MYT Regulations, 2007 read with the Tariff Policy;

k) Seriously deepening the financial crisis owing to the non-cost reflective tariffs as determined under the various Tariff Orders as well as creation of revenue gap year after year and creation of regulatory assets as an ordinary course rather than the statutory mandate of it being required to be created only as a matter of exception;

l) Results in a situation where financial institutions are not willing to extend financial assistance to the Petitioner to carry on its licensed business.

m) The following Appeals on various issues are pending before Hon'ble SC filed by the Hon'ble Commission or DISCOMS and in the event the Hon'ble Commission renders relief to the Petitioner on the said issues, then to that extent the same will have twin benefits inasmuch as further litigation can be contained as well as the exposure of carrying costs on the consumers could also be contained.

10. The Hon'ble Commission is mandated in law to decide the Petition in a manner ensuring timely recovery of all costs so that ultimately the consumers do not have to bear the burden of avoidable carrying cost on those amounts and costs that are not passed through in the retail tariffs on a regular basis.

11. The Petitioner is filing the revised Petition to ensure prompt determination of tariff for FY 2020-21.

Prayers:

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

i. Take the revised Aggregate Revenue Requirement and Annual Tariff Petition on record and admit the same;

ii. Approve the revised ARR and Tariff for FY 2020-21 including the tariff rationalization proposals considering the COVID-19 impact and lockdown conditions;

iii. Pass any order or further orders on account of relaxation in targets specified on following operational parameters for FY 2020-21 in view of COVID-19 impact:

- Distribution Loss Targets as specified in Regulation 25 of DERC Business Plan Regulations, 2019 and Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Collection Efficiency Targets as specified in Regulation 26 of DERC Business Plan Regulations, 2019 and Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.
- Adjustment in Revenue (Gap)/Surplus on account of variation in Capitalisation as specified in Regulation 24(6) of DERC Business Plan Regulations, 2019 and Regulation 4(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- RPO targets as specified in Regulation 27 of DERC Business Plan Regulations, 2019 and Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Rebate as specified in Regulation 119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Restriction of 1% adjustment in energy sales as per directive no 6.8 of

Tariff Order dated 31.07.2019.

iv. Grant relief to mitigate the COVID-19 impact and lockdown conditions which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

v. Approve the accumulated Revenue Gaps upto FY 2018-19 (Rs. 15,055 Cr.)and allow its amortization along with carrying cost thereof though separate surcharges;

vi. To allow the difference in actual recovery of RA @8% vis-a-vis projected by the Hon'ble Commission for FY 2019-20 in Tariff order dated 31.07.2019 as part of the ARR of FY2020-21;

vii. Rationalize and adjust the Power Purchase cost for FY 2020-21 by reassigning the allocation of power in terms of regulations 121 of DERC Tariff Regulations, 2017 and considering the COVID-19 impact and lockdown conditions;

viii. Adjust the appropriate pension trust surcharge;

ix. Allow the impact of Orders issued by the Hon'ble Commission including Review Order as well as the judgements of the Hon'ble Appellate Tribunal for Electricity and permit the petitioner to place on record any developments/ facts/ documents that come to the knowledge of the petitioner at a future date; and

x. Condone the delay in submission of this petition and any inadvertent omissions/ errors/ rounding off difference/ shortcomings;

xi. Pass any order or further order/s and grant any other relief which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Prayed accordingly

PETITIONER

Through:

Brajesh Kumar
Authorised Signatory
BSES Yamuna Power Limited

Chapter – 1

EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

Introduction

This chapter contains the summary of the Petition filed by the Petitioner for revised ARR and Tariff Determination for FY 2020-21.

The Hon'ble Commission vide letter dated 01.06.2020 has given the final opportunity to the Petitioner to submit their revised Tariff Petition for FY 2020-21 latest by 05.06.2020 in view of the changed circumstances due to adverse impact of COVID-19.

The Petitioner is filing this revised Petition for Approval of revised ARR and Tariff for FY 2020-21 as per Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019 (hereinafter "Business Plan Regulations, 2019") uploaded in the website of the Hon'ble Commission which are applicable for a period of 3 years i.e. FY 2020-21 to FY 2022-23. Business Plan Regulations, 2019 contain the trajectory for various controllable parameters to be followed during FY 2020-21 to FY 2022-23.

The revised Aggregate Revenue Requirement (ARR) for FY 2020-21 is broadly consists in the following components:

a. Power Purchase Cost including transmission charges
b. Normative Operation and Maintenance (O&M) expenses
c. Additional expense Statutory Levies, Water Charges and Taxes, etc.
d. Return on Capital Employed
e. Depreciation
f. Income Tax
g. Non-Tariff Income etc.

Depreciation and RoCE are to be projected based on the projected capital expenditure and actual capitalization vis-à-vis capital investment plan (capital expenditure and capitalization) approved by the Commission in DERC Business Plan Regulations, 2019 - Controllable parameters.

Variation in revenue / expenditure on account of uncontrollable sales / power purchase respectively – Uncontrollable parameters.

Revised ARR and Tariff for FY 2020-21

I. Energy Sales

1.2.1 For forecasting the expected sales for FY 2020-21, following approach is adopted by the Petitioner:

i. Step 1 – Firstly, the Petitioner considered the Adjusted Trend Analysis Method namely the Compound Annual Growth Rate (CAGR) and base year is taken as actuals of FY 2019-20.

ii. Step 2 – After projecting the sales in Step 1, the consumer categories were identified which are operational to the extent as permitted during lockdown and after lockdown conditions.

iii. Step 3 – The category wise sales projected in Step 1 is compared with the extent of operation of the consumer categories identified in Step 2 as allowed during lockdown and post lockdown conditions.

iv. As the extended lockdown is till 30th June, 2020 w.e.f 1st June, 2020 (though 1st June 2020 to 30th June 2020 period is termed as Unlock 1.0), it is also estimated that the operations of various consumer categories will be allowed with some restrictions after completion of lockdown period.

1.2.2 The Petitioner has applied the above methodology on the actual category-wise sales from FY 2014-15 to FY 2019-20 to estimate energy sales during FY 2020-21.

i. Although, the Petitioner has considered the Distribution Loss@ 9.00%, the consumption mix of HT/EHT connections is dropped by 3% and such consumers are billed at distribution loss of around 1.5% or lower resulting in adverse impact of 0.23% on the Distribution loss of the Petitioner. Hence, the Petitioner requests the Hon'ble Commission to kindly revise the distribution loss target for FY 2020-21 from 9.00% to 9.23% seeking the adverse impact of COVID19 and lockdown conditions.

ii. Insuch extreme uncertainty, there are delays in payment of bills by the consumer due to lockdown conditions. Hence, it is proposed that for the purpose of projecting the revised ARR for FY 2020-21, the Collection Efficiency for the year 2020-21 is projected as an amalgam of the actual Collection Efficiency in Q1 of this year i.e.70.16% and the projected Collection

Efficiency for the balance 9 months of the year at the same level as specified in the DERC Business Plan Regulations, 2019 i.e. 99.50%. The weighted average of the Collection Efficiency on such basis would come to 92.38%.

Table 1.21: Distribution Loss Target and Collection Efficiency for FY 2020-21

Sl No.	Particulars	%
A	Distribution Losses	9.23%*
B	Collection Efficiency	92.38%

**However, Distribution Loss is taken as 9.00% for the computation of revised ARR projections*

II. Power Availability and Purchase

1.2.4 Based on the sales projected for FY 2020-21 and Distribution loss as specified for FY 2020-21 in Business Plan Regulations, 2019, the energy requirement has been estimated as tabulated below:

Table 1.22: Energy Requirement for FY 20-21

S. N	Particulars	Unit	Quantity
A	Energy sales	MU	5786
B	Distribution Loss	%	9.23%
C	Energy Requirement	MU	6358
D	Distribution Loss	MU	572

**However, Distribution Loss is taken as 9.00% for the computation of revised ARR projections*

1.2.5 The Power Purchase costs from various sources including from short term sources have been summarized in the following table:

Table 1.23: Total Power Purchase Cost for FY 20-21

S. No	Source	Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./ kWh)
A	Power Purchase from CSGS	7,047	2,341	**3.32**
B	Inter-State Loss & Charges	211	409	
C	**Power Available at Delhi Periphery**	**6,836**	**2,750**	**4.02**
D	Power Purchase from SGS	923	674	**7.30**
E	Intra-State Losses & Charges including SLDC Charges	71	215	
F	Shortfall to be met at DISCOM Periphery	141	57.13	**4.06**
G	Total Power available to DISCOM	7,828	3,696	**4.72**
H	Sales	5,786		
I	Distribution Loss	572		

S. No	Source	Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./ kWh)
J	Less: Normative rebate		0	
K	**Required power for the DISCOM**	**6,358**	**3,343**	**5.26**
L	Total Sale of Surplus Power	1,470	353	**2.40**

*****_Not Considered in view of COVID-19_

1.2.6 The Petitioner submits that there is adverse effect on cash flow on account of outbreak of COVID-19 impact and lockdown conditions. The Petitioner vide letter dated 15.05.2020 also submitted its constrained cash flow situation due to COVID-19 pandemic.

1.2.7 Considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply, the Petitioner has not considered the REC purchase cost for FY 2020-21, and requests the Hon'ble Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

1.2.8 Further, as the Petitioner is also not in a position to project the rebate for FY 2020-21, the Hon'ble Commission is requested to take into account the recent Force Majeure event of COVID-19 impact and waive off rebate on power purchase and Transmission Charges during FY 2020-21.

III. O&M Expenses

1.2.9 The Petitioner has computed the normative O&M expenses for FY 2020-21 in line with the Business Plan Regulations, 2019 as tabulated below:

Table 1.24: O&M Expenses during FY 2020-21

Particulars	Average Capacity as on 31.03.2021	O&M expenses (Rs. Crore)
66 kV Line (ckt km)	245	12
33 kV Line (ckt km)	435	21
11kV Line (ckt km)	2970	60
LT Line system (ckt km)	5611	515
66/11 kV Grid S/s (MVA)	1915	22
33/11 kV Grid S/s (MVA)	2087	24
11/0.415 kV DT (MVA)	3550	90
Total O&M Expenses		**744**

IV. Additional Expenses on account of O&M

1.2.10 In terms of Regulation 11(9) of the Tariff Regulations, 2017 the Distribution Licensee shall submit the revised ARR which shall contain actual and expected additional expenses on account of O&M beyond the control of the Distribution Licensee for the ensuing year and previous year respectively. Accordingly, the additional O&M expenses estimated during FY 2020-21 was Rs. 33 Cr.

1.2.11 In addition, the Petitioner incurred expenses on account of Force Majeure condition of COVID-19 comprising of Hand Sanitizers, Masks, Hand Gloves, PPE kits, Face Shields, Fumigation carried out in Offices & Buildings, deployment of special vehicles etc. Such expenses are beyond the reasonable control of the Petitioner and since, it is not the part of Normative O&M expenses, the Petitioner request the Hon'ble Commission to allow such expenses which is estimated to be Rs. 7 Cr.as an additional expense in revised ARR for FY 2020-21.

1.2.12 Further, the Petitioner has claimed the interest of Rs. 30 Cr. on account of additional working capital requirement corresponding to one-month Power Purchase cost (projected for FY 2020-21) based on Central Generating Stations and PGCIL. Accordingly, the Petitioner requests the Hon'ble Commission to allow the aforesaid interest on additional working capital as a change in law.

V. Capitalisation

1.2.13 The Petitioner considered the gross capitalisation of Rs. 408 Crore during FY 2020-21 as approved by the Hon'ble Commission in the Business Plan Regulations, 2019.

1.2.14 However, it is evident that the Petitioner is facing an unprecedented crisis due to COVID-19 impact and the uncertainty linked with it is extremely disconcerting. Still, the Petitioner, as an essential service provider, is working selflessly in providing uninterrupted power supply to all its consumers in compliance to the Government of India's Order on nationwide lockdown and related guidelines to be followed during the lockdown period.

1.2.15 Further, due to lockdown conditions, some of the ongoing projects of the Petitioner have taken a break except the works which are extremely critical and require immediate intervention. While these projects are expected to be restored after the lockdown is lifted, the speed of deployment and execution may be adversely affected.

1.2.16 Although, the Petitioner will make its best possible efforts to overcome the above situation and meet the projected capitalisation, given the unprecedented circumstances the Hon'ble Commission is requested to exercise its power to relaxation and relax the Tariff Regulation with respect to the adjustment in Revenue (Gap)/Surplus on account of variation in the projected capitalisation vis-à-vis actual capitalisation at the time of True- Up of FY 2020-21.

VI. Depreciation

1.2.17 The Hon'ble Commission in DERC Tariff Regulations 2017 has specified the rates and methodology for computation of depreciation from FY 2018-19 onwards. Accordingly, the Petitioner has computed the depreciation as under:

Table 1.25: Computation of rate of Depreciation for FY 20-21 (Rs. Cr.)

S. No.	Particulars	Amount
1	Opening GFA for FY 2018-19 as per Audited Accounts	3,399
2	Closing GFA for FY 2018-19 as per Audited Accounts	3,714
3	Average GFA as per Books of Accounts	3,557
4	Revised depreciation computed based on Tariff Regulations 2017	183
5	**Average rate of depreciation (%)**	**5.13%**

1.2.18 The Petitioner has considered capitalisation during FY 2019-20 and FY 2020-21 as approved by the Hon'ble Commission in the Business Plan Regulations, 2017 and Business Plan Regulations, 2019 respectively.

1.2.19 Accordingly, the depreciation for FY 2020-21 is calculated as below:

Table 1.26: Depreciation for FY 20-21 (Rs. Cr.)

SI No.	Particulars	Amount
A	Opening GFA for FY 2019-20	3744
B	Addition during FY 2019-20	413
C	Opening GFA for FY 2020-21	4157

Sl No.	Particulars	Amount
E	Additions during the year	408
F	Closing GFA	4565
G	Average GFA	4361
H	Less: Average Consumer Contribution	336
I	Average GFA net of CC	4025
J	Average rate of depreciation	5.13%
K	Depreciation for FY 2020-21	207
L	Opening Accumulated Depreciation for FY 20-21	1516
M	Closing Accumulated Depreciation for FY 20-21	1723

VII. Working Capital

1.2.20 In view of changed circumstances due to outbreak of COVID-19, the Petitioner has considered the same working capital requirement for FY 2020-21 as submitted in the ARR filed on 14.02.2020 before the Hon'ble Commission.

1.2.21 The Hon'ble Commission is requested to allow Rs. 529 Crore as working capital requirement for FY 2020-21 while allowing the revised ARR for the year FY 2020-21.

VIII. Regulated Rate Base (RRB):

1.2.22 Based on the above discussions, the RRB for FY 2020-21 has been computed as below:

Table 1.28: Regulated Rate Base for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Opening GFA	4,157
B	Opening Accumulated Depreciation incl. AAD	1,713
C	Opening Consumer Contribution	318
D	Opening Working Capital	463
E	Accumulated Depreciation on De-capitalised Assets	142
F	Opening RRB	**2,730**
G	Investment during the year	83
H	Net Capitalisation	408
I	Depreciation	207
J	Consumer Contribution	36
K	Change in Working Capital	66
L	Regulated Rate Base - Closing	**2,962**
M	RRB (i)	**2,879**

IX. Weighted Average Cost of Capital

1.2.23 The rate of interest on loan is computed based on the SBI MCLR rate as submitted in earlier Petitioner i.e. 7.90% and 5.00% margin as specified in Regulation 22 of DERC Business Plan Regulations, 2019.

1.2.24 However, it is observed that the SBI MCLR rate is in decreasing trend in last 3 months i.e. from March, 2020 to May, 2020 which is specifically due to the outbreak of COVID-19. This impact is beyond the reasonable control of the Petitioner and hence, requests the Hon'ble Commission to consider the weighted average rate of interest based on actual loan portfolio of FY 2020-21 and allow relaxation on margin for rate of interest on loan as specified in Regulation 14 of DERC Business Plan Regulations, 2019 at the time of Truing Up of the respective year.

1.2.25 Rate of return on equity has been considered as 16%. Accordingly, the grossed up Rate of Return on Equity has been considered based on MAT rate basis (MAT Tax – 17.74% including Surcharge and Education Cess Tax) which comes out to be 19.39%.

X. Return on Capital Employed (RoCE)

1.2.26 The Petitioner has computed RoCE for FY 2020-21 as under:

Table 1.29: RoCE for FY 2020-21 (Rs. Cr.)

S. No.	Particulars	Submission
A	WACC	15.92%
B	RRB (i)	2,879
C	RoCE	**458**

XI. Revised ARR for FY 2020-21

1.2.27 The Petitioner has sought the revised ARR for FY 2020-21 as under:

Table 1.30: Aggregate Revenue Requirement for FY 2020-21 (Rs. Cr.)

S.No.	Particulars	Amount
A	Power Purchase Cost including Transmission Charges	3,343
B	O&M Expenses	744
C	Additional O&M Expenses	70

S.No.	Particulars	Amount
D	Depreciation	207
E	Return on Capital Employed (RoCE)	452
F	Less: Non-Tariff income	86
G	**Aggregate Revenue Requirement excl. Carrying Cost on RA**	**4,737**

Tariff Proposal and Treatment of Revenue Gap

I. Revenue Gap

1.3.1 In its Petition, the Petitioner has computed the revenue based on category-wise existing excluding 8% surcharge, Electricity Tax, LPSC and Pension surcharge as under:

Table 1.31: Revenue (Gap)/ Surplus at Existing Tariff for FY 20-21 (Rs. Cr.)

S. No	Particulars	Amount
A	Aggregate Revenue requirement for the year	4,737
B	Revenue available for the year	3,585
C	**Revenue (Gap)/ Surplus for the year**	**(1152)**

II. Tariff Proposal:

2.3.1 The revenue deficit at existing tariff proposed for FY 2020-21 is Rs. 1152 Crore. The reasons for such deficit are listed as under:

i. Due to outbreak of COVID19 impact and lockdown conditions across country, the Consumption of subsidizing consumer falling in the tariff category of Non Domestic and industrial is dropped drastically during the lockdown.

ii. Even after the lockdown is over, the consumption of such subsidizing categories is not expected to be fully operational instantly. It may increase slowly during the Financial Year 2020-21.

iii. Due to the outbreak of COVID19 pandemic, being a force majeure event, the collection efficiency is likely to be reduced to a level of 92.38% during FY 2020-21.

iv. Other reason includes, Adverse consumer mix, negligible Demand growth due to high density area etc.

v. Change in Power Purchase cost due to lower demand, unavailability of new power plants including renewable stations in this FY 2020-21;

vi. Increases in additional expenses on account of outbreak of COVID-19 impact which is already acknowledged as force majeure conditions by the Hon'ble Commission;

vii. Interest on account of additional working capital requirement is claimed as an Additional expense due to change in law and hence, beyond the control of the Petitioner.

viii. There is a decreasing trend of sales and revenue in some category of consumers due to energy conservation measures, Open Access, NGT Orders, sealing activities conducted by Civic agencies, clause of 15/ 17.5 meter building height etc. To meet the revenue requirement for FY 2020-21, the Petitioner requests the Hon'ble Commission to allow suitable Tariff revision in order to make tariff cost reflective for the year apart from trajectory to recover the huge accumulated regulatory gap of Rs. 15,055 crores upto FY 2018-19;

ix. Principle amount of Regulatory Asset and carrying cost on Regulatory asset may please be allowed to be recovered through separate surcharges.

Table 1.32: Tariff Hike Proposed

S. No	Particulars	Amount (Rs. Cr.)	Remarks
A	Revenue (Gap)/ surplus during FY 2020-21	(1152)	D-C
B	Details		
i	Power Purchase	3343	Power Purchase Cost estimated as per bills and tariff orders of GENCO's and Transco's resulting into increase in Fixed cost.
ii	O&M Expenses including other Expenses/ Statutory Levies	815	Additional O&M expenses beyond the control of Petitioner considered
iii	RoCE/ Finance Charge/ Income Tax	458	Impact of Implementation of Hon'ble ATE Judgment considered.
iv	Depreciation	207	Impact of Implementation of Hon'ble ATE Judgment considered.
v	Non-Tariff Income	86	
C	Revised ARR	4737	Sum of (i+ii+iii+iv)-(v)
D	Revenue Available to meet the ARR	3585	
E	Tariff Hike Proposed (%)	Suitable Cost-reflective Tariff	1. Without pre-judice, existing 8% surcharge to be suitably increased for principal recovery of RA within stipulated time as per plan proposed before Hon'ble SC. 2. Carrying cost ought to be allowed as a separate surcharge on revenue instead of allowing in tariff as per requirements of Financial Institutions.

Other tariff Rationalization Proposal:

2.3.2 The Petitioner has proposed the following tariff rationalisation measures:

i. Time bound recovered of Regulatory Assets/ Revenue Gap.
ii. Mitigation of Adverse Cash Flow impact due to outbreak of COVID19
iii. Cross Subsidy as per Tariff Policy
iv. Recovery of fixed cost of revised ARR through fixed charges and variable cost through energy charges:
v. GoNCTD Subsidy amount to be passed on to the eligible consumers on the basis of Direct Benefit Transfer (DBT)
vi. Exclusion of dishonest consumers for GoNCTD subsidy
vii. Time of Day Tariff
viii. Waiving of the processing fee on account of digital payment.
ix. Levy of Disconnection penalty on account of non-payment of dues by defaulting consumers.
x. One-time processing fees non-refundable to be recovered from the consumer at the time of accepting application in case of new connection.
xi. Tariff of Electric Vehicles

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

xii. Pass any order or further orders on account of relaxation in targets specified on following operational parameters for FY 2020-21 in view of COVID-19 impact:

- T&D Loss Targets as specified in Regulation 25 of DERC Business Plan Regulations, 2019 and Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Collection Efficiency Targets as specified in Regulation 26 of DERC Business Plan Regulations, 2019 and Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.
- Adjustment in Revenue (Gap)/Surplus on account of variation in Capitalisation as specified in Regulation 24(6) of DERC Business Plan Regulations, 2019 and Regulation 4(4) of the DERC (Terms and Conditions

for Determination of Tariff) Regulations, 2017

- RPO targets as specified in Regulation 27 of DERC Business Plan Regulations, 2019 and Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Rebate as specified in Regulation 119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017
- Restriction of 1% adjustment in energy sales as per directive no 6.8 of Tariff Order dated 31.07.2019.

xiii. Grant relief to mitigate the COVID-19 impact and lockdown conditions which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

xiv. Take the revised Aggregate Revenue Requirement and Annual Tariff Petition on record and admit the same;

xv. Approve the revised ARR and Tariff including the tariff rationalization proposals considering the COVID-19 impact and lockdown conditions as submitted in Chapter –2 & 3 respectively for FY 2020-21;

xvi. Approve the accumulated Revenue Gaps upto FY 2018-19 (Rs. 15,055 Cr.) and allow its amortization along with carrying cost thereof though separate surcharges;

xvii. To allow the difference in actual recovery of RA @8% vis-a-vis projected by the Hon'ble Commission for FY 2019-20 in Tariff order dated 31.07.2019 as part of the ARR of FY2020-21;

xviii. Rationalize and adjust the Power Purchase cost for FY 2020-21 by reassigning the allocation of power in terms of regulations 121 of DERC Tariff Regulations, 2017 and considering the COVID-19 impact and lockdown conditions;

xix. Adjust the appropriate pension trust surcharge;

xx. Allow the impact of Orders issued by the Hon'ble Commission including Review Order, additions/ alterations/ changes/ Modifications to the Petition as well as the judgements of the Hon'ble Appellate Tribunal for Electricity and permit the petitioner to place on record any developments/ facts/ documents that come to the knowledge of the petitioner at a future date; and

xxi. Condone the delay in submission of this petition and any inadvertent omissions/ errors/ rounding off difference/ shortcomings;

2.3.4 Hence, the Petitioner requests the Hon'ble Commission to allow the revised ARR for FY 2020-21 and other Tariff Proposals as submitted in chapter – 2 and 3 respectively.

CHAPTER 2

REVISED

AGGREGATE REVENUEREQUIREMENT

FOR

FY 2020-21

2. Revised ARR for FY 2020-21

This chapter presents the revised Aggregate Revenue Requirement (ARR) projected for the ensuing FY 2020-21 with respect to the Distribution Business of the Petitioner.

Background

At the outset, the Petitioner filed the ARR Petition for FY 2020-21 before the Hon'ble Commission on 14.02.2020 for its approval and determination of Tariff for the FY 2020-21. Although, the Hon'ble Commission admitted the said Petition on 18.02.2020 and the public hearing on the same was scheduled on 18.03.2020, the public hearing had to be cancelled by the Hon'ble Commission due to the out-break of COVID-19.

The Ministry of Home Affairs (MHA) vide its Order dated 24.03.2020 imposed lockdown for 21 days w.e.f 25.03.2020 and issued guidelines as an effective measure to control the unprecedented situation created due to COVID-19. Subsequently, the Ministry of Power (MoP) has advised the CERC to ensure uninterrupted power supply in the public interest and reduce the late payment surcharge for Distribution companies till June, 2020 (copy of MHA Order enclosed as **Annexure – 1**).

Prior to the above Order, the Petitioner vide its letter dated 18.03.2020 already sought for regulatory guidance of the Hon'ble Commission to issue necessary directions and relax the timelines and the process specified as directed by the Hon'ble Commission till the situation normalises (copy of letter dated 18.03.2020 enclosed as **Annexure – 2**). In this regard, the Hon'ble Commission shared communique on 25.03.2020 recognising the issues arising due to the outbreak of COVID-19 and suspended the DERC (Supply Code and Performance Standards) Regulations, 2017 ("Supply Code") during this Force Majeure conditions. The relevant extracts of the same areas under:

> *"This has reference to the letters dated 18.03.2020 and 23.03.2020 received from distribution licensees regarding consideration of Outbreak of COVID-19 as 'force majeure' being not attributable to distribution licensees.*
>
> *2.The matter has been examined and it is observed that Government of NCT of Delhi vide its Order dated 22.03.2020 has notified a lockdown in NCT of Delhi from 23.03.2020 to 31.03.2020. Further, the Hon'ble Prime Minister of India in his address to the Nation on 24.03.2020 has announced the complete lockdown of the Country for a period of 21 days w.e.f. 25.03.2020.*

3.In view of above, this unprecedented calamity has been considered as 'force majeure' condition under the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017 and DERC (Terms and Conditions of Tariff) Regulations, 2017.

The standards of Performance and other provisions under DERC (Supply Code and Performance Standards) Regulations, 2017 shall remain suspended during this period of 'force majeure' condition as per applicable Orders of Government of NCT of Delhi and/or Government of India. However, the distribution licensee shall make all efforts to maintain un-interrupted and reliable power supply.

The targets of collection efficiency for FY 2019-20 will be considered at the time of true-up of Aggregate Revenue Requirement for FY 2019-20 subject to prudence check."

Further, the Petitioner vide letter dated 03.04.2020 requested the Hon'ble Commission for Regulatory guidance on other issues such as waiver of LPSC on the bills of power suppliers, submission of quarterly audited form 2.1a, processing fee for digital/online bill payment, incentivising consumers for self-meter reading and early payment of electricity dues which are not governed by the Supply Code (copy of letter dated 03.04.2020 e**nclosed as Annexure – 3**). In receipt of the same and directions issued by CERC, the Hon'ble Commission issued COVID-19 Order dated 07.04.2020 recognizing the gravity and unprecedented nature of the current situation and interalia relaxing the time period for payment of consumer electricity bills by 15 days; allowing a moratorium on the payment of fixed charges for next 3 billing cycles beginning from 24thMarch 2020 to the consumers covered under public utilities, industrial and non-domestic tariff categories; deferring the annual load assessment exercise for all consumers; special rebate scheme for prompt payment by consumers and payment of LPSC at the reduced rate of 12% per annum.

Ministry of Home Affairs (MHA) vide Order dated 15.04.2020, 01.05.2020,and 17.05.2020 again extended the lockdown (copy enclosed as **Annexure – 4(Colly)**) and the Hon'ble Commission also passed an Order dated 04.05.2020 for relaxation on provisional billing of Industrial and Commercial consumers (copy enclosed as **Annexure – 5**). In this regard, the Petitioner vide letter dated 14.05.2020 explained their grievance and requested the Hon'ble Commission to revisit the directions in respect of the consumers falling under Non-Domestic, Industrial Tariff categories and Public Utilities (only for moratorium on fixed charges)and the mitigation /relief provided to them. Further, the Petitioner vide letter dated 15.05.2020 also explained their adverse impact on cash flows due to outbreak of COVID-19 as well as aforesaid Orders and hence, requested the Hon'ble Commission to provide regulatory guidance and take steps to urgently mitigate the Cash Flow situation of the Petitioner and devise a Mitigation Plan for meeting payment obligations including power purchase cost. (Copy enclosed as **Annexure – 6(colly)**).

The Hon'ble Commission vide letter dated 20.05.2020 recognised that the projections of major parameters as submitted in Tariff Petition for FY 2020-21 would have undergone changes due to lockdown conditions. In view of the changed circumstances, the Hon'ble Commission gave opportunity to the Petitioner to revise its Tariff Petition for revised ARR of FY 2020-21 latest by 30.05.2020.

However, the Petitioner vide letter dated 28.05.2020 requested the Hon'ble Commission to extend the timelines of filing the revised ARR Petition and Tariff determination for FY 2020-21 before the Hon'ble Commission in view of COVID-19 impact as it requires collaboration and inputs from various departments and the Petitioner is also facing shortage of resources due to inter-state border seal issue to work on the revised projections and figures

In the meanwhile, following the MHA Order dated 30.05.2020 related to lockdown extension till 30.06.2020 and guidelines on re-opening the prohibited activities in phased manner, GoNCT of Delhi passed an Order dated 01.06.2020 specifying the activities that will continue to remain prohibited and remaining are permitted with restrictions till 30.06.2020.

The Hon'ble Commission vide letter dated 01.06.2020 gave the final opportunity to submit the revised ARR Petitions for FY 2020-21 latest by 05.06.2020. Hence, the Petitioner is filing the revised ARR Petition for FY 2020-21 to seek approval of the same and for determination of Retail Supply Tariff for the ensuing financial year FY 2020-21 based on the projected income from existing tariffs and the expenses.

In view of the above background, following revisions are proposed in this revised ARR of FY 2020-21 on account of lockdown conditions:

i. **Reduction in Sales and consequent impact on Revenue:** Due to nationwide lockdown, significant reduction in industrial and commercial demand and shutdown of DMRC activity resulted in sharp decline of sales in first two months of FY 2020-21. Although, there may be a phased restoration of commercial and industrial demand as per latest guidelines of GoNCT of Delhi dated 01.06.2020 in compliance to MHA guidelines issued on 30.05.2020,the overall demand may take a while to recover from the COVID-19 impact during FY 2020-21. Thus, the Petitioner has projected the energy sales for FY 2020-21 after considering the above situation which has been elaborated in the respective section. Further, the lower demand may also lead to lower revenue and cash collection especially from commercial and industrial categories.

ii. **Change in Collection Efficiency to 92.38% vis-à-vis 99.5%:** In such extreme uncertainty, there are delays in payment of bills by the consumer due to lockdown conditions. Hence, it is proposed that for the purpose of projecting the revised ARR for FY 2020-21, the Collection Efficiency for the year 2020-21 is projected as an amalgam of the actual Collection Efficiency in Q1 of this FY i.e. 70.16% and the projected Collection Efficiency for the balance 9 months of the year at the same level as specified in the DERC Business Plan Regulations, 2019 i.e. 99.50%. The weighted average of the Collection Efficiency on such basis would come to 92.38% for FY 2020-21.

iii. **Change in Power Purchase cost:** The peak power demand of the Petitioner during the first two months has reduced significantly by upto 43% (Apr'20) and 15% (May'20) as compared to the corresponding peak power demand during same period of last year. Although, the demand may be expected to rise with phased restoration of various activities as per the latest guidelines issued by the GoNCT of Delhi on 01.06.2020, the overall demand is expected to be muted as compared to the earlier pre-COVID projections. Also, there is uncertainty of availability of new power plants in FY 2020-21 which were earlier projected in pre-COVID situation. Considering the above facts, the Petitioner has projected the revised Power Purchase cost for FY 2020-21 which has been explained in the respective section.

iv. **Additional Expenses incurred due to COVID-19 impact:** The Petitioner incurred additional expenses on account of Force Majeure condition of COVID-19 comprising of Hand Sanitizers, Masks, Hand Gloves, PPE kits, Face Shields, Fumigation carried out in Offices & Buildings etc. Such expenses arein compliance to various directives issued by MHA and GoNCTD from time to time which are beyond the reasonable control of the Petitioner and were not the part of Normative O&M expenses. Hence, the Petitioner request the Hon'ble Commission to allow such expenses in revised ARR for FY 2020-21.

v. **Additional working capital requirement towards opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under PPA:**As per the methodology for computation of working capital as specified in the DERC Tariff Regulations, 2017,the current working capital requirements norms compensate for 1 month of receivable only and thus, DISCOMs cannot even avail the rebate. However as per MOP directions, the DISCOMs have to maintain adequate LC. As NTPC supplies 70% of the power to Delhi DISCOMs, the funding of such additional working capital is substantial and thus, is required to be allowed separately apart from norms of working capital specified in DERC Tariff Regulations, 2017. The Petitioner has computed additional interest corresponding to one-month PP Cost (estimated for FY 2020-21) on account of Central Generating Station and PGCIL charges.

Further, the Petitioner requests the Hon'ble Commission to relax the following operational parameters for FY 2020-21 in view of COVID-19 impact (a force majeure condition):

i. Distribution Loss Targets as specified in Regulation 25 of DERC Business Plan Regulations, 2019 in line with the Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

ii. Collection Efficiency Targets as specified in Regulation 26 of DERC Business Plan Regulations, 2019 in line with theRegulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

iii. Adjustment in Revenue (Gap)/Surplus on account of variation in Capitalisation as specified in Regulation 24(6) of DERC Business Plan Regulations, 2019 in line with the Regulation 4(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

iv. RPO targets as specified in Regulation 27 of DERC Business Plan

Regulations, 2019 in line with the Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

v. Rebate as specified in Regulation 119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

vi. Restriction of 1% adjustment in energy sales as per directive no 6.8 of Tariff order dated 31.07.2019. (The meter reading activities are suspended during the lockdown in view of safety of our meter readers and consumers. The bills were issued on provisional basis and the same may be actualized as and when the meter reading activity be resumed and the correction of the provisional bills would be reflected in the adjustment column during FY 2020-21).

This revised Petition is based on the following principles:

Principles of Tariff Fixation

The principles of Tariff Fixation are stated as follows:

1. Section 61(1) of the Electricity Act, 2003 Act lays down the principles for tariff fixation which inter-alia, are as follows:
   - (a) Tariff to reflect the cost of supply of electricity
   - (b) Recovery of cost of electricity in a reasonable manner
   - (c) Tariff to reduce cross subsidies
   - (d) Generation, Transmission, Distribution and supply to be conducted on commercial principles.
   - (e) Promotion of renewable sources of energy
   - (f) Encourage competition, efficiency, economical use of resources, good performance and optimum investments
   - (g) Safeguarding of consumer's interest
   - (h) Multi-year tariff principles
2. Section 61(4) mandates revision of tariffs under fuel surcharge formula
3. Section 64(3) mandates ERCs to issue tariff order within 120 days from receipt of application
4. Section 65 mandates the State Government to pay the subsidy in advance to

the distribution licensees.

5. Tariff policy notified under Section 3 of the Electricity Act 2003, inter-alia, provides as follows:

(a) Regulatory assets can be created only as an exception subject to the following guidelines:

i. Only natural causes or force majeure conditions can be circumstances for creation of regulatory asset;
ii. Under business as usual conditions, the opening balances of unrecovered gaps must be covered through financing arrangement or capital restructuring;
iii. Carrying cost of regulatory asset should be allowed to the utilities;
iv. Recovery of regulatory asset should be time bound and not within a period not exceeding three years, at the most and preferably within the control period;
v. Use of regulatory asset should not be repetitive;
vi. While creating regulatory asset it should be ensure that Return on Equity (ROE) should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected.

In accordance with Section-62 of Electricity Act 2003 and Revised Tariff Policy 2016, the Hon'ble Commission has notified DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 which is required to be followed by the Licensees for filing the Petition for determination of revised ARR and Tariff determination for any particular year.

In Delhi, the DISCOMs are required to follow DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 issued on 31st January, 2017, while filing revised ARR and Tariff Petitions.

Under the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Petition for determination of revised ARR for any financial year is required to be filed atleast 150 days prior to the end of relevant financial year. The various legal provisions behind filing of revised ARR as are below:

i. Section 62 of the Electricity Act, 2003 provides for determination of supply of electricity by a generating company to distribution licensee; retail supply and wheeling tariff etc.

ii. Regulation 11 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 lays down the provisions of tariff filing by the distribution licensees inter-alia as follows –

"11. The Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial Year which shall contain:

(1) Sales Forecast for the ensuing year and audited Sales for previous Year on monthly basis as prescribed in the Appendix-2;

(2) Expected Revenue to be billed for the ensuing year and audited Revenue Billed and Realised for previous Year as prescribed in the Appendix-2;

(3) Power Procurement Quantum & Cost for ensuing Year and audited Power Purchase Quantum & Cost for previous Year on monthly basis indicating Long Term and Short Term, Renewable Energy Purchase and other applicable Charges as prescribed in the Appendix -2:

Provided that the Distribution Licensee shall propose the indicative cost of power procurement taking into account revenues from Short term sale of Surplus Power and maximum normative rebate available from each entity;

Provided that the Renewable Purchase Obligation of the Distribution Licensee as per the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time shall be part of the Distribution Licensee's Power Procurement Cost;

(4) Actual and Expected intra- State & inter-State Transmission Loss & Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity for the previous and ensuing Year respectively:

Provided that the Distribution Licensee shall propose Wheeling Charges in case the distribution network of other Distribution Licensee is used for procurement of power for the Retail Supply Business;

(5) Actual and Expected amount on account of Cross-Subsidy Surcharge and Additional Surcharge to be received by the Licensee, as approved by the Commission from time to time in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time, shall be indicated separately against the consumer category by the Distribution Licensee;

(6) Actual Voltage wise Distribution Loss and Collection Efficiency for the previous Year;

(7) Energy Audit Report of distribution network of the Distribution Licensee for previous Year by certified energy auditor from Bureau of Energy Efficiency;

(8) Monthly Energy Balance for the ensuing & previous Year;

(9) Actual and Expected Additional Expenses on account of O&M beyond the Control of Distribution Licensee for the ensuing & previous Year respectively;

(10) Actual and Expected Capitalisation and Depreciation Schedule for the previous and ensuing Year respectively;

(11) Actual and Expected Non-Tariff Income including Other Business Income for the previous and ensuing Year respectively;

(12) Actual weighted average rate of interest on loan."

It is, therefore, respectfully submitted that while deciding the revised ARR Petition, the Hon'ble Commission will need to be guided by inter alia the following mandates of the Electricity Act, 2003 Act and Revised Tariff Policy, 2016while noting that the Supreme Court of India has in its decision in Energy Watchdog v. CERC, (2017) 14 SCC 80 inter alia that the tariff policy notified under Section 3 of the 2003 Act is statutoryin nature and as binding effect:

<u>Electricity Act, 2003:</u>

"61. The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:

(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and

transmission licensees;

(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;

(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;

(e) the principles rewarding efficiency in performance;

(f) multi year tariff principles;

(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;

(h) the promotion of co-generation and generation of electricity from renewable sources of energy;

(i) the National Electricity Policy and tariff policy:"

<u>Revised Tariff Policy, 2016 notified by the Central Government under Section 3 of the Electricity Act, 2003:</u>

"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of hydro-thermal mix in case of adverse natural events."

Furthermore, the Revised Tariff Policy also mandates approval of the capital expenditure necessary to meet the minimum service standards. There is a need to accelerate performance improvement and reduction in losses which will be in the long term interest of consumers by way of lower tariffs.

"a) Return on Investment

Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. <u>The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.</u>

..

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

....

At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. <u>The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.</u>

....

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.

Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

....

The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. <u>This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:</u>

<u>Under business as usual conditions, no creation of Regulatory Assets shall be allowed;</u>

<u>Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding</u>

seven years. The State Commission may specify the trajectory for the same."

(Emphasis supplied)

Section 11 read with Section 28 of the Delhi Electricity Reforms Act, 2000 provides for the licensee to observe methodologies and procedures specified by the Commission from time to time in calculating the expected revenue.

Clause 24 of the License Conditions of Petitioner issued by DERC also provides for the provision of revenue calculation and tariffs.

Clause-3 and 4 of Tariff Regulations, 2017, states as under:

"3. The Commission shall notify Business Plan Regulations for each Control Period based on the Business Plan submitted by the Utility which shall be read as part of these Regulations.

4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:

(1) Rate of Return on Equity,
(2) Margin for rate of interest on loan,
(3) Operation and Maintenance Expenses,
(4) Capital Investment Plan,
(5) Mechanism for sharing of incentive-disincentive mechanism,
(6) Allocation of overhead expenses incurred on account of Administrative expenditure out of Operation and Maintenance Expenses for creation of Capital Assets,
(7) Generating Norms:
(b) Gross Station Heat Rate,
(c) Plant Availability Factor,
(d) Secondary Fuel Oil Consumption,
(e) Auxiliary Consumption and
(f) Plant Load Factor,
(8) Transmission Norms:
(a) Annual Transmission System Availability,
(b) Annual Voltage wise Availability

(9) Distribution Norms:

(a) Distribution Loss Target,

(b) Collection Efficiency Target,

(c) Targets for Solar and Non Solar RPO,

(d) Contingency Limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) Transactions,

(e) The ratio of various ARR Components for segregation of ARR into Retail Supply and Wheeling Business."

After the submission of Business Plan for the next control period i.e., FY 2020-21, FY 2021-22 and FY 2022-23 by the Petitioner on October21, 2019, the Hon'ble Commission on December 27, 2019 uploaded DERC (Business Plan) Regulations, 2019 (hereinafter "Business Plan Regulations, 2019") in the website of the Hon'ble Commission which are applicable for a period of 3 years, i.e., FY 2020-21, FY 2021-22 and FY 2022-23. Business Plan Regulations, 2019 specified the trajectory for various controllable parameters to be followed during FY 2020-21 to FY 2022-23.It is also pertinent to mention that the said Regulation is not yet notified by the Hon'ble Commission. The Petitioner reserves its right to challenge the said notified Regulations.

Accordingly, the Petitioner on February 14, 2020 submitted its Petition for approval of ARR and determination of Tariff for the FY 2020-21. However, the Hon'ble Commission after recognising the impact of COVID-19 and imposed lockdown, vide letter dated 20.05.2020 has given the opportunity to the Petitioner to submit the revised Tariff Petition for ARR of FY 2020-21. Hence, the Petitioner is filing the revised ARR of FY 2020-21 wherein the Projections for ensuing year (FY 2020-21) are done on the basis of certain assumptions which are outlined below:

(a) Energy Sales is projected on the basis of Past Year Compounded Annual Growth Rate (CAGR) and adverse impact of lockdown conditions on operational activities of various consumer categories.

(b) Distribution Loss is projected in accordance with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and the target specified in the Business Plan Regulations, 2019 as uploaded on the website of the Hon'ble Commission.

(c) Collection Efficiency is projected below the target specified in Business Plan

Regulations, 2019 as uploaded on the website of the Hon'ble Commission due to adverse impact of lockdown conditions.

(d) Power Purchase Quantum to be purchased is projected on the basis of energy Sales and Distribution Loss projected for the ensuing year. Various Power Purchase Agreements/ Contracts are taken into consideration while projecting power purchase quantum.

(e) For Power Purchase Cost, fixed cost is projected on the basis of Orders issued by Hon'ble CERC or DERC based upon the applicability. Further, the Energy charges are considered as plant wise weighted average cost based on actuals of FY 19-20 along with minor escalation of 3%.

(f) Operation and Maintenance Expenses are projected based on the methodology specified by the Hon'ble Commission in DERC Business Plan Regulations, 2019.

(g) Capital expenditure related expenses are projected on the basis of capital expenditure approved by the Hon'ble Commission for ensuing year in the DERC Business Plan Regulations, 2019.

Based on the above assumptions, the Petitioner is filing the revised Tariff Petition for ARR of FY 2020-21 for approval of the Hon'ble Commission and prompt determination of cost reflective Tariff.

b) Energy Sales

For projection of Sales for FY 2020-21, following approach is adopted by the Petitioner:

v. Step 1 – Firstly, the Petitioner considered the Adjusted Trend Analysis Method and base year is taken as actuals of FY 2019-20. This could have been crystallised in normal scenario i.e. without considering the impact of COVID19 and lockdown conditions.

vi. Step 2 – After projecting the sales in Step 1, the consumer categories were identified which are operational to the extent as permitted during lockdown and after lockdown conditions.

vii. Step 3 – The category wise sales projected in Step 1 is compared with the extent of operation of the consumer categories identified in Step 2 as allowed during lockdown and post lockdown conditions.

viii. As the extended lockdown is till30th June, 2020 w.e.f 1st June, 2020 (though in lockdown phase 5, some activities remained to be prohibited, the remaining activities are opened with some restrictions), it is also estimated that the operations of various consumer categories will be allowed with some restrictions after completion of lockdown period.

The Adjusted Trend Analysis Method makes use of a statistical tool, namely the Compound Annual Growth Rate (CAGR) and, accordingly, Compound Annual Growth Rates (CAGRs) have been calculated from the past figures for each category, corresponding to different lengths of time in the past six years, along with the year on year growth rates from FY 2014-15 to FY 2019-20. The category-wise actual sales for the period FY 2014-15 to FY 2019-20is tabulated below:

Table 2.1: Sales from FY 2014-15 to FY 2019-20(MU)

S.No	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**3,004**	**3,180**	**3,517**	**3,756**	**3,838**	**4,057**
A1	Domestic Other than A2 to A4	2,888	3,067	3,405	3,640	3,723	3,946
A2	CGHS	17	16	17	19	21	21
A3	11 KV Worship/Hospital	74	73	75	77	75	74
A4	DVB Staff	26	23	20	20	19	16
B	**Non Domestic**	**1,639**	**1,708**	**1,772**	**1,882**	**1,791**	**1,737**
B1	Non Domestic LT	1,276	1,345	1,405	1,501	1,467	1,412
B2	Non Domestic HT	362	363	367	381	325	324
C	Industrial	**282**	**284**	**277**	**310**	**374**	**373**
C1	Industrial LT	247	248	241	267	289	289
C2	Industrial HT	35	36	35	44	85	84
D	**Agriculture**	**0**	**0**	**0**	**0**	**0**	**0**
E	**Public Utilities**	**403**	**425**	**464**	**472**	**425**	**392**
E1	Public Lighting	101	114	145	119	104	93
E2	DJB LT	10	11	11	12	12	13
E3	DJB HT	130	137	131	135	137	137
E4	DMRC	161	164	177	207	171	150
F	Temporary Supply	39	41	46	45	46	52
G	Advertisement & Hoardings	1	1	1	1	0	0

S.No	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
H	E Vehicle	-	-	-	0	7	16
I	Self-consumption	16	13	16	16	15	13
J	Enforcement	21	24	23	20	14	13
K	Others	-	0	0	1	2	3
Total		**5,405**	**5,676**	**6,115**	**6,504**	**6,514**	**6,658**

The category-wise CAGR for various consumer categories are as follows:

Table 2.2: 5 Years CAGR (%)

S.No	Category	5 yrs	4 yrs	3 yrs	2 yrs	YOY	Growth Considered
A	**Domestic**						
A1	Domestic Other than A2 to A4	6.44%	6.50%	5.04%	4.12%	5.98%	4.12%
A2	CGHS	4.90%	6.27%	6.97%	4.18%	-2.10%	4.90%
A3	11 KV Worship/Hospital	0.09%	0.18%	-0.48%	-2.14%	-1.32%	0.09%
A4	DVB Staff	-8.66%	-8.35%	-6.00%	-9.30%	-13.40%	0.00%
B	**Non Domestic**						
B1	Non Domestic LT	2.04%	1.24%	0.18%	-2.99%	-3.71%	-2.99%
B2	Non Domestic HT	-2.19%	-2.78%	-4.03%	-7.70%	-0.10%	0.00%
C	**Industrial**						
C1	Industrial LT	3.17%	3.86%	6.22%	4.10%	-0.02%	3.17%
C2	Industrial HT	18.96%	23.71%	33.42%	38.77%	-1.70%	3.17%
D	Agriculture	0.23%	-4.25%	-2.88%	-9.33%	-5.89%	0.23%
E	Public utilities						
E1	Public Lighting	-1.74%	-5.08%	-13.94%	-11.67%	-10.84%	-20.00%
E2	DJB LT	4.61%	4.74%	5.81%	4.21%	2.05%	4.61%
E3	DJB HT	0.96%	0.00%	1.39%	0.54%	-0.06%	0.96%
E4	DMRC	-1.37%	-2.11%	-5.22%	-14.67%	-12.32%	-25.00%

S.No	Category	5 yrs	4 yrs	3 yrs	2 yrs	YOY	Growth Considered
F	Temporary Supply	6.03%	5.94%	4.38%	7.44%	14.40%	6.03%
G	Advertisement & Hoardings	-40.23%	-50.82%	-61.64%	-74.20%	-36.37%	0.00%
H	E Vehicle	0.00%	0.00%	0.00%	568.80%	124.56%	10.00%
I	Self-consumption	-4.06%	1.27%	-5.13%	-8.60%	-14.26%	0.25% of sales
J	Enforcement	-8.68%	-13.47%	-16.57%	-18.89%	-4.66%	-8.68%
K	Others	0.00%	188.67%	102.71%	90.33%	61.91%	0.00%

The category wise number of consumers and total connected load for FY 2014-15 to FY 2019-20 are as follows:

Table 2.3: Number of consumers from FY 2014-15 to FY 2019-20

S.No	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**1084188**	**1144581**	**1194989**	**1249570**	**1288537**	**1331796**
A1	Domestic Other than A2 to A4	1077264	1139603	1189946	1244638	1283736	1328152
A2	CGHS	17	17	17	18	18	17
A3	11 KV Worship/Hospital	29	31	33	33	31	30
A4	DVB Staff	6878	4930	4993	4881	4752	3597
B	**Non Domestic**	**350820**	**362433**	**373450**	**386590**	**383912**	**385348**
B1	Non Domestic LT	350542	362141	373164	386302	383634	385069
B2	Non Domestic HT	278	292	286	288	278	279
C	**Industrial**	**8021**	**7836**	**7730**	**7648**	**7555**	**7568**
C1	Industrial LT	8001	7817	7713	7628	7520	7532
C2	Industrial HT	20	19	17	20	35	36
D	Agriculture	52	51	47	45	43	42
E	**Public utilities**	**4302**	**4405**	**4477**	**4579**	**4790**	**5052**
E1	Public Lighting	3482	3598	3638	3689	3835	3896

S.No	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
E2	DJB LT	750	737	770	819	883	1084
E3	DJB HT	69	69	68	69	69	69
E4	DMRC	1	1	1	2	3	3
F	Temporary Supply	0	0	0	0	0	0
G	Advertisement & Hoardings	286	357	339	285	344	348
H	E Vehicle	0	0	0	119	552	790
I	Self-Consumption	3	10	12	14	4	192
J	Enforcement	0	0	0	0	0	0
K	Others	0	0	0	0	0	0
Total		**1447672**	**1519673**	**1581044**	**1648850**	**1685737**	**1731136**

Table 2.4: Total connected load (MW/MVA)for FY 2014-15 to FY 2019-20

S.NO	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**3,359**	**3,720**	**3,746**	**2,678**	**2,799**	**2,927**
A1	Domestic	3,279	3,645	3,669	2,601	2,728	2,863
A2	CGHS	16	16	16	17	11	10
A3	11 KV Worship/Hospital	40	41	44	44	44	43
A4	DVB Staff	24	17	17	17	15	12
B	**Non Domestic**	**1,621**	**1,708**	**1,683**	**1,700**	**1,647**	**1,626**
B1	Non Domestic LT	1,381	1,470	1,469	1,488	1,448	1,430
B2	Non Domestic HT	240	237	214	212	199	197
C	**Industrial**	**184**	**183**	**179**	**179**	**215**	**215**
C1	Industrial LT	164	163	160	159	180	180
C2	Industrial HT	20	20	19	20	35	35
D	Agriculture	0	0	0	0	0	0
E	**Public utilities**	**133**	**137**	**140**	**146**	**164**	**193**
E1	Public Lighting	31	33	33	33	46	43
E2	DJB LT	11	11	11	12	13	14
E3	DJB HT	69	71	71	72	74	74

S.NO	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
E4	DMRC	21	21	25	28	31	62
F	Temporary Supply						
G	Advertisement & Hoardings	1	1	1	1	1	1
H	E Vehicle					3	6
I	Self-Consumption	0	0	0	0	0	6
J	Enforcement						
K	Others						
Total		**5,299**	**5,748**	**5,749**	**4,705**	**4,828**	**4,974**

While forecasting of Energy Sales for the FY 2020-21 excluding COVID-19 and lockdown conditions impact, the Petitioner has considered the actual Sales till FY 2019-20. In order to forecast energy sales for FY 2020-21, various year CAGR is computed, considering FY 2019-20 as base year. However, solely relying on annual CAGR is not sufficient. Certain categories show abnormal growth rates due to various reasons such as:

- New category introduced like E-Rickshaws for which data for past years is not available.
- Certain consumers / categories show no or very less consumption due to opting of Open Access, Solar Net Metering, DSM measures etc.
- Cross-migration of consumers from one category to another, etc.
- Tendency of consumers to opt for multiple connections for deriving benefits of subsidy.
- Impact of Court's/State Commission/NGT/DPCC/Municipal corporation orders on grant of new electricity connection or disconnection of existing electricity connections.

Such outliers have been manually identified and appropriate growth rates have been applied to these categories so that the overall trend matches with the actual growth.

It is pertinent to highlight the following constraints faced by the Petitioner recently in FY 2018-19 and FY 2019-20 regarding the consumer sales:

- **Saturation of electrification in Petitioner's area:** The average consumer density in Petitioner's area is as high as 8,476 connections/sq. km. In some areas, the consumer density is more than 28,000 connections/ sq. km.and hence, there is limited scope of sales growth on account of addition in number of consumers.
- **Sealing drive conducted by Civic Authorities**: Several sealing drives are being conducted by the civic authorities leading to disconnections under existing non-domestic/ industrial category.
- **Demand Side Management (DSM) activities:** Due to the DSM activities undertaken by the Petitioner such as distribution of Energy Efficient LED lights, Air Conditioners etc., under the DSM scheme, the sales under Domestic category have not shown a significant growth.
- **Open access & Net metering:** Many Consumers from categories like DMRC, Non Domestic and Industrial are opting for Open Access. Further, the Net Metering is also opted by most of the consumer which constitute to capacity of 18 MW as on 31.03.2019. This is also adversely impacting the sales growth of the Petitioner.
- **Clearance required from Delhi Pollution Control Committee (DPCC):** The Hon'ble Commission mandated the clearance from DPCC for availing new industrial and some Non-Domestic connections which has adversely affected the consumer growth under industrial and Non-Domestic category.
- **Restriction on building height:** In accordance with the DERC (Supply Code and Performance Standards) Regulations, 2017, fire clearance certificate has been mandated for availing connections in buildings more than 15 meters high. Most of the consumers/applicants residing in Petitioner's area belongs to unauthorized areas/colonies where the building height is more than 15 meters and fire clearance certificates are not available with the applicants seeking new connections. Further, the relaxation in building height upto17.5 meters in case of stilt parking has no significant impact as such cases are not prevalent in Petitioner's license area.

The methodology adopted for projection of energy sales in normal scenario assuming that the COVID19 and lockdown conditions could not have been imposed during FY 2020-21 has been elaborated as under:

- **Domestic other than CGHS, 11 KV Worship/Hospital and DVB Staff:** Domestic category is the predominant category of the Petitioner, representing about 60% of total energy sales. It is observed that the percentage increase in sales is less in last 2 years when compared to 5-year CAGR. Due to various constraints in Petitioner's area such as restriction of building height more than 15 Meters, high consumer density etc. coupled with various DSM initiatives undertaken by the Petitioner, the Sales under this category are not likely to increase substantially on the basis of 3 to 5 CAGR. Accordingly, sales for domestic category FY 2020-21 has been projected considering 2 years CAGR i.e., 4.12%.
- **CGHS**: This category is billed under Domestic category. In last 5 years, although there is no consumer growth in this category, only specific consumption of existing consumer is increased. Considering the above factors, the Petitioner has considered 5 years CAGR of 4.90%.
- **Non Domestic low tension:** The sales under this category are continuously declining since FY 2017-18 onwards. The reason for decline in sales under this category is due to sealing drive conducted by Civic agencies, restriction in granting new electricity connection for cases having building height more than 15 meters, non-availability of clearance from DPCC etc. The yearly growth during FY 2019-20 was (-) 3.71% as compared to the 5 year's CAGR of 2.04%. Hence, 2 years CAGR which is a negative growth of (–) 2.99% is considered for FY 2020-21.
- **Non Domestic High tension:** The sales under this category is in the same range every year. However, the CAGR is showing abnormal declining trend. The major reason is that the Hon'ble Commission in its Tariff Order dated 28.03.2018 has shifted the private hospitals from Non Domestic category to Industrial category. Hence, zero growth is considered in the Non Domestic HT category.

- **Industrial Low Tension:** Under this category, 5 years CAGR of 3.17% is considered.
- **Industrial High Tension**: The CAGR under this category is showing abnormal growth due to the fact that Private Hospitals are shifted from Non Domestic category to industrial category. Hence, same growth rate as of Industrial LT is considered.
- **Agriculture & Mushroom Cultivation:** 5-year CAGR has been considered for projecting the sales under Agriculture and Mushroom cultivation categories.
- **Public utility Category:** For projecting the sales under Public Utilities category, the following assumptions have been considered:
  1. **Public Lighting:** The consumption of Public Lighting is projected to reduce at the rate of 20% annually from the actual level in FY 2019-20 considering the replacement of old lamps with energy efficient LED lamps.
  2. **Delhi Jal Board (DJB):** The consumption of Delhi Jal Board (DJB) Low tension and High tension is projected to increase on the basis of 5 years CAGR of 4.61% and 0.96% respectively.
  3. **DMRC:** The consumption of Delhi Metro Rail Corporation (DMRC) is projected to reduce by 25% from the actual level in FY 2019-20 due to Open Access procurement by DMRC.
  4. **Advertisement& Hoardings:** Nil Growth is considered in the sales under Advertisement& Hoardings category as the same is showing negative growth throughout the 5-year period.
  5. **Temporary category:**5 year CAGR of 6.03% is considered in this category.
- The sales under Charging Stations for E-Vehicles have been projected to increase at the rate of 10% annually upto FY 2021-22 mainly due to expected increase in number of E-Vehicles.
- 5 year CAGR of (-) 8.68% is considered for enforcement from the actual level in FY 2019-20 considering the proposed loss reduction as the distribution loss of Petitioner is under 10% and there is not much scope in enforcement category for further loss reduction.

- The self-consumption has been projected for each year considering 0.25% of the projected total sales for the respective year as per Regulation 23(2) of DERC (Business Plan) Regulations, 2019.
- The Petitioner has applied the above growth rates on the actual category wise sales of FY 2019-20 to estimate energy sales during FY 2020-21 (excluding the impact of COVID19 and Lockdown) as tabulated below:

Table 2.5: Projected Sales (MU) for FY 2020-21 (excluding COVID19 impact and Lockdown)

S. No.	Category	Actual Sales of FY 2019-20	Growth Rate considered	Sales FY 2020-21
A	Domestic	**4,057**		**4,221**
A1	Domestic Other than A2 to A4	3,946	4.12%	4,108
A2	CGHS	21	4.90%	22
A3	11 KV Worship/Hospital	74	0.09%	74
A4	DVB Staff	16	0.00%	16
B	**Non Domestic**	**1,737**		**1,694**
B1	Non Domestic LT	1,412	-2.99%	1,370
B2	Non Domestic HT	324	0.00%	324
C	Industrial	**373**		**385**
C1	Industrial LT	289	3.17%	298
C2	Industrial HT	84	3.17%	87
D	Agriculture	0	0.23%	0
E	**Public Utilities**	**392**		**338**
E1	Public Lighting	93	-20.00%	74
E2	DJB LT	13	4.61%	13
E3	DJB HT	137	0.96%	138
E4	DMRC	150	-25.00%	113
F	Temporary Supply	52	6.03%	55
G	Advertisement & Hoardings	0	0.00%	0
H	E Vehicle	16	10.00%	18
I	Self-Consumption	13	.25% of sales	17

S. No.	Category	Actual Sales of FY 2019-20	Growth Rate considered	Sales FY 2020-21
J	Enforcement	13	-8.68%	12
K	Others	3	0.00%	3
Total		**6,658**		**6,744**

Impact of COVID-19 and Lockdown on Energy Sales for FY 2020-21

To contain the spread of COVID-19 outbreak in India, Nationwide lockdown was imposed in the following phases:

A. Lockdown Phase 1 (24th March 2020 to 14th April 2020): MHA (Ministry of Home Affairs), GOI vide its Order No 40-3/2020-DM-I(A) dated 24th March 2020 has extended the country vide lockdown which is applicable from 24th March 2020 to 14th April 2020 (copy enclosed as Annexure – 1). During this period the following activities are ordered to remain close with some exceptions:

i. All offices of Govt of India shall remain closed excluding offices falls under essential services such as Defence, CRPF, treasury, public utilities, disaster management, power generation, transmission, post offices etc. The office allowed to operate is advised to work with minimum number of employees.

ii. All offices of State Government/UTs shall remain closed excluding Police stations, home guards, fire and emergency services, district administration, electricity, water, sanitation etc. The office allowed to operate is advised to work with minimum number of employees.

iii. Hospitals and all related medical establishments are allowed to operate

iv. Commercial and private establishments will remain closed except for shops selling essential items (daily needs), banks, insurance offices, ATMs, print and electronic media, telecommunication, internet services, etc.

v. Industrial establishments will remain closed except for the industries manufacturing essential commodities.

vi. Hospitality services will remain closed except for hotels/lodges which are accommodating tourists and persons stranded due to lockdown and other establishments which are earmarked for quarantine facilities.

vii. All transport facilities including rail, air and roadways will remain closed except for transportation of essential goods, fire and emergency services.

viii. Apart from the above all activities are ordered to shut down such as educational institutes, places of worships, social, political, sports, entertainment/ academic/ cultural/ religious gatherings etc are banned.

B. Lockdown Phase 2 (15th April 2020 to 3rd May 2020): MHA, GOI vide its order no 40-3/2020-DM-I(A) dated 14th April 2020 has extended second phase of country vide lockdown from 15th April 2020 to 3rd May 2020. The terms and condition for operating during the lockdown 2.0 remains same as lockdown 1.0. (copy enclosed as Annexure – 4(Colly)).

C. Lockdown Phase 3 (4th May 2020 to 17th May 2020):MHA, GOI vide its order no 40-3/2020-DM-I(A) dated 1st May 2020 extended the lockdown for a further period of two weeks w.e.f. 4th May 2020 to 17th May 2020. In this Order, identification of Red (Hotspot) zones, green zones and orange zones and containment zones was identified by MHA. It is pertinent to mention that all the districts of Delhi at this point of time falls under the red zone with many containment zones. In the order of MHA dated 1st May 2020, the following activities the following activities was prohibited across the country irrespective of zones:

i. All Domestic and international air travel except for essential services.

ii. All passenger movement by trains, except for security purposes or for the purpose as permitted by MHA.

iii. Metro rail services

iv. All Schools, colleges, educational and training institutes etc.

v. Hospitality services other than those used for housing health/police/government officials/ healthcare workers/ stranded person including tourists and those used for quarantine purposes.

vi. All cinema halls, shopping malls, gyms, sports complexes, swimming pools, entertainment parks, theatres, bars, auditoriums, etc.

vii. All social, political, sports, entertainments, religious, academic, cultural gatherings.

Some activities such as private offices, Industrial establishments in SEZ, construction activities, etc. are allowed to operate with restrictions in red, orange and green zones respectively. However, in containment zones, only activities covered under essential services are allowed to operate.

D. Lockdown Phase 4 (18th May 2020 to 31st May 2020): MHA vide its order No 40-3/2020-DM-I(A) dated 17th May 2020 has extended the lockdown from 18th May 2020 to 31st May 2020. The following activities was prohibited across the country irrespective of zones:-

i. All Domestic and international air travel except for essential services.

ii. All passenger movement by trains, except for security purposes or for the purpose as permitted by MHA.

iii. Metro rail services

iv. All Schools, colleges, educational and training institutes etc.

v. Hospitality services other than those used for housing health/police/government officials/ healthcare workers/ stranded person including tourists and those used for quarantine purposes.

vi. All cinema halls, shopping malls, gyms, sports complexes, swimming pools, entertainment parks, theatres, bars, auditoriums, etc.

vii. All social, political, sports, entertainments, religious, academic, cultural gatherings.

However, activities only covered under essential services are allowed to operate in the containment zones.

E. **Lockdown Phase 5 (1st June 2020 to 30th June 2020):** GoNCTD vide its order no F.2/07/2020/S.I/part file/212 dated 01.06.2020 in line with the MHA order no 40-3/2020-DM-I(A) dated 30th May 2020 has approved guidelines for 5th phase of lockdown w.e.f. 1st June, 2020 till 30th June, 2020 The following activities are prohibited in phase 5 of lockdown:

i. Metro rail services.
ii. All Schools, colleges, educational and training institutes.
iii. Hotels except those meant for housing health/ government officials/ police/ healthcare workers/ stranded persons including tourists and those used for quarantine facilities.
iv. All Cinema halls, shopping malls, gyms, spa, bars swimming pools, entertainment parks, bars, theatre, auditoriums etc.
v. All social, political, religious, sports, entertainment, academic, cultural gatherings
vi. All religious places.

However, Shops & markets, private offices, industrial establishments, construction activities are allowed to operate with restrictions. Activities only covered under essential services are allowed to operate in the containment zones. Based on the guidelines issued in different phases, the impact of lockdown on the operation of various consumer categories is summarized as under:

Table 2.6: Impact of Phase wise lockdown

Categories	Tariff/ Consumer category	25th Mar'20 to 14th Apr'20	15th Apr'20 to 4th May'20	5thMay'20 to 17th May'20	18th May to 31st May'20	1st Jun'20 to 30th Jun'20
		Phase 1	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**
		Lockdown 1.0	**Lockdown 2.0**	**Lockdown 3.0**	**Lockdown 4.0**	**Unlock 1.0**
Essential shops	Non Domestic	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone
Other shops	Non Domestic	Not allowed	Not allowed	Allowed in Green zone only with restrictions	Allowed on odd even basis with restrictions	Allowed from June 8 with restrictions
Malls	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Allowed from June 8 with restrictions
Cinema Halls	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
DMRC	Public Utilities (DMRC)	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
Industry / factories	Industrial	Not allowed	Not allowed	Allowed in green zone, 33% in other zone with restrictions	Allowed with workers in delhi with restrictions	Allowed with restrictions
Salons/ gyms	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Salons are allowed from June 8, , Gyms are allowed by assessment
Hotels	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Allowed from June 8

Categories	Tariff/ Consumer category	25th Mar'20 to 14th Apr'20	15th Apr'20 to 4th May'20	5th May'20 to 17th May'20	18th May to 31st May'20	1st Jun'20 to 30th Jun'20
		Phase 1	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**
		Lockdown 1.0	**Lockdown 2.0**	**Lockdown 3.0**	**Lockdown 4.0**	**Unlock 1.0**
Construction activity	Temporary Supply	Not allowed	Not allowed	Allowed in green zone, 33% in other zone with restrictions	Allowed with restrictions	Allowed with restrictions
Commercial establishments/ private companies	Non Domestic	Not allowed	Not allowed	Allowed in green zone, 33% in other zone	Allowed with restrictions	Allowed with restrictions
Restaurants	Non Domestic	Not allowed	Not allowed	For takeouts only in green zone	For take away only	For take away only
Hospitals	Domestic in case of Government Hospital and industrial in case of private hospitals	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone

While the Lockdown Phase 5 is still ongoing, Delhi is 3rd State followed by Maharashtra and Tamil Nadu in most number of cases affected due to outbreak of the COVID-19 pandemic across the country. The graph of COVID19 positive patient in Delhi is still in uptrend (source: ***covid19india.org/state/DL)***. Hence, it is expected that the restrictions to operate in Delhi for non-Domestic, Industrial, DMRC and other connections may not be lifted after 30th June, 2020. Perhaps, it may be relaxed in a phased manner. Accordingly, the impact of COVID–19 and lockdown conditions on operation of various consumer categories is calculated on monthly basis.

The month wise projection of energy sales for FY 2020-21 (without the impact of COVID–19 and lockdown is tabulated below in Table 2.7:

Table 2.7: Month wise projection of energy sales for FY 2020-21 (without impact of COVID19 and Lock down)

S.No	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
A	**Domestic**	**252**	**399**	**502**	**533**	**471**	**502**	**375**	**243**	**201**	**311**	**227**	**205**	**4,221**
A1	Domestic Other than A2 to A4	245	388	490	519	459	490	365	236	195	302	220	200	4,108
A2	CGHS	1	2	3	3	2	2	2	1	1	2	1	1	22
A3	11 KV Worship/Hospital	4	7	8	9	8	8	7	5	4	6	5	3	74
A4	DVB Staff	1	2	2	2	2	2	1	1	1	1	1	1	16
B	**Non Domestic**	**124**	**161**	**176**	**188**	**176**	**178**	**161**	**126**	**103**	**113**	**97**	**92**	**1,694**
B1	Non Domestic LT	100	131	143	150	143	145	130	101	82	91	78	76	1,370
B2	Non Domestic HT	24	30	33	38	33	33	31	24	21	22	19	17	324
C	**Industrial**	**32**	**33**	**34**	**39**	**37**	**34**	**33**	**28**	**30**	**31**	**29**	**25**	**385**
C1	Industrial LT	25	26	26	29	28	26	25	21	24	25	23	21	298
C2	Industrial HT	7	7	8	10	9	9	8	6	6	6	6	5	87
D	Agriculture	0	0	0	0	0	0	0	0	0	0	0	0	0
E	**Public utilities**	**37**	**25**	**30**	**30**	**30**	**30**	**27**	**29**	**25**	**25**	**25**	**24**	**338**
E1	Public Lighting	8	6	7	6	6	6	4	9	5	6	6	6	74
E2	DJB LT	1	1	1	1	1	1	1	1	1	1	1	1	13
E3	DJB HT	12	12	12	12	11	12	12	12	11	12	11	11	138
E4	DMRC	16	6	11	11	11	11	10	8	7	7	7	6	113
F	Temporary Supply	4	5	5	6	5	6	5	4	3	5	4	3	55

S.No	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
G	Advertisement & Hoardings	0	0	0	0	0	0	0	0	0	0	0	0	0
H	E Vehicle	1	1	1	1	1	1	2	2	2	2	2	2	18
I	Self-Consumption	1	1	1	2	2	2	1	1	4	1	1	1	17
J	Enforcement	1	1	1	1	1	2	1	1	1	1	1	1	12
K	Others	-	-	-	-	-	-	-	-	-	-	-	3	3
	Total	**451**	**625**	**752**	**800**	**723**	**755**	**605**	**433**	**368**	**489**	**386**	**356**	**6,744**

The category wise and month wise impact on operations of various consumer categories due to COVID-19 and lockdown is as follows:

a) **Domestic Including CGHS and DVB Staff**: Connections under this category includes mainly residential consumers which are 100% operational during the lockdown.

b) **11 KV worship/Hospital**: The connections under this category includes worship places and government hospitals. During the lockdown period, the hospitals are fully operational and the same would be operational even after the lockdown is lifted. However, the Petitioner has few connections related to worship places which remained completely shutdown during the lockdown period. Hence, it is expected that the connections under this category would be operational 80% upto June 2020, 90% during July 2020 and 100% from August 2020 onwards during FY 2020-21.

c) **Non Domestic LT & HT**: Under this category, the connections include small and large shops, Private offices, shopping malls, etc. During the lockdown phase 1 to phase 3, only the shops selling essential items are allowed to operate in a restricted manner. In fourth phase of lockdown, some other activities like markets and private offices are allowed to operate with some restrictions. Hence, it is expected that this category would be operational 25% during lockdown, 50% in Q2, 70% in Q3, and 85% in Q4 of FY 2020-21.

d) **Industrial LT**: The connections under this category include small and medium industries which are not allowed to operate during the lockdown and only lighting load would be applicable for these consumer categories. However, in fourth phase of lockdown, such activities are permitted with some restrictions. Hence, it is expected that this category would be operational 1% during lockdown period, 50% in Q2, 70% in Q3, and 85% in Q4 of FY 2020-21.

e) **Industrial HT**: This category includes, Large industries, Private hospitals etc. During all phases of lockdown period, private hospitals are allowed to operate 100%. Further, the Petitioner has two milk processing plants i.e. Mother Dairy and DMS which are also fully operational. Hence, it is expected that this category would be operational 60% during the lockdown, 80% during Q2 and 100% in second half of FY 2020-21.

f) **Agriculture, Public Lighting, DJB LT and HT**: These categories are allowed to operate on 100% basis during and post lockdown.

g) **DMRC**: Only lighting load would be billed during the lockdown and post lockdown also this category would not be able to start full operation due to social distancing norms.

The month wise impact of COVID-19 and lockdown conditions on operation of various consumer categories is tabulated below:

Table 2.8: Impact of COVID19 and lockdown on Operation of consumers

S.No	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
A	**Domestic**												
A1	Domestic Other than A2 to A4	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
A2	CGHS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
A3	11 KV Worship/Hospital	80%	80%	80%	80%	80%	80%	80%	100%	100%	100%	100%	100%

S.No	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
A4	DVB Staff	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B	**Non Domestic**												
B1	Non Domestic LT	70%	25%	25%	50%	50%	50%	70%	70%	70%	85%	85%	85%
B2	Non Domestic HT	70%	25%	25%	50%	50%	50%	70%	70%	70%	85%	85%	85%
C	**Industrial**												
C1	Industrial LT	70%	1%	1%	50%	50%	50%	70%	70%	70%	85%	85%	85%
C2	Industrial HT	70%	60%	60%	80%	80%	80%	90%	90%	90%	90%	90%	90%
D	Agriculture	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E	**Public utilities**												
E1	Public Lighting	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E2	DJB LT	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E3	DJB HT	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E4	DMRC	75%	1%	1%	1%	50%	50%	70%	70%	70%	100%	100%	100%
F	Temporary Supply	75%	30%	30%	75%	75%	75%	75%	75%	75%	100%	100%	100%
G	Advertisement & Hoardings	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
H	E Vehicle	50%	0%	0%	50%	50%	50%	100%	100%	100%	100%	100%	100%
I	Self-Consumption	0.25 % of Sales											
J	Enforcement	0%	0%	0%	50%	50%	50%	75%	75%	75%	100%	100%	100%

Thus, the estimated Energy Sales for FY 2020-21 including the impact of COVID19 and lockdown is tabulated as under:

Table 2.9: Month wise projection of energy sales for FY 2020-21 (including COVID19 impact and Lockdown)

S.No.	Category	Apr-20	May -20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar -21	FY 21
A	Domestic	**251**	**398**	**501**	**532**	**471**	**502**	**375**	**243**	**201**	**311**	**227**	**205**	**4,216**
A1	Domestic Other than A2 to A4	245	388	490	519	459	490	365	236	195	302	220	200	4,108

S.No.	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
A2	CGHS	1	2	3	3	2	2	2	1	1	2	1	1	22
A3	11 KV Worship/Hospital	4	5	6	8	8	8	7	5	4	6	5	3	69
A4	DVB Staff	1	2	2	2	2	2	1	1	1	1	1	1	16
B	**Non Domestic**	**87**	**40**	**44**	**94**	**88**	**89**	**113**	**88**	**72**	**96**	**82**	**79**	**972**
B1	Non Domestic LT	70	33	36	75	72	72	91	71	58	77	66	64	785
B2	Non Domestic HT	17	7	8	19	16	17	21	17	15	19	16	14	187
C	**Industrial**	**22**	**5**	**5**	**22**	**21**	**20**	**25**	**21**	**22**	**27**	**25**	**22**	**236**
C1	Industrial LT	17	0	0	14	14	13	18	15	17	21	19	18	167
C2	Industrial HT	5	4	5	8	7	7	7	6	5	5	6	4	69
D	Agriculture	0	0	0	0	0	0	0	0	0	0	0	0	0
E	**Public Utilities**	**33**	**19**	**20**	**19**	**24**	**24**	**24**	**27**	**22**	**25**	**25**	**24**	**287**
E1	Public Lighting	8	6	7	6	6	6	4	9	5	6	6	6	74
E2	DJB LT	1	1	1	1	1	1	1	1	1	1	1	1	13
E3	DJB HT	12	12	12	12	11	12	12	12	11	12	11	11	138
E4	DMRC	12	0	0	0	6	6	7	5	5	7	7	6	62
F	Temporary Supply	3	1	2	5	4	4	4	3	2	5	4	3	40
G	Advertisement & Hoardings	0	0	0	0	0	0	0	0	0	0	0	0	0
H	E Vehicle	0	-	-	1	1	1	2	2	2	2	2	2	13
I	Self-Consumption	1	1	1	2	2	2	1	1	1	1	1	1	14
J	Enforcement	-	-	-	0	1	1	1	1	1	1	1	1	7
K	Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		**397**	**464**	**573**	**675**	**611**	**642**	**544**	**385**	**323**	**468**	**368**	**336**	**5,786**

The Petitioner requests the Hon'ble Commission to kindly consider the projected Sales of FY 2020-21 as submitted above in Table2.9.

Projection of Number of consumers:

The category wise number of consumers are projected considering the month on month growth in number of consumer during the previous year i.e. FY 2019-20. The same growth is applied on the closing category wise number of consumer for FY 2020-21. However, due to lockdown conditions, the activities like new connections and disconnections is currently suspended and hence, no growth is considered during the period April 2020 to June 2020.The growth rate is applied from July 2020 onwards.

Projection of Sanctioned Load:

The category wise sanctioned load is projected by considering its monthly growth in previous year i.e. FY 2019-20. The same growth is applied on the category wise sanctioned load for FY 2020-21. However, as stated earlier, due to lockdown conditions, the activities like new connections and disconnections is currently suspended and hence, no growth is considered during the period April 2020 to June 2020.The growth rate is applied from July 2020 onwards.

The Projected number of consumers, connected load and energy sales (including the impact of lockdown due to COVID-19) during FY 2020-21 is tabulated below:

Table 2.10: Projected number of consumers, sanctioned load and sales for FY 2020-21

S.No	Category	No of consumers	Sanctioned Load	Sales in MU's
A	**Domestic**	**13,67,975**	**2,964**	**4,216**
A1	Domestic Other than A2 to A4	13,65,170	2,903	4,108
A2	CGHS	16	8	22
A3	11 KV Worship/Hospital	29	43	69
A4	DVB Staff	2,760	9	16
B	**Non Domestic**	**3,85,812**	**1,584**	**972**
B1	Non Domestic LT	3,85,531	1,388	785
B2	Non Domestic HT	281	196	187
C	**Industrial**	**7,566**	**214**	**236**
C1	Industrial LT	7,529	178	167
C2	Industrial HT	37	36	69
D	Agriculture	41	0	0
E	**Public Utilities**	**5,312**	**188**	**287**

S.No	Category	No of consumers	Sanctioned Load	Sales in MU's
E1	Public Lighting	3,935	37	74
E2	DJB LT	1,304	15	13
E3	DJB HT	69	74	138
E4	DMRC	3	62	62
F	Temporary Supply	-	-	40
G	Advertisement & Hoardings	332	1	0
H	E Vehicle	997	7	13
I	Self-Consumption	197	6	14
J	Enforcement	-	-	7
K	Others	-	-	-
Total		**17,68,231**	**4,964**	**5,786**

The Petitioner requests the Hon'ble Commission to consider the above submissions for estimation of sales, connected load and number of consumers during FY 2020-21.

c) Revenue projection for FY 2020-21 at Existing Tariff

Methodology adopted for projection of Revenue from existing Tariff is as follows:

a) Sales have been divided among sub-categories on monthly basis based on Form-2.1a (actual) of FY 2019-20 considering the month wise impact of COVID19 and lockdown conditions.

b) Number of Consumers and Connected Load (MW) for various sub-categories has been divided in the ratio of actual sanctioned load and actual number of consumers during FY 2019-20.

c) The fixed charges and energy charges as approved by the Hon'ble Commission vide Tariff Schedule dated 31stJuly 2019 has been considered for calculation of revenue from existing tariff.

d) For the sub-categories where the energy charges have been specified in Rs/kVAh, the Petitioner has considered actual monthly power factor as per Form 2.1a of FY 2019-20.

e) PPAC applicable upto 15th August 2020 is considered in the revenue projection and the % is applied category wise.

f) The above methodology in general has been utilised for estimation of revenue from existing tariff for all consumer categories.

d) Revenue estimated for FY 2020-21

The revenue estimated on account of sales to various consumer categories during FY 2020-21 is tabulated below:

Table 2.11: Revenue estimated during FY 2020-21 (Rs. Cr.)

S.No	Category	Fixed charges	Energy Charges	Other charges	PPAC	Total Amount Billed
A	**Domestic**	**186**	**1,729**	**-2**	**61**	**1,975**
A1	Domestic Other than A2 to A4	172	1,659	-	59	1,889
A2	CGHS	2	10	-0	0	12
A3	11 KV Worship/Hospital	13	55	-2	2	68
A4	DVB Staff	0	5	-	0	5
B	**Non Domestic**	**483**	**824**	**-5**	**29**	**1,331**
B1	Non Domestic LT	424	658	-	24	1,106
B2	Non Domestic HT	59	166	-5	5	225
C	**Industrial**	**64**	**190**	**-2**	**5**	**258**
C1	Industrial LT	54	135	-	3	192
C2	Industrial HT	11	55	-2	2	66
D	Agriculture	0	0	-	0	0
E	**Public Utilities**	**58**	**197**	**-4**	**6**	**256**
E1	Public Lighting	13	54	-	2	69
E2	DJB LT	4	9	-	0	14
E3	DJB HT	22	93	-3	3	115
E4	DMRC	19	40	-2	1	58
F	Temporary Supply	-	44	-	1	45
G	Advertisement & Hoardings	0	0	-	0	0
H	E Vehicle	-	6	-	0	6

S.No	Category	Fixed charges	Energy Charges	Other charges	PPAC	Total Amount Billed
I	Self-Consumption	-	-	-	-	-
J	Enforcement	-	10	-	0	10
K	Others					-
Total		**792**	**3,000**	**-13**	**102**	**3,881**

Note: Impact of TOD included in Energy charges

e) Distribution Loss and Collection Efficiency Target

Regulation-25 (1) of DERC (Business Plan) Regulations, 2019 specifies the Distribution Loss Target from FY 2020-21 to FY 2022-23 as under:

"25. TARGET FOR DISTRIBUTION LOSS

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Table 15: Target for Distribution Loss for the Control Period

S. No	***Distribution Licensee***	***2020-21***	***2021-22***	***2022-23***
1	*BSES Rajdhani Power Limited*	*8.10%*	*8.00%*	*7.90%*
2	*BSES Yamuna Power Limited*	*9.00%*	*8.75%*	*8.50%*
3	*Tata Power Delhi distribution Limited*	*7.90%*	*7.80%*	*7.70%*
4	*New Delhi Municipal Council*	*9.00%*	*8.75%*	*8.50%*

…"

The Hon'ble Commission in its Business Plan Regulations, 2019 approved the Distribution Loss of 9.00% for FY 2020-21 against the distribution loss of 9.79% for FY 2020-21 proposed by the Petitioner in its submission of Business Plan.

Further, the Regulation-26 (1) of DERC (Business Plan) Regulations, 2019 specifies targets for Collection Efficiency from FY 2020-21 to FY 2022-23 @ 99.50%.

As regards, the Petitioner would like to submit that due to the restriction of operations of commercial and industrial activities, the consumption mix of LT and HT in Demand will be changed by approximately~3%. The comparison of consumption mix from FY 2019-20 (actual) with FY 2020-21 (Estimated) of LT and HT Consumer is tabulated as under:

Table 2.12: Consumption Mix Comparison of LT and HT

Particulars	Sales in MU		Sales % of total	
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
LT Consumption	5,867	5238	88%	91%
HT/EHT Consumption	790	547	12%	9%
Total Sales	6,658	5,786	100%	100%

As explained above, the consumption mix of HT/EHT connections is dropped by 3%. It is pertinent to mention that these consumers are billed at a distribution loss of around 1.5% or lower and hence, contributes in Distribution loss of the Petitioner. This may result in adverse impact of 0.23% on the Distribution loss of the Petitioner. Hence, the Petitioner requests the Hon'ble Commission to kindly revise the distribution loss target for FY 2020-21 from 9.00% to 9.23% seeking the adverse impact of COVID19 and lockdown conditions. However, for the purpose of calculation of revised ARR, the Petitioner has considered distribution loss target of 9.00% as approved by the Hon'ble Commission in Business Plan Regulation 2019.

The Business Plan Regulation 2019 provides for a Collection Efficiency Target of 99.50%. However, the Business Plan Regulation 2019 was formalised in December, 2019 pursuant to the Petitions filed for that purpose in 14.11.2019 much prior to the Covid-19 situation in India in general and Delhi in particular.

Subsequently, starting from March 2020, the entire country and particularly Delhi have been in the midst of the Covid-19 Pandemic which has been acknowledged far and wide as a force majeure event. The Hon'ble Commission has also been graciously pleased to recognise the same as a force majeure event.

During this pandemic, the Central Government and the various State Governments have implemented a state-wide (and countrywide) lockdown in different phases with varying parameters. Yet despite this, owing to various Central Government Directives etc. power supply has remained completely unaffected to the consumers of Delhi.

Further, in order to alleviate the problems of the Delhi consumers, this Hon'ble Commission was pleased to pass various directives and Orders, including:

a) Suo-Motu Order dated 07.04.2020 in the matter of Mitigation of Impact of COVID-19 on Electricity Distribution Licensees and consumers of Delhi.

b) Delhi Electricity Supply Code and Performance Standards (Relaxation) Order, 2020 dated 04.05.2020;

The resultant of the ongoing pandemic as also the Orders of the Hon'ble Commission, is that the DISCOMs revenues and collections have fallen drastically. By reason of the aforesaid pandemic and the various Orders passed, the actual Collection Efficiency for Petitioner was 41.67% in the month of April 2020.

Delhi has continued the lockdown, with certain variances, till 30th June 2020. However, it is impossible to predict and project whether the lockdown will be further extended, or curtailed or even perhaps depending upon the Covid-19 situation even tightened once again.

In this unprecedented situation, it is also not possible to model what the economic scenario would be in the rest of the Financial Year.

In case the lockdown is released or lifted, it is expected that the Collection Efficiency would return to levels near normal, however, if the lockdown is further tightened or re-introduced, the Collection Efficiency would drastically reduce again. Much would also depend upon the economic scenario post the resumption of normal business operations of the consumers. For example, it is expected that even if shopping malls etc. do open, their consumption etc. as also payments of bills might not be at normal levels. During the continuance of such embargo there is absolutely no way of ensuring payment of bills.

Therefore, in this situation of extreme uncertainty, it is proposed that for the purpose of projecting the revised ARR, the Collection Efficiency for the year 2020-21 be an amalgam of the actual Collection Efficiency in Q1 of this FY (70.16%) and the projected Collection Efficiency for the balance 9 months of the year at the same level as contemplated in the Business Plan Regulation 2019 (99.50%). The weighted average of the Collection Efficiency on such basis would come to 92.38%.

It is also prayed that upon true up, the Collection Efficiency for FY 2020-21 may be trued up on the basis of actual collection efficiency during period which is not effected by COVID-19 (considered for full year) and not on annual average basis due to the current unforeseen situation.

It is also submitted that the Hon'ble Commission may be pleased to use its power of relaxation available under the Regulations in this unprecedented and fluid situation to relax the rigour of the BPR 2019 to the above extent.

Based on the sales projected for FY 2020-21 andDistribution loss target as specified for FY 2020-21 in DERC Business Plan Regulations 2019, the energy requirement has been estimatedas tabulated below:

Table 2.13: Energy Requirement for FY 2020-21

S. No	Particulars	Unit	Quantity	Remarks
A	Energy sales	MU	5,786	Table 2.10
B	Distribution Loss	%	9.23%*	Table-15 of DERC Business Plan Regulations, 2019
C	Energy Requirement	MU	6358	A/(1-B)
D	Distribution Loss	MU	572	C-A

**However, Distribution Loss is taken as 9.00% for the computation of revised ARR projections*

f) Power Purchase

The Petitioner sources the power through mix of long term and short term sources to meet the demand in its licensed area. The power procured under longterm PPAs from thermal and hydro power plants forms the bulk of the power purchase by the Petitioner. The power procurement through Long term sources include Central Generating Stations which are owned by Central Government, State Generating Stations which are owned by State Government, IPP and JVs. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Power Exchange and other sources. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Hon'ble Commission.

To contain the spread of COVID-19 outbreak in India, Nationwide lockdown was imposed in phased manner, which resulted in sharp decline in demand and thereby, leading to economic shutdown of various stations during the lock down period.

Accordingly, Power Availability during FY 2020-21 has been projected from existing long-term sources and from new sources for which the Petitioner has executed the PPAs and are expected to be operational during FY 2020-21.The Petitioner has also considered solar energy available from the existing Rooftop sources as well as forecasted to be installed in Petitioner's Area.

The energy availability from various existing long term sources has been considered based on the following considerations:

i. For April - June 2020 period the quantum has been considered as per Actual/ provisional basis, after considering the impact of COVID 19 & economic shutdowns of various stations due to reduction in overall demand of power.

ii. For the balance period of July 2020 - March 2021 quantum has been considered same as submitted by SLDC vide email dated 03.03.2020 to the Petitioner on the basis of Merit Order Despatch (MOD).

iii. Quantum of power available through Solar Rooftop is considered on lump sum basis.

iv. Petitioner participated in HPSEBL RE non-solar sale tender in February ,2020 through M/s. TPTCL. Accordingly, the Letter of Intent (LoI) was awarded for supplying the power to the Petitioner (50 MW, ~58 MU's) during 16.04.2020 to 07.10.2020.

<u>Specific assumptions/considerations are as follows:</u>

a. Power availability from IPGCL (GT) has been considered for 11 months only as PPA is valid till February 2021.

b. Marginal Power availability for EDWPCL has been considered only for initial months and same has not been considered further in line with the Hon'ble Commission Order dated 21.02.2020.

There are few new renewable projects such as SECI-Solar, SECI-Wind, etc., that were expected to be commissioned in the coming years i.e. FY 2020-21. However, due to delay or non-availability in Commissioning of SECI plants in view of COVID-19 impact and other reasons which is solely attributable to SECI and renewable generators, quantum from such plants are excluded from Projections of FY 2020-21. (As per communications with the Petitioner & Petition filed by various developers in CERC). In case such plants would have been available, BYPL may have fulfil majority of RPO obligations in FY 2020-21.

RPO Target for FY 2020-21 has been considered as per DERC Business Plan Regulations, 2019 without prejudice to the Petitioner's request of relaxing RPO target of FY 2020-21 due to outbreak of COVID-19 as elaborated in Para 2.10.10 to 2.10.12 of this revised ARR Petition.

The Petitioner would like to further submit that scheduling and dispatch of power is the prerogative of the Delhi SLDC. The SLDC is the apex statutory body appointed under Section 32 of the EA, 2003, which ensures integrated operation of the power system in the State. The SLDC is responsible for optimum scheduling and dispatch of electricity within a state. The SLDC monitors the grid operations and exercises supervision and control over the intra-state transmission system. Every Licensee is bound by the directions of SLDC, in terms of Section 33 of the EA, 2003. While scheduling power, the Delhi SLDC ought to follow inter alia the MOD principles as prescribed in law, subject to factors such as the grid security, technical minimum limit of plants, the requirements of the other Licensees from a particular plant, transmission constraints, etc. Therefore, the Delhi SLDC monitors grid discipline, at times follows principles at variance with the MOD principles, in order to factor in other criteria such as inter alia maintaining the technical minimum, grid stability, forced scheduling by NRLDC etc. that it deems relevant in order to ensure grid safety and discipline within Delhi as well as to meet the requirements of Delhi as a whole. In the process of doing so, the Delhi SLDC may direct DISCOMs to schedule power from sources which may not meet the MOD principles. The Petitioner always follow the schedule and directions of the Delhi SLDC, which are statutory in nature and have to be necessarily followed as per the mandate of the EA, 2003 and the Regulations framed thereunder.

On the basis of the above methodology energy availability from various long term sources for FY 2020-21 has been tabulated as under:

Table 2.14: Energy Purchase during FY 2020-21

S. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)

S. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
A	**NTPC**						
1	Anta Gas Power Project	419	10.50%	44	2.67%	11	8
2	Auraiya Gas Power Station	663	10.86%	72	2.76%	18	12
3	Badarpur Thermal Power Station	705	100.00%	420	0.00%		0
4	Dadri Gas Power Station	830	10.96%	91	2.78%	23	20
5	Feroze Gandhi Unchahar TPS 1	420	5.71%	643	1.45%	6	29
6	Feroze Gandhi Unchahar TPS 2	420	11.19%	47	2.84%	12	62
7	Feroze Gandhi Unchahar TPS 3	210	13.81%	29	3.51%	7	43
8	Farakka Stps	1600	1.39%	22	0.35%	6	27
9	Kahalgaon Thermal Power Station 1	840	6.07%	51	1.54%	13	72
10	National Capital Thermal Power	840	90.00%	567	7.35%	62	171
11	Rihand Thermal Power Station 1	1000			0		0
12	Rihand Thermal Power Station 2	1000	12.60%	126	3.20%	32	225
13	Singrauli STPS	2000	7.50%	150	3.72%	74	496
14	Kahalgaon Thermal Power Station 2	1500	10.49%	157	2.66%	40	246
15	Dadri TPS-II	980	75.00%	735	17.84%	175	631
16	Rihand Thermal Power Station 3	1000	10.80%	108	5.40%	54	370
	Sub Total	**14427**		**3262**		**533**	**2413**

S. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
B.	**NHPC Ltd.**						
1	Bairasiul	180	11.00%	20	2.79%	5	10
2	Salal	690	11.62%	80	2.95%	20	105
3	Chamera I	540	7.90%	43	2.01%	11	48
4	Tanakpur	120	12.81%	15	3.25%	3	18
5	Uri	480	11.04%	53	2.80%	13	81
6	Dhauliganga	280	13.21%	37	3.36%	9	44
7	Chamera - II	300	13.33%	40	3.39%	10	37
8	Dulhasti	390	12.83%	50	3.26%	13	66
9	Chamera - III	231	12.73%	29	3.23%	7	35
10	Uri II	240	13.75%	32	3.41%	8	54
11	Parbati-III	520	12.73%	66	3.23%	17	26
12	Sewa-II	120	13.33%	16	3.39%	4	21
	Sub Total	**4091**		**482**		**122**	**545**
C.	**NPCI Ltd.**						
1	Nuclear Power Corp. of India Ltd. Narora	440	10.68%	47	0.00%	-	0
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	440	12.69%	56	3.22%	14	102
	Sub Total	**880**		**103**		**14**	**102**
D.	**SJVN Ltd.**						
1	Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri	1500	9.47%	142	2.41%	36	165
2	SJVNL Regulation credit						
	Sub Total	**1500**		**142**		**36**	**165**

S. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
E	**Solar Rooftop**	0.3			0.00%	-	0.0
F	**Damodar Valley Corporation**						
1	Mejia Units 6	250	40.00%	100	10.16%	25	128
2	CTPS 7 & 8	500	60.00%	300	15.24%	76	374
3	MTPS 7	500	22.23%	111	22.23%	111	613
	Sub Total	**1250**		**511**		**213**	**1116**
G	**Power stations in Delhi**						
1	Indraprastha Power Generation Co.Ltd. RPH	135		135	0.00%	0	0
2	Indraprastha Power Generation Co.Ltd. GT	282	100.00%	282	8.59%	23	31
3	Pragati Power Corp.Ltd. Pragati I	330	100.00%	330	16.07%	53	214
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	1371			22.50%	247	623
Sub Total		**2118**		**746**		**323**	**868**
H	Aravali Power Corporation Ltd - Jhajjar	1500	46.20%	693	4.61%	69	80
I	Sasan	3960	11.25%	446	8.89%	352	2504
J	SECI	700	8.57%	60	2.86%	20	38
K	MSW	24	100.00%	24	23.92%	6	26
L	EDWPCL	12	100.00%	12	50.00%	6	2
M	Tala	1020	2.94%	30	0.75%	8	28
N	Self-Generation & Net Metering					23	17

S. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
New Sources							
O	Net Metering					15	10
P	Renewable-Wind					14	58
	TOTAL QUANTUM FROM FIRM SOURCES					**1754**	**7971**

g) Power Purchase Cost

The Petitioner has estimated the power purchase cost corresponding to the quantum from power plants as listed above in the following manner:

i. Annual fixed Charges (AFC) for existing and long term Thermal, Gas and hydro stations except Sasan Thermal Power Plant has been considered as per recent Tariff Order of Hon'ble CERC (for Central Generating Stations) and Hon'ble Commission's (for State Generating Stations) Tariff Order dated 31.07.2019and actuals of FY 2019-20. AFC for Sasan Thermal Power Plant has been considered as per the PPA.

ii. Energy Charges for the existing long-term sources are considered as plant wise weighted average variable cost as per actuals of FY 19-20 along with minor escalation of 3%.

iii. Other charges such as water charges etc. have been considered in case of NHPC stations as per the actual data of FY 2019-20.

iv. Other charges have been considered in case of Sasan as per actuals in FY 2019-20.

v. Power Purchase Cost of SECI, Delhi MSW Renewable Energy Sources has been considered as per actual data for FY 2019-20.

vi. Hon'ble CERC is in process of releasing Tariff Orders on True Up Petitions filed by Central Generating Stations and Transmission utility for FY 2014 to FY 2019 shortly. Although, the provisional cost has been shown separately in this revised Petition, the final cost of the same will be submitted additionally subject to the outcome of said Order.

Based on the above discussion, the projected power purchase cost during FY 2020-21is tabulated below:

Table 2.15: Power Purchase Cost proposed for FY 2020-21

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
A	NTPC						
1	Anta Gas Power Project	8	6.00	2.87		8.87	10.88
2	Auraiya Gas Power Station	12	9.00	4.12		13.12	11.13
3	Badarpur Thermal Power Station	0	0.00	0.00		0.00	0.00
4	Dadri Gas Power Station	20	10.00	6.70	3.19	19.89	10.12
5	Feroze Gandhi Unchahar TPS 1	29	4.00	10.30		14.30	4.90
6	Feroze Gandhi Unchahar TPS 2	62	7.00	22.25		29.25	4.70
7	Feroze Gandhi Unchahar TPS 3	43	6.00	15.18		21.18	4.95
8	Farakka Stps	27	3.00	8.09		11.09	4.08
9	Kahalgaon Thermal Power Station 1	72	9.00	16.14		25.14	3.50
10	National Capital Thermal Power	171	36.00	71.76	2.04	109.80	6.43
11	Rihand Thermal Power Station 1	0	0.00	0.00		0.00	0.00
12	Rihand Thermal Power Station 2	225	16.00	31.06		47.06	2.09
13	Singrauli STPS	496	34.00	69.46		103.46	2.08
14	Kahalgaon Thermal Power Station 2	246	31.00	52.38		83.38	3.38

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
15	Dadri TPS-II	631	166.00	239.61	9.92	415.53	6.58
16	Rihand Thermal Power Station 3	370	55.00	50.19		105.19	2.84
	Sub Total	**2413**	**392.00**	**600.11**	**15.15**	**1007.26**	**4.17**
B.	**NHPC Ltd.**						
1	Bairasiul	10	2.00	0.62	3.45	6.08	5.94
2	Salal	105	7.77	6.46	8.96	23.19	2.22
3	Chamera I	48	3.00	5.52	-0.01	8.51	1.77
4	Tanakpur	18	2.00	2.92	0.00	4.92	2.69
5	Uri	81	7.52	6.70	2.84	17.06	2.11
6	Dhauliganga	44	4.00	5.42	1.52	10.94	2.46
7	Chamera - II	37	4.00	3.77	0.01	7.78	2.09
8	Dulhasti	66	15.08	17.41	2.16	34.65	5.29
9	Chamera - III	35	6.00	6.99	0.00	13.00	3.68
10	Uri II	54	11.38	9.77	0.16	23.82	4.41
11	Parbati-III	26	17.46	4.65	2.67	22.12	8.60
0	Sewa-II	21	4.00	4.97	0.01	9.13	4.45
	Sub Total	**545**	**84.21**	**75.21**	**21.78**	**181.20**	**3.33**
C.	**NPCI Ltd.**						
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00		0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	102	0.00	40.04		40.04	3.93
	Sub Total	**102**	**0.00**	**40.04**		**40.04**	**3.93**
D.	**SJVN Ltd.**						

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
1	Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri	165	19.85	19.46	2.36	41.67	2.53
2	SJVNL Regulation credit	0	0.00	0.00		0.00	0.00
	Sub Total	**165**	**19.85**	**19.46**	**2.36**	**41.67**	**2.53**
E	Solar Roof Top	0.2	0.00	0.00		0.0	5.30
F	Damodar Valley Corporation						
1	Mejia Units 6	128	24.00	40.49		64.49	5.04
2	CTPS 7 & 8	374	81.00	90.43		171.43	4.58
3	MTPS 7	613	121.00	182.94		303.94	4.96
	Sub Total	**1116**	**226.00**	**313.87**		**539.87**	**4.84**
G	**Power stations in Delhi**						
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00		0.00	0.00
2	Indraprastha Power Generation Co.Ltd. GT	31	11.00	15.50		26.50	8.61
3	Pragati Power Corp.Ltd. Pragati I	214	27.00	122.78		149.78	7.00
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	623	230.27	233.86		464.14	7.45
	Sub Total	**868**	**268.27**	**372.14**		**640.41**	**7.38**
H	Aravali Power Corporation Ltd – Jhajjar	80	79.00	31.28		110.28	13.76
I	Sasan	2504	41.81	287.87	36.42	366.10	1.45
J	SECI	38	0.00	21.03		21.03	5.51

S. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
K	MSW	26	0.00	18.52		18.52	7.03
L	EDWPCL	2	0.00	0.50		0.50	3.34
M	Tala	28	0.00	5.95		5.95	2.16
N	Self-Generation & Net Metering	17	0.00	9.14		9.14	5.30
New Sources							
O	Net Metering	10	0.00	5.30		5.30	5.30
P	Renewable-Wind	58	0.00	27.27		27.27	4.67
TOTAL QUANTUM FROM FIRM SOURCES		**7971**	**1111.15**	**1827.69**	**75.71**	**3015**	**3.78**

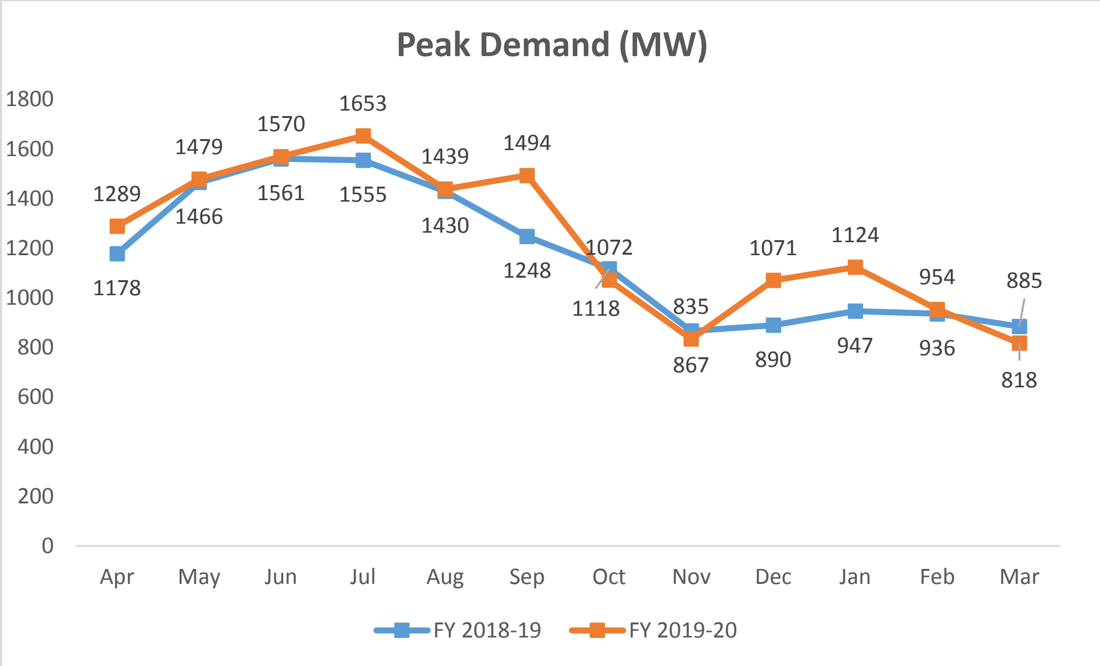
**Total Charges includes other charges of Sasan and water charges for NHPC*

h) Cost of power from other sources (Short Term Sources)

The Hon'ble Commission in its previous Tariff Orders has 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 primarily during day time. Further, as per the Hon'ble Commission's directive, the Licensee has to 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 Licensee. Accordingly, during peak hours, the Licensee is required to procure power from short term sources to meet the demand.

The peculiar load curve of Delhi for a day is evident from below pictorial representations:

Figure 1: Peak Demand for FY 18-19 and FY 19-20



The Hon'ble Commission in its Tariff Order dated July 23, 2014 itself observed that the Petitioner is meeting more than 50% of its short-term power purchase through banking. Despite the same, the Hon'ble Commission while estimating the power purchase cost for FY 2019-20hadnot considered any cost on account of short-term power purchase which resulted in under-recovery of power purchase cost. At the same time, the Petitioner is expected to comply with the Hon'ble Commission's direction of load shedding upto 1% of total demand.

In view of the above, it would be imperative for the Hon'ble Commission to liberally anticipate the power purchase cost during FY 2020-21 from short term sources so that the Petitioner can ensure uninterrupted and quality power supply to the consumers of Delhi.

<u>Projection of Short-term power purchase quantum:</u>

The Petitioner has projected the energy requirement and energy availability as mentioned in Para 2.7.8. The deficit thus observed has been considered to be met through short term purchases as under:

Table 2.16: Month wise energy requirement and availabilityduring FY 2020-21

Station	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
Energy (A)	**460**	**598**	**622**	**788**	**746**	**714**	**601**	**616**	**660**	**639**	**574**	**670**	**7,687**
Energy requirement (B)	370	556	763	747	698	682	532	391	429	458	378	355	**6,358**
Net Surplus/Deficit (A-B)	90	42	-141	41	48	32	69	225	231	181	195	315	**1,329**
SHORT TERM*													
Short Term Purchase	0	0	141	0	0	0	0	0	0	0	0	0	**141**
Short Term Sale	90	42	0	41	48	32	69	225	231	181	195	315	**1,470**

** Load curve of Delhi is peculiar in nature, with high morning and evening peaks and very low load demand during night hours. Therefore, Short term &, Banking Purchase are assumed to meet the monthly demand & supply scenarios, Further, it is also assumed that power will also require to be purchased in few times of winter seasons for meeting the demand and accordingly the same is considered in monthly energy balance.*

The Petitioner has considered the aforesaid energy to be met through short -term procurement in FY 2020-21. For the purpose of short-term purchase cost, the actual IEX rate for FY 2019-20has been considered.

Accordingly, the power purchase cost through Short term sources for FY 2020-21 is tabulated below:

Table 2.17: Short term power purchase for FY 2020-21

S.No	Source	Energy Purchased	Cost per Unit	Total Cost
		(MU)	(Rs./unit)	(Rs.Cr.)
1	**2**	**3**	**4**	**5=3*4**
1	Short Term Purchase	141	4.1	57.1

The Petitioner requests the Hon'ble Commission to allow the aforesaid cost in revised ARR of the Petitioner.

i) Renewable Purchase Obligation (RPO)

Regulation-27 of DERC Business Plan Regulations, 2019 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-22 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

*(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for RPO shall be met through purchase of power The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('**REC**') or combination of both, and shall be as follows:*

Sr. No.	*Distribution Licensee*	*2020-21*	*2021-22*	*2022-23*
1	*Non Solar Target*	*10.25%*	*10.25%*	*10.50%*
2	*Solar Target*	*7.25%*	*8.75%*	*10.50%*
3	*Total*	*17.50%*	*19.00%*	*21.00%*

"

The Petitioner has made consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Hon'ble Commission. As on 31.03.2020, the Petitioner had successfully issued 522 Net Metering connections for a cumulative capacity of 22.5 MW solar rooftop projects developed by individual developers. Further, the Petitioner and its consumers has purchased ~ 236 MU of RE power including Solar & Non Solar plants for FY 2019-20

The Petitioner has participated in HPSEBL RE non-solar sale tender in February, 2020 through M/s. TPTCL. Accordingly, the Letter of Intent ("LoI") was awarded for supplying the power to the Petitioner during the period 16.04.2020 to 07.10.2020.

Further, as submitted to the Hon'ble Commission, the Petitioner has signed various PPA's with SECI during the year 2018 and in the year 2019 having aggregate capacity of 550 MW. Major quantum of this power is expected to start flowing from April, 2021 onwards. Tehkhand Okhla plant is also expected to commence from FY 21-22 onwards. This may help in fulfilling RPO targets (Solar and Non-Solar) along with increasing Net metering capacity for future years.

Although, the aforesaid PPAs etc., would help the Petitioner to meet its RPO targets in the current Control Period i.e., FY 2021-22 onwards, the Petitioner could not fulfil its RPO compliance in FY 2019-20 and FY 2020-21 on account of the factors elaborated in subsequent paragraphs.

Delhi being a smaller State in area and spatial spread, the RPO targets set are much higher in comparison to other States whose land area / potential for renewable generation is far greater. ***This therefore leads to a situation where consumers of NCT of Delhi would actually be subsidizing the costs for other States and would therefore be unfairly burdened***.

The Petitioner's financial position continues to be under extreme stress due to creation of Regulatory Asset on a year on year basis, which had accumulated to Rs. 2677 Crore till FY 2017-18 as recognized by the Hon'ble Commission in its Tariff Order dated 31.07.2019. This is predominantly on account of non-cost reflective tariffand disallowance of legitimate claims of various cost elements. Also, as pointed out earlier, the prevailing surcharge of 8% allowed to the Petitioner remains the only avenue for liquidation of this huge accumulated shortfall. However, theHon'ble Commission has continued the Regulatory Asset recovery surcharge @ 8% in order to limit tariff shock to consumers.The mandate of reflecting true cost of supply has been underscored in the recent draft amendments to the Electricity Act 2020 issued by Ministry of Power for public comments. However, the approach to continue the meagre surcharge @ 8% in order to limit tariff shock to the consumers is unjust and harsh to the business of the distribution licensee. Moreover, due to reduction of fixed cost in last tariff order and subsequent impact of COVID-19, the recovery of RA @8% got reduced and this has delayed the RA recovery.

It is also pertinent to note that in the month of February 2020, major disturbances were experienced on account of communal rioting which occurred in the Petitioner's area, and was followed by imposition of Section 144, CrPC, 1973 in some localities in North East Delhi which fall within Petitioner's area of supply.

However, within a week, the industrial, commercial and economic activities have been substantially affected by the lockdown conditions due to the outbreak of COVID-19 pandemic across India including NCT Delhi. Consequently, the collections and the cash flow of the Petitioner from the month of March, 2020 to June, 2020 have been adversely affected and impaired. Further, the Central Government has further extended the lockdown upto 31.05.2020. However, in the lockdown 5.0

(Unlock 1.0) which is extended upto 30.06.2020, some activities will continue to remain prohibited and remaining are permitted with restrictions till 30.06.2020. These unforeseen and unprecedented conditions are beyond the reasonable control of the Petitioner.

We were constrained to issue Force Majeure Notices to the generating and transmission utilities as well as RE generators. However, despite the above-mentioned circumstances, the Petitioner in its Force Majeure Notices had indicated that it would endeavour to fulfil its payment obligations on a best effort basis and based on the availability of funds.

Despite the above, the Petitioner had initially planned to buy RECs in the last quarter of Financial year 2019-20, so as to fulfil its RPO obligations. However, on account of the aforesaid circumstances, the Petitioner could not buy RECs to comply with the RPO Targets since, the Petitioner had to prioritize its payments on account of a major drop in billing and collections. The Petitioner has to therefore necessarily first meet its requirements for salaries, maintenance of the network and operating expenses which is in line with the directives for uninterrupted payment of salaries and necessity of uninterrupted supply of electricity to the NCT of Delhi.In addition, the Petitioner is also under obligation to make payments to generating companies in line with the Hon'ble Supreme Court's order dated 26.03.2014.

In view of the above, considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply. The Petitioner vide letter dated 29.04.2020 requested the Hon'ble Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22. The Petitioner also submitted its constrained cash flow situation due to COVID-19 pandemic vide its letter dated 15.05.2020.

The Petitioner also like to bring into notice to the Hon'ble Commission that other SERC's have also waived/deferred /revised RPO targets in the past to respective DISCOMs due to various reasons. Recently, the Hon'ble PSERC has invited objections/suggestion for reduction in RPO by 1.5% and 2% in FY 20 & FY 21 respectively.

We urge the Hon'ble Commission to take in to account the recent Force Majeure event of

COVID-19 and the consequent lockdown conditions in the interest of the consumers who will necessarily be affected with imposition of a high RPO and the practical difficulties highlighted hereinabove and re-consider suspending/deferring /waiving the Renewable Purchase obligation of the Petitioner and also modify the present RPO targets.

Without prejudice to the above, the Petitioner considering the RPO Targets mentioned in the Business Plan Regulations, 2019,proposed the following:

Solar:

The Petitioner has executed PPAs to the extent of 300 MW apart from Net Metering with various Renewable Energy Developers through SECI as discussed in above sections. Though the Petitioner has executed PPAs, the same is not adequate to meet with the target specified and as per the Regulation 27 quoted above, the Petitioner already proposed to take into account the recent Force Majeure event of COVID-19 and the consequent lockdown conditions in the interest of the consumers who will necessarily be affected with imposition of a high RPO and the practical difficulties highlighted hereinabove and re-consider suspending/deferring /waiving the Renewable Purchase obligation of the Petitioner and also modify the present RPO targets.

The energy generated from Rooftop solar from both existing and new sources has been considered for meeting RPO Target. Accordingly,the Renewable Purchase for meeting solar RPO during FY 2020-21 is tabulated below:

Table 2.18: Renewable Purchase for meeting Solar RPO during FY 2020-21

S.No.	Particulars	UoM	FY 2020-21
1	2	3	4
A	Energy Sales (excl. Hydro)	MU	5049
B	RPO target – Solar	%	7.25%
C	RPO target – Solar	MU	366
D	Availability from SECI, Net Metering Rooftop	MU	65
E	Shortfall	MU	301

In view of the above cited reasons as well as considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply, the Petitioner has not considered the REC purchase cost for FY 2020-21, and request the Hon'ble Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

Non-Solar:

The Petitioner has arrangements for purchasing Non-solar power from Delhi based plants such as DMSW. In addition to the existing sources the Petitioner has executed PPAs with Renewable Energy Developer through SECI, for Wind power. Though the Petitioner has executed PPAs, the same is not adequate to meet with the target specified. However, as per the Regulation 27 of DERC Business Plan Regulations, 2019, the Petitioner propose to achieve the RPO Target through purchase of Renewable Energy Certificates (RECs) without prejudice to the Petitioner's request of relaxing RPO targetsof FY 2020-21 due to outbreak of COVID-19.

Accordingly, the Renewable Purchase for meeting Non-Solar RPO during FY 2020-21 is tabulated below:

Table 2.19: Renewable Purchase for meeting Non-Solar RPO during FY 2020-21

Sl.No.	Particulars	UoM	FY 2020-21
1	2	3	4
A	Energy Sales (excl. Hydro)	MU	5049
B	RPO target - Non-Solar	%	10.25%
C	RPO target - Non-Solar	MU	518
D	Availability from EDWPCL & MSW	MU	86
E	Shortfall	MU	431

In view of the above cited reasons as well as considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply, the Petitioner has not considered the REC purchase cost for FY 2020-21, and request Hon'ble Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

j) Transmission Loss and Charges

Intra-State Transmission:

The intra-state Transmission Loss during FY 2020-21 has been considered as provided in Tariff Order dated 31.07.2019 i.e.0.92%.

The Petitioner has considered the Intra-State Transmission Charges during FY 2020-21on the basis of actual data for FY 2019-20.

Inter-State Transmission:

The Petitioner has considered inter-state transmission losses as 3% in line with the trend of FY 2018-19 and FY 2019-20.

The Petitioner has considered the Inter-State Transmission Charges during FY 2020-21 on the basis of actual data for FY 2019-20including Open Access charges.

Table 2.20: Transmission loss, charges for FY 2020-21

S.No.	Particulars	FY 2020-21
1	2	3
A	**Transmission losses (MU)**	
i	Inter-State Transmission	212
ii	Intra-State Transmission	71
iii	**Total Transmission losses (MU)**	**283**
B	**Transmission Charges (Rs. Crore)**	
i	Inter-State Transmission	409
ii	Intra-State Transmission (including SLDC)	215
iii	**Total Transmission Charges (Rs. Crore)**	**624**

The Petitioner requests the Hon'ble Commission to allow the transmission charges as projected in the aforesaid table in the revised ARR of FY 2020-21.

k) Energy Balance

Based on the above submissions, the energy balance during FY 2020-21 is tabulated below:

Table 2.21: Energy Balance during FY 2020-21

S.No.	Particulars	Quantity (MU)
1	**Power Purchase @Exbus-FIRM**	**7971**
2	Inter-State Losses	212
3	**Power Available at Delhi Periphery**	**7758**
4	Intra-state Loss & Charges (Including SLDC charges)	71
5	Power Available to DISCOM	7687
6	Short term requirement at DISCOM Periphery	141
7	**Total Available**	**7828**
8	Sales	5786
9	Distribution Loss	572
10	**Energy Requirement at Distribution Periphery**	**6358**
11	**Total Sale of Surplus**	**1470**

I) Sale of surplus power

The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2020-21. For the purpose of short-term sale rate, the Petitioner has considered it as Rs. 2.40/ unit as per actual IEX rate for FY 2019-20. It is also pertinent to note that the sale rate of surplus power has further decreased in the market due to COVID-19 impact. Accordingly, the estimated short term sale for FY 2020-21 is tabulated below:

Table 2.22: Revenue from sale of surplus power during FY 2020-21

S.No.	Source	Energy Sale	Cost per Unit	Total Cost
		(MU)	(Rs./unit)	(Rs.Cr.)
1	2	3	4	5=3*4

S.No.	Source	Energy Sale	Cost per Unit	Total Cost
		(MU)	(Rs./unit)	(Rs.Cr.)
1	Short Term Sale	1,470	2.40	353

m) Rebate on Power Purchase and Transmission Charges:

The Petitioner submits that the actual rebate to be availed in FY 2020-21 depends on the Tariff determined by the Hon'ble Commission, RA recovery allowed and consequent available cash with the Petitioner due to COVID-19 impact. Therefore, it is not possible or practicable to ascertain the probable rebate actually to be availed in FY 2020-21.

However, considering the current situation, the Petitioner could not make timely payment of bills to any generating company and transmission licensee.

The Petitioner also submitted its constrained cash flow situation due to COVID-19 pandemic vide its letter dated 15.05.2020 and urged the Hon'ble Commission to take in to account the recent Force Majeure event of COVID-19 and the consequent lockdown conditions and the practical difficulties highlighted hereinabove.

Accordingly, in view of the changed circumstances due to outbreak of COVID-19 and consequent cash flow impact, the Petitioner has not projected the rebate for FY 2020-21 and requests the Hon'ble Commission to relax the Regulations with respect to normative rebate and consider zero rebate while approving the power purchase cost for FY 2020-21.

n) Total Power Purchase Cost

The total long term power purchase cost during FY 2020-21 is tabulated below:

Table 2.23: Total Power Purchase Cost for FY 2020-21

S. No	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
A	**NTPC**			
1	Anta Gas Power Project	8	10.88	8.87

S. No	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
2	Auraiya Gas Power Station	12	11.13	13.12
3	Badarpur Thermal Power Station	0	0.00	0.00
4	Dadri Gas Power Station	20	10.12	19.89
5	Feroze Gandhi Unchahar TPS 1	29	4.90	14.30
6	Feroze Gandhi Unchahar TPS 2	62	4.70	29.25
7	Feroze Gandhi Unchahar TPS 3	43	4.95	21.18
8	Farakka Stps	27	4.08	11.09
9	Kahalgaon Thermal Power Station 1	72	3.50	25.14
10	National Capital Thermal Power	171	6.43	109.80
11	Rihand Thermal Power Station 1	0	0.00	0.00
12	Rihand Thermal Power Station 2	225	2.09	47.06
13	Singrauli STPS	496	2.08	103.46
14	Kahalgaon Thermal Power Station 2	246	3.38	83.38
15	Dadri TPS-II	631	6.58	415.53
16	Rihand Thermal Power Station 3	370	2.84	105.19
	Sub Total	**2,413**	**4.17**	**1,007**
B.	**NHPC Ltd.**			
1	Bairasiul	10	5.94	6.08
2	Salal	105	2.22	23.19
3	Chamera I	48	1.77	8.51
4	Tanakpur	18	2.69	4.92

S. No	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
5	Uri	81	2.11	17.06
6	Dhauliganga	44	2.46	10.94
7	Chamera - II	37	2.09	7.78
8	Dulhasti	66	5.29	34.65
9	Chamera - III	35	3.68	13.00
10	Uri II	54	4.41	23.82
11	Parbati-III	26	8.60	22.12
12	Sewa-II	21	4.45	9.13
	Sub Total	545	**3.33**	181.20
C.	**NPCI Ltd.**			
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	102	3.93	40.04
	Sub Total	102	3.93	40.04
D.	**SJVN Ltd.**			
1	Satluj Jal Vidyut Nigam Ltd.-Nathpa Jhakri	165	2.53	41.67
2	SJVNL Regulation credit	0	0.00	0.00
	Sub Total	165	2.53	41.67
E	**Solar Roof Top**			0
F	**Damodar Valley Corporation**			
1	Mejia Units 6	128	5.04	64.49
2	CTPS 7 & 8	374	4.58	171.43
3	MTPS 7	613	4.96	303.94
	Sub Total	**1,116**	**15**	**540**
G	**Power stations in Delhi**			-
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00

S. No	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
2	Indraprastha Power Generation Co.Ltd. GT	31	8.61	26.50
3	Pragati Power Corp.Ltd. Pragati I	214	7.00	149.78
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	623	7.45	464.14
	Sub Total	**868**	**23.06**	**640.41**
H	Aravali Power Corporation Ltd - Jhajjar	80	13.76	110.28
I	Sasan	2504	1.45	366.10
J	SECI	38	5.51	21.03
K	MSW	26	7.03	18.52
L	EDWPCL	2	3.34	0.50
M	Tala	28	2.16	5.95
N	Self Generation & Net Metering	17	5.30	9.14
New Sources				
O	Net Metering	10	5.30	5.30
P	Renewable-Wind	58	4.67	27.27
TOTAL QUANTUM FROM FIRM SOURCES		**7,971**	**3.78**	**3,015**

**Total Charges includes other charges of Sasan and water charges for NHPC*

Accordingly, based on the above assumptions, the power purchase cost net of rebate for FY 2020-21 works out to Rs. 3,343 Cr. as tabulated below –

Table 2.24: Quantum of Power and Net Power Purchase Cost for FY 2020-21

S. No	Source	Quantity	Amount	Average Cost
		(MU)	(Rs. Crore)	(Rs./ kWh)

S. No	Source	Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./ kWh)
A	Power Purchase from CSGS	7,047	2,341	**3.32**
B	Inter-State Loss & Charges	212	409	
C	**Power Available at Delhi Periphery**	**6,836**	**2,750**	**4.02**
D	Power Purchase from SGS	923	674	**7.30**
E	Intra-State Losses & Charges including SLDC Charges	71	215	
F	Shortfall to be met at DISCOM Periphery	141	57	**4.06**
G	Total Power available to DISCOM	7,828	3,696	**4.72**
H	Sales	5,786		
I	Distribution Loss	572		
J	Less: Normative rebate		0*	
K	**Required power for the DISCOM**	**6,358**	**3,343**	**5.26**
L	Total Sale of Surplus Power	1,470	353	**2.40**

**Not considered in view of changed circumstances due to COVID-19*

In addition, the following arrears ~ Rs 113 Crore are expected in FY 20-21 on account of various CERC orders on True up of FY 2014-19 for various central Generating stations. The plant wise tentative impact is as under:

Table 2.25: Plant wise impact of on True-up for FY 2014-19 (Rs. Cr.)

Plant	FY14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total	Remarks
Anta Gas	0.06	0.94	0.23	0.31	0.46	2.00	
Auraiya Gas	4.72	1.20	1.70	1.81	1.97	11.40	On account of Add Cap
BTPS						-	
Dadri Gas	0.19	0.13	0.73	0.90	3.20	5.15	
Unchahar-I	0.10	0.18	0.35	0.43	0.93	2.00	

Plant	FY14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total	Remarks
Unchahar-II	0.21	0.20	0.53	0.65	1.44	3.03	
Unchahar-III	0.14	0.20	0.44	0.51	1.12	2.41	
Farakka-I	0.13	0.14	0.29	0.35	0.44	1.35	
Kahalgaon-I	0.14	0.17	0.66	1.21	1.11	3.29	
Kahalgaon-II	0.62	0.55	0.87	0.94	1.08	4.06	
Dadri-I	2.53	2.06	3.72	5.20	4.80	18.30	Primary Increase on account of IWC
Dadri-II	4.13	4.46	8.75	10.12	11.09	38.54	
Rihand-I	-	-	-	-	-	-	
Rihand-II	0.24	0.30	0.29	0.31	0.36	1.48	
Rihand-III	0.56	0.39	1.27	2.36	3.41	7.98	Primary Increase on account of IWC
Singrauli-I	1.00	1.47	0.80	0.94	0.96	5.16	
Jhajjar	-	0.33	2.42	0.66	2.97	6.38	Primary Increase on account of IWC
Total	**14.75**	**12.73**	**23.04**	**26.69**	**35.34**	**112.55**	

o) Operation and Maintenance (O&M) Expenses

The Petitioner has submitted the projected capacity addition for the control period from FY 2020-21 to FY 2024-25 in its Business Plan submitted on November 15, 2019. The Petitioner has applied the approved per unit rates specified for FY 2020-21 in DERC Business Plan Regulations, 2019 on the average capacity of line length and power transformation capacity as submitted for FY 2020-21 in the Business Plan Petition.

Regulation-23 of DERC Business Plan Regulations, 2019 states as under:

*"**23. 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, 2019 for the Distribution Licensees shall be follows:

Table 9: O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
33 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
11 kV Line	Rs. Lakh/ Ckt. Km	2.036	2.114	2.195
LT lines system	Rs. Lakh/ Ckt. Km	9.173	9.524	9.89
66/11 kV Grid S/s	Rs. Lakh/ Ckt. Km	1.157	1.201	1.247
33/11 kV Grid S/s	Rs. Lakh/ Ckt. Km	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/ Ckt. Km	2.534	2.631	2.732

The Distribution Licensee shall be allowed O&M expenses for a particular financial year ofthe control period by multiplying the norms for O&M expenses of that particular year withthe respective average network capacity during the financial year i.e. (average of networkcapacity at start of Financial year and network capacity at the end of Financial year)

..."

Accordingly, the Petitioner has computed the normative O&M expenses for FY 2020-21 as below:

Table 2.26: O&M Expenses during FY 2020-21

Particulars	Average Capacity for FY 2020-21	O&M expenses per unit		O&M expenses
66 kV Line (ckt km)	245	Rs. Lakh/ckt. km	4.857	12
33 kV Line (ckt km)	435	Rs. Lakh/ckt. km	4.857	21
11kV Line (ckt km)	2970	Rs. Lakh/ckt. km	2.036	60
LT Line system (ckt km)	5611	Rs. Lakh/Ckt. km	9.173	515
66/11 kV Grid S/s (MVA)	1915	Rs. Lakh/MVA	1.157	22
33/11 kV Grid S/s (MVA)	2087	Rs. Lakh/MVA	1.157	24
11/0.415 kV DT (MVA)	3550	Rs. Lakh/MVA	2.534	90
Total O&M Expenses				**744**

The Petitioner requests the Hon'ble Commission to allow the normative O&M Expenses as above while approving the revised ARR for FY 2020-21.

p) Additional Expenses on account of O&M

In terms of Regulation 11(9) of the Tariff Regulations, 2017 the distribution Licensee shall submit the ARR which shall contain additional expenses on account of O&M beyond the control of Licensee for the ensuing year and previous year respectively.

The Petitioner humbly submits that the additional O&M expenses submitted in the True Up for FY 2018-19 is Rs. 105.8 Cr. as per DERC Business Plan Regulations, 2017.

Further, the Hon'ble Commission issued DERC Business Plan Regulations, 2019 on 27.12.2019 wherein the Hon'ble Commission has specified the expenses which shall be allowed over and above the normative O&M expenses. The relevant extracts are stated as under:

"23…(5) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for

O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check.

(6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that if this amount has been included in the interest on working capital and/or

Regulatory assets, the same shall not be allowed.

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

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

Based on the above Regulations, following expenses are claimed as a part of additional O&M Expenses:

- **Legal Expenses**: Based on the actual Legal Expenses incurred in FY 18-19 i.e. Rs. 12.28 Cr., the Legal Expenses projected for FY 20-21 is 13 Cr. considering the escalation factor of 5.61% and 3.8% for FY 19-20 and FY 20-21 respectively in line with the Hon'ble Commission's methodology for determination of O&M expenses as specified in DERC Business Plan Regulations, 2019.
- **Expenses for raising loan:** As the Hon'ble Commission in its Business Plan Regulations, 2019 has allowed the Distribution Licensee to claim the expenses for raising the loan for working capital and Regulatory Asset as a part of additional O&M expenses, the Petitioner has projected Rs. 11 Cr as the Loan administration charges for FY 2021 for funding of Regulatory asset and working capital and requests the Hon'ble Commission to consider this expense and allow the same as an additional O&M expenses.
- **Loss on retirement of Assets:** The Hon'ble Commission in Regulation 45 and 46 of DERC (Terms and Conditions of Tariff) Regulations, 2017 has stated as under:

"45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalisation of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility."

In view of the above, the Petitioner has submitted the details of O&M expenses on 15.11.2019 wherein the loss on sale of retired assets were also specified. Based on the submission, the Hon'ble Commission has determined the Normative O&M expenses excluding the loss on sale of retired assets as mentioned in the explanatory memorandum of DERC Business Plan Regulation, 2019. The relevant extracts is as under:

"….vii. Accordingly, the following expenses have been excluded for determining the norms for O&M expenses from the expenses of FY 2016-17 to 2018-19 as under:

……

d. Loss on retirement of assets (these charges are required to be allowed as per the provisions of Regulations 45 to 47 of DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 …"

In view of above, it is observed that the average loss on sale of retired assets for the last 5 years i.e. FY 2014-15 to FY 2018-19 is Rs. 8.57 Cr. Hence, the Petitioner requests the Hon'ble Commission to allow the same as an additional O&M expense in the revised ARR for FY 2020-21.

Expenses due to Force Majeure conditions: The Petitioner, as an essential service provider, is working tirelessly in providing uninterrupted power supply to their consumers. For this purpose, the Petitioner has taken effective measures to protect their employee from the COVID-19 pandemic and maintain the highest standard of health and hygiene in compliance to the guidelines mandated by various Govt. authorities. In this regard, the Petitioner incurred few expenses on account of statutory levies related to use of Personal Protective Equipment (PPE), Face Mask, Sanitizers, Hand gloves, Fumigation, Deployment of vehicles etc. for their employees who are diligently working in this force majeure conditions. The estimated costs on account of the above expenses due to force majeure conditions are about Rs. 7 Cr. The Petitioner requests the Hon'ble Commission to allow Rs. 7 Crore as an additional O&M expense on account of COVID-19 while allowing the ARR for FY 2020-21.

- **Additional Working Capital Requirement towards opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under PPA:** Ministry of Power vide Order dated June 28, 2019 has directed that in accordance with Section-28 (3) (a), the NLDC & RLDC shall despatch power only after it is intimated by the Generating Company and Distribution Companies that a letter of credit for the desired quantum of power has been opened. The concerned generating company shall be entitled to encash the LC after expiry of grace period, i.e., 45 to 60 days as provided in the PPA.

  Currently DERC Tariff Regulations provides working capital norm only in such a manner that DISCOMs can pay the bills to Gencos so as to avoid any penalty. The current working capital requirements norms compensate for 1 month of receivable only and thus, DISCOMs cannot even avail the rebate.

  However, as per MOP directions, the DISCOMs have to maintain adequate LC. As NTPC supplies 70% of the power to Delhi DISCOMs, the funding of such additional working capital is substantial and thus, is required to be allowed separately apart from norms of working capital specified in Tariff Regulations. The Petitioner has computed additional interest corresponding to one-month PP Cost (estimated for FY 2020-21) on account of Central Generating Station and PGCIL as under:

Table 2.27: Tentative Interest on additional working capital requirement

S. No.	Particulars	Amt. (Cr.)
1	Long Term PP Cost	3,015
2	Less: Delhi GENCOS PP Cost	674
3	Add: PGCIL Charges	409
4	Total PP Cost projected for FY 20-21	2,750
5	Monthly PP Cost	229
6	Interest Rate	12.90%
7	**Interest**	**30**

Thus, the Petitioner has projected the additional O&M expenses comprising of Legal

Expenses, Expenses for raising Loan, Loss on Sale of Retired Assets, expenses incurred due to force majeure conditions and interest on additional working capital requirement for FY 2020-21 stated as under:

Table 2.28: Additional O&M Expenses (Rs. Cr.)

S.No.	Particulars	FY 20-21
1	Legal Expenses	13
2	Expenses for raising loan	11
3	Loss on Sale of Retired Assets	9
4	Expenses due to Force Majeure Conditions	7
5	Interest on Additional Working Capital Requirement	30
6	**Additional Expenses beyond the control of Petitioner**	**70**

Accordingly, the Petitioner requests the Hon'ble Commission to allow the additional expenses of Rs. 70 Cr. in the ARR for FY 2020-21 on account of additional O&M expenses.

r) Capitalization

Regulation-24 (1) of DERC Business Plan Regulations, 2019 states as under:

*"**24. Capital Investment Plan***

(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 13: Capitalisation for BYPL for the Control Period (in Rs. Cr.)

Particulars	*2020-21*	*2021-22*	*2022-23*	*Total*
Capitalization	*375*	*397*	*428*	*1200*

Particulars	***2020-21***	***2021-22***	***2022-23***	***Total***
Smart Meter	*33*	*33*	*35*	*101*
Less: Deposit Work	*36*	*48*	*69*	*153*
Total	*372*	*382*	*394*	*1148*

..”

However, in view of the constraints in mass deployment of smart meters, the Petitioner has proposed capitalisation of conventional meters which are to be used for replacement of burnt/faulty meters and old meters.

Therefore, in line with the Business Plan submitted by the Petitioner on 21.11.2020 before the Hon’ble Commission, capitalisation of Rs. 33 Crs has been proposed for conventional meters vis-à-vis as approved for smart meters in Business Plan Regulation, 2019.

Further, the Petitioner is contemplating to install Smart Meters through OPEX Model and accordingly, the amount on account of Smart Meters has not been considered for Capitalisation. The Petitioner also explained that the solution based on new communication technologies related to smart meters is at a nascent stage and thus, explained their current situation regarding installation of smart meters vide letter dated 15.01.2020 and 27.05.2020.

In view of above, the Petitioner has considered the gross capitalisation of Rs. 408 Crore during FY 2020-21 as approved by the Hon’ble Commission in the Business Plan Regulations, 2019.

Table 2.29:Capitalisation for FY 2020-21 (in Rs. Cr.)

S.No.	**Particulars**	**Approved in Business Plan Regulations**	**Submission**
A	Capitalization	408*	408*

** Gross amount including consumer contribution for deposit works*

Further, it is evident that the Petitioner is facing an unprecedented crisis due to COVID-19 impact and the uncertainty linked with it is extremely disconcerting. Still, the Petitioner, as an essential service provider, is working selflessly in providing uninterrupted power supply to all its consumers in compliance to the Government of India’s Order on nationwide lockdown and related guidelines to be followed during the lockdown period.

Due to lockdown conditions, some of the ongoing projects of thePetitioner have taken a break except the works which are extremely critical and require immediate intervention. While these projects are expected to be restored after the lockdown is lifted, the speed of deployment and execution may be adversely effected.

Although, the Petitioner will make its best possible efforts to overcome the above situation and meet the projected capitalisation, given the unprecedented circumstances the Hon'ble Commission is requested to exercise its power to relaxation and relax the Tariff Regulation with respect to the adjustment in Revenue (Gap)/Surplus on account of variation in the projected capitalisation vis-à-vis actual capitalisation at the time of True- Up of FY 2020-21.

s) Consumer Contribution

The Petitioner has considered actual Consumer contribution capitalized upto FY 2018-19 and for FY 2019-20 & FY 2020-21 as approved by the Hon'ble Commission in the Business Plan Regulations, 2017 and Business Plan Regulations, 2019respectively as tabulated below –

Table 2.30: Consumer Contribution Capitalizedfor FY 2020-21 (Rs. Cr.)

S. No	Particulars	FY 20-21	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2018-19	306	Table 3A 38 of True up Petition for FY 2018-19
B	Consumer Contribution Capitalized for FY 2019-20	12	B.P Regulations, 2019
C	Opening Balance of Consumer Contribution capitalized for FY 20-21	318	A+B
D	Consumer Contribution Capitalized for FY 20-21	36	B.P Regulations, 2019
E	Closing Consumer Contribution and Grants	354	C+D
F	Average Consumer Contribution and Grants	336	(C+E)/2

t) Depreciation

The Hon'ble Commission in its Tariff Regulations 2017 has specified the rates and methodology for computation of depreciation from FY 2018-19 onwards. The Petitioner has derived the average rate of depreciation for FY 2020-21as below:

Table 2.31: Computation of rate of Depreciation for FY 2020-21 (Rs. Cr.)

S. No.	Particulars	Amount
1	Opening GFA for FY 2018-19 as per Audited Accounts (Rs. Cr.)	3399.3
2	Closing GFA for FY 2018-19 as per Audited Accounts (Rs. Cr.)	3714.1
3	Average GFA as per Books of Accounts (Rs. Cr.)	3556.7
4	Depreciation as per Audited Accounts	182.5
5	Average rate of depreciation	5.13%

Accordingly, the depreciation for FY 2020-21 is calculated as below:

Table 2.32: Depreciation for FY 2020-21 (Rs. Cr.)

S.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2019-20	3744	Table 3 A.36 Of true up petition for FY 2018-19
B	Addition during FY 2019-20	413	Business Plan Regulation, 2017
C	Opening GFA for FY 2020-21	4157	A+B
D	Additions during the year	408	Business Plan Regulation, 2019
E	Closing GFA	4565	C+E
F	Average GFA	4361	Average(C,F)
G	Less: Average Consumer Contribution	336	Table 2.27
H	Average GFA net of CC	4025	G-H
I	Average rate of depreciation	5.13%	Table 2.30
J	Depreciation for FY 2020-21	207	I*J
K	Opening Accumulated Depreciation for FY 20-21	1516	
L	Closing Accumulated Depreciation for FY 20-21	1723	K+L

The Petitioner requests the Hon'ble Commission to allow the depreciation as computed above while approving the ARR for FY 2020-21.

u) Working Capital

In view of changed circumstances due to outbreak of COVID-19, the Petitioner has considered the same working capital requirement for FY 2020-21 as submitted in the ARR filed on 14.02.2020 before the Hon'ble Commission as tabulated below:

Table 2.33: Working Capital for FY 2020-21 (Rs. Cr.)

S.No.	Particulars	Amount	Remarks/Ref.
A	Total Working Capital as submitted in earlier Petition	529	
B	Opening Working Capital	463	As per T.O. dated 31.07.2019
C	Change in WC	**66**	A-B

The Hon'ble Commission is requested to allow Rs. 529 Crore as working capital requirement for FY 2020-21 while allowing the revised ARR for the year FY 2020-21.

v) Regulated Rate Base (RRB)

Based on the above discussions the RRB for FY 2020-21 has been computed as below:

Table 2.34:Regulated Rate Base for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks
A	Opening GFA	4,157	
B	Opening Accumulated Depreciation incl. AAD	1,713	
C	Opening Consumer Contribution	318	
D	Opening Working Capital	463	
E	Accumulated Depreciation on De-capitalised Assets	142	
F	Opening RRB	**2,730**	(A-B-C+D+E)
G	Change in Capital Investment during the year	83	(H-I-J)/2
H	Net Capitalisation	408	

Sr. No.	Particulars	Amount	Remarks
I	Depreciation	207	
J	Consumer Contribution	36	
K	Change in Working Capital	66	
L	Regulated Rate Base - Closing	**2,962**	(F+H-I-J+K)
M	RRB (i)	**2,879**	(F+G+K)/2

w) Equity and Debt

Equity and Debt upto FY 2020-21 has been considered based on the closing equity and debt upto FY 2018-19 and addition during FY 2019-20 and FY 2020-21 based on capitalization net of consumer contribution in the ratio of 30:70.

Working capital has been considered entirely debt financed in accordance with Regulation 70 of Tariff Regulations, 2017.

Debt repayment during the year has been considered as 1/10th of the opening balance.

Accordingly, the average equity and average debt for FY 2020-21 is tabulated below:

Table 2.35: Equity and Debt for FY 2020-21 (Rs. Crore)

S.No.	Particulars	Amount	Remarks/Ref
Equity			
A	Closing Balance upto FY 2018-19	1179	
B	Addition during FY 2019-20	120	30% of net capitalisation
C	Opening Balance for FY 2020-21	1299	A+B
D	Addition during FY 2020-21	112	30% of net capitalisation
E	Closing Balance for FY 2020-21	1411	C+D
Debt			
F	Closing Balance upto FY 2018-19	1358	
G	Addition during FY 2019-20	247	i+ii
i	*Capex*	*281*	70% of net capitalisation
ii	*Working Capital*	*-33*	
H	Repayment	136	1/10 * F

S.No.	Particulars	Amount	Remarks/Ref
I	Opening Balance for FY 2020-21	1470	F+G-H
J	Addition during FY 2020-21	326	i+ii
i	*Capex*	260	70% of net capitalisation
ii	*Working Capital*	66	
K	Repayment	147	1/10 * I
L	Closing Balance for FY 2020-21	1650	I+J-K

x) Weighted Average Cost of Capital

In terms of Regulation 77 of DERC Tariff Regulations, 2017, interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to maximum of bank rate as on 1st April of the year plus margin as approved by the Hon'ble Commission in Business Plan Regulations for the Control Period. Further, asper DERC Business Plan Regulations, 2019, for FY 2020-21, the margin for the control period is limited to 5.00%.

As the SBI MCLR rate is in decreasing trend in last 3 months i.e. from March, 2020 to May, 2020 which is specifically due to the outbreak of COVID-19 and lockdown conditions, this impact is beyond the reasonable control of the Petitioner. Hence, the Petitioner has taken the same SBI MCLR rate as in the earlier ARR Petition i.e. 7.90% (enclosed as **Annexure – 7**).Therefore, the interest on loan which has been considered for FY 2021 is shown in the table below –

Table 2.36: Weighted Average Interest Rate on Loan (%)

Particulars	Rate
MARGIN for the control period	5.00%
SBI MCLR AS ON 01.04.2021	7.90%
Total	12.90%
Rate of Interest for FY 2020-21	**12.90%**

Hence, the weighted average rate of interest on loan is about 12.90% equivalent to the bank rate plus margin. Accordingly, the Petitioner requests the Hon'ble Commission to approve the rate of interest on loan (r_d) as 12.90% for FY 2020-

21.

In this regard, the Hon'ble Commission isrequested to consider the weighted average rate of interest based on actual loan portfolio of FY 2020-21considering the adverse effect on account of COVID-19 impact and allow the relaxation on margin for rate of interest on loan as specified in Regulation 14 of DERC Business Plan Regulations, 2019 at the time of Truing Up of the respective year.

Rate of return on equity has been considered as 16%. Accordingly, the grossed up Rate of Return on Equity has been considered based on MAT rate basis (MAT Tax – 17.47% including Surcharge and Education Cess Tax) which comes out to be 19.39%.

Hence, Weighted Average Cost of Capital (WACC) during FY 2020-21 has been computed as below:

Table 2.37: Weighted Average Cost of Capital (WACC) for FY 2020-21

Sr. No.	Particulars	Amt (Cr.)
A	Equity	1,355
B	Debt	1,560
C	Return on Equity	16%
D	Income Tax Rate	17.47%
E	Grossed up Return on Equity	19.39%
F	Rate of Interest	12.90%
G	**Weighted average cost of Capital**	**15.92%**

The Petitioner requests the Hon'ble Commission to consider the WACC for as stated above while approving the revised ARR for FY 2020-21.

y) Return on Capital Employed (RoCE)

The Petitioner has computed RoCE for FY 2020-21 as under:

Table 2.38: RoCE for FY 2020-21 (Rs. Cr.)

S. No.	Particulars	Submission	Remarks
A	WACC	15.92%	
B	RRB (i)	2,879	

S. No.	Particulars	Submission	Remarks
C	**RoCE**	**458**	**A*B**

z) Non-Tariff Income

The Non-Tariff Income during FY 2020-21 has been considered same as submitted for FY 2018-19 i.e. Rs. 86Cr.

aa) Revised Aggregate Revenue Requirement

Based upon the above discussion, the Petitioner has sought the revised ARR of Rs. 4,737Crore for FY 2020-21 as below:

Table 2.39: Revised Aggregate Revenue Requirement for FY 2020-21 (Rs. Cr.)

S.No.	Particulars	Submission
A	Power Purchase Cost including Transmission Charges	3,343
B	O&M Expenses	744
C	Additional O&M Expenses	70
D	Depreciation	207
E	Return on Capital Employed (RoCE)	458
F	Less: Non-Tariff income	86
G	**Revised ARR excl. Carrying Cost on RA**	**4,737**

**The Petitioner requests the Hon'ble Commission to allow the carrying cost on RA as a separate surcharge*

bb) Revenue (Gap)/ Surplus for FY 2020-21

Based on the above submissions, the Petitioner has computed the Revenue Gap of Rs. 1152Crore for FY 2020-21 as below:

Table 2.40: Revenue (Gap) for FY 2020-21 (Rs. Cr.)

S. No	Particulars	Submission	Reference
A	Revised Aggregate Revenue requirement	4,737	Table 2.39
B	Revenue available for the year	3,585	Table 2.11 *92.38%
C	**Revenue (Gap)/ Surplus for the year**	**(1152)**	**B-A**

Further, the revised Tariff Policy notified by the Central Government under Section 3 of the 2003 Act provides that:

> *"8.1….*
>
> *5) At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. This gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing."*

cc) Allocation for Wheeling and Retail Business

The revised Aggregate Revenue Requirement estimated during FY 2020-21 has been allocated into wheeling and retail business in the ratios approved by the Hon'ble Commission in Business Plan Regulations, 2019is as under:

Table 2.41: Allocation for wheeling and retail business- FY 2020-21 (Rs. Cr.)

Particulars	Wheeling	Retail
Cost of Power Procurement	0	3343
Operation and Maintenance expenses	505	310
Depreciation	167	39
Return on Capital Employed	330	128
Less: Non-Tariff Income	13	73
Aggregate Revenue Requirement	**990**	**3747**

**The Petitioner requests the Hon'ble Commission to allow the carrying cost on RA as a separate surcharge*

dd) Carrying cost on Revenue Gap

The Hon'ble ATE in Judgment dated July 30, 2010 (Appeal 153 of 2009) ruled as under:

> *"47. The State Commission, instead of applying the principle of allowing the prevalent market rate for debt for the carrying cost, has allowed the rate of 9% on the strength of the Tribunal judgment even though the present interest rate has increased significantly.* ***As pointed out by the Counsel for the Petitioner, the State Commission in the earlier case had decided tariff on 09.06.2004 and that on commercial borrowings an interest rate of 9% had been applied considering the***

***then prevalent prime lending rates*. *Therefore, the State Commission before fixing the rate of carrying cost, has to find out the actual interest rate as per the prevailing lending rates. Admittedly, this has not been done*.**

51. ….

Therefore, the State Commission should have allowed the carrying cost at the prevailing market lending rate for the carrying cost so that the efficiency of the distribution company is not affected.

…..

Therefore, the fixation of 9% carrying cost, in our view, is not appropriate. ***Therefore, the State Commission is hereby directed to reconsider the rate of carrying cost at the prevailing market rate and the carrying cost also to be allowed in the debt/ equity of 70:30.***

58. …

i. *The next issue is relating to the inadequate lower rate of 9% for the allowance of the carrying cost. The carrying cost is allowed based on the financial principle that whenever the recovery of the cost is to be deferred, the financing of the gap in cash flow arranged by the distribution company from lenders and/or promoters and/or accrual and/or internal accrual has to be paid for by way of carrying cost. The carrying cost is a legitimate expense. Therefore the recovery of such carrying cost is a legitimate expectation of the distribution company.* ***The State Commission instead of applying the principle of PLR for the carrying cost has wrongly allowed the rate of 9% which is not the prevalent market lending rate.*** *Admittedly, the prevalent market lending rate was higher than the rate fixed by the State Commission in the tariff order.* ***Therefore, the State Commission is directed to reconsider the rate of carrying cost at the prevalent market rate keeping in view the prevailing Prime Lending Rate****.”*

(Emphasis added)

As per the above ruling, the carrying cost ought to be allowed in debt equity ratio of 70:30 with SBI PLR as rate of interest and 16% as return on equity.Accordingly, the Petitioner has recomputed the rate of carrying cost from FY 2007-08 to FY 2018-19 as under:

Table 2.42: Rate of carrying cost

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
1	Rate of Interest	12.69%	12.79%	11.87%	12.26%	14.40%	14.61%	14.58%	14.75%	14.29%	14.05%	14.00%	14.00%
2	Return on Equity	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
3	Carrying cost	13.68%	13.75%	13.11%	13.38%	14.88%	15.03%	15.01%	15.13%	14.80%	14.64%	14.00%	14.00%

Accordingly, the Petitioner has calculated the carrying cost during FY 2020-21 by applying rate of 14%.

The Petitioner requests the Hon'ble Commission to allow the recovery of carrying cost through separate surcharge instead of allowing the same in revised ARR. Further the Petitioner is facing problems in accounting of revenue realized on account of carrying cost as the entire revenue is first utilized to offset the revised ARR during the year and in case anything is left then only the same will be routed to carrying cost. In such situation there is no carrying cost which is being realized through tariff. Therefore, the carrying cost ought to be recovered through separate surcharge and ought not be clubbed with the tariffs which is actually meant to address the gap estimated for the ensuing year.

The Petitioner vide letter dated 15.04.2020 requests the Hon'ble Commission to allow moratorium for the bills presented by Delhi Utilities after 24.03.2020 for a period of three months after the due date (i.e., credit period of 60 days) without any levy of LPSC.

Also, the Petitioner vide letter dated 15.05.2020 submitted that there is a net shortfall of Rs. 500 Cr (after availing rebate) during April & May'2020 as no substantial relief has been granted to the petitioner by the Gencos as well as by Hon'ble Commission except the reduction in LPSC to the extent of 12% in suo moto order dated 07.04.2020. However, the LPSC that would be levied cannot be considered as an intentional delay in making payments to Utilities, which is evident vide BYPL letter dated 15.05.2020. Further, the LPSC during the COVID-19 period may be considered as force majeure event and may be allowed as a pass through in revised ARR.

Chapter -3

Tariff Design

for FY 2020-21

TARIFF DESIGN

Components of Tariff Design

- The Petitioner is proposing the following components in Tariff Design:

a. The estimated Revenue Gap during FY 2020-21 may please be met either by reducing the Power Purchase cost of by allocating the cheaper power stations to the petitioner or by increasing the tariff.

b. Time bound recovery of accumulated Revenue Gap upto FY 2018-19.

c. Principle amount of Regulatory Asset and carrying cost on Regulatory asset may please be allowed to be recovered through separate surcharges.

Revenue (Gap)/ Surplus for the Petitioner

a. The revenue (gap)/ surplus till FY 2018-19is tabulated below:

Table 3.1: Revenue (Gap)/ Surplus of till FY 2018-19(Rs. Cr.)

S. No.	Particulars	FY 2018-19	Remarks/Ref.
A	**RA Creation**		
1	Opening RA [A1]	2677	T.O. dated 31.07.2019
2	Impact of ATE Directions	7136	Table 3B 70 of True Up Petition for FY 18-19
3	Past claims	3889	Table 3B 90 of True Up Petition for FY 18-19
4	Revised opening RA	13702	Sum (A1 to A3)
5	Revenue Gap during FY 2018-19	116	Table 3A 53 of True Up Petition for FY 18-19
B	**Carrying cost additions**		
1	Carrying cost rate	14.00%	
2	Carrying cost	1926	(A4+A5/2)*B1
C	**RA Amortization**		

1	8% Surcharge	382	
2	Carrying Cost	307	
D	**Closing RA at the end of FY 2018-19**	**15055**	

b. Without prejudice to the Appeal filed before Hon'ble Supreme Court of India and Hon'ble APTEL, the Petitioner requests the Hon'ble Commission to review 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Hon'ble Supreme Court in year.

Revenue at Existing Tariff for FY 2020-21

a. The methodology adopted for computation of revenue at existing tariffs for FY 2020-21has been detailed in Chapter 2of the Petition.

b. The revenue billed estimated on account of sales to various consumer categories during FY 2020-21has been tabulated below:

Table 3.2: Revenue estimated at existing tariff during FY 2020-21(Rs. Cr.)

S.No	Category	Fixed charges	Energy Charges	Other Charges	PPAC	Total Revenue
1	**Domestic**	**186**	**1,729**	**-2**	**61**	**1,975**
1.1	**Domestic**	**172**	**1,659**		**59**	**1,889**
1.1.1	**Upto 2 KW Connected Load**	**35**	**914**		**31**	**979**
	0-200 Units	20	237		4	261
	201-400 Units	11	353		12	375
	401-800 Units	4	270		12	286
	801-1200 Units	0	40		2	43
	Above 1200 Units	0	14		1	14
1.1.2	**> 2 KW to ≤ 5 KW Connected Load**	**42**	**414**		**15**	**471**
	0-200 Units	12	25		0	37
	201-400 Units	15	96		2	113
	401-800 Units	12	176		7	194
	801-1200 Units	3	85		4	92

S.No	Category	Fixed charges	Energy Charges	Other Charges	PPAC	Total Revenue
	Above 1200 Units	1	32		2	35
1.1.3	**> 5 KW to ≤ 15 KW Connected Load**	**81**	**296**		**12**	**389**
	0-200 Units	20	7		0	28
	201-400 Units	19	29		1	49
	401-800 Units	23	83		3	109
	801-1200 Units	11	75		3	89
	Above 1200 Units	8	102		5	115
1.1.4	**> 15 KW to ≤ 25 KW Connected Load**	**5**	**15**		**1**	**21**
	0-200 Units	0	0		0	0
	201-400 Units	0	0		0	0
	401-800 Units	1	1		0	2
	801-1200 Units	1	1		0	2
	Above 1200 Units	3	13		0	16
1.1.6	**> 25 KW Connected Load**	**8**	**21**		**1**	**30**
	0-200 Units	0	-0		0	0
	201-400 Units	0	0		0	0
	401-800 Units	0	0		0	0
	801-1200 Units	0	0		0	1
	Above 1200 Units	7	21		1	28
1.2	Single Delivery Point on 11 KV for GHS	2	10	-0	0	12
1.3	Hospital / Worship (11KV)	13	55	-2	2	68
1.4	DVB Staff	0	5		0	5
2	**Non Domestic**	**483**	**824**	**-5**	**29**	**1,331**
2.1	Upto 3 KVA	136	119		6	261
2.2	Above 3 KVA	347	706	-5	23	1,071
3	Industrial	64	190	-2	5	258

S.No	Category	Fixed charges	Energy Charges	Other Charges	PPAC	Total Revenue
4	Agriculture & Mushroom Cultivation	0	0		0	0
5	**Public Utilities**	**58**	**197**	**-4**	**6**	**256**
5.1	Public Lighting	13	54		2	69
5.2	Delhi Jal Board (DJB)	26	102	-3	3	129
5.3	Railway Traction					
5.4	DMRC	19	40	-2	1	58
6	Delhi International Airport Limited (DIAL)					
7	Temporary Supply		44		1	45
8	Advertisement and Hoardings	0	0		0	0
9	**Charging Stations for E-Vehicle**		**6**		**0**	**6**
9.1	Supply at LT		6		0	6
9.2	Supply at HT					
10	Self-Consumption					
11	Enforcement		10		0	10
TOTAL		**792**	**3,000**	**-13**	**102**	**3,881**

excluding E-tax, 8% RA surcharge and Pension Trust Surcharge

Revenue (Gap)/ Surplus for FY 2020-21at Existing Tariffs

a. The Revenue (Gap)/ Surplus for FY 2020-21at Existing Tariffs is tabulated below:

Table 3.3: Revenue (Gap)/ Surplus at Existing Tariff for FY 2020-21(Rs. Crore)

S. No	Particulars	FY 20-21	Remarks/ Reference
A	Revenue Requirement for the year	4,737	
B	Revenue at existing tariff	3,585	
C	**Revenue (Gap)/ Surplus for the year**	**(1,152)**	**B-A**
D	Carrying cost on RA is proposed to be recovered as separate carrying cost surcharge	228	

**provisionally considered as approved by DERC in T.O. dated 31.07.2019, however the Petitioner requests the Hon'ble Commission to allow the carrying cost of Rs.1926 Cr (on claimed RA Rs 15,055 C) as a separate surcharge*

Tariff Proposal

a. The Revenue deficit at existing tariff proposed for FY 2020-21 is Rs. 1152Crore.

b. The reasons for such deficit are listed as under:

   i. Due to outbreak of COVID19 impact and lockdown conditions across country, the Consumption of subsidizing consumer falling in the tariff category of Non Domestic and industrial is dropped drastically during the lockdown.

   ii. Even after the lockdown is over, the consumption of such subsidizing categories is not expected to be fully operational instantly. It may increase slowly during the Financial Year 2020-21.

   iii. Due to the outbreak of COVID19 pandemic, being a force majeure event, the collection efficiency is likely to be reduced to a level of 92.38% during FY 2020-21.

   iv. Other reason includes, Adverse consumer mix, negligible Demand growth due to high density area etc.

   v. Reduction in Power Purchase cost due to lower demand, unavailability of new power plants in this FY 2020-21;

   vi. Increases in additional expenses on account of outbreak of COVID-19 impact which is already acknowledged as force majeure conditions by the Hon'ble Commission;

vii. Interest on account of additional working capital requirement is claimed as an Additional expense due to change in law and hence, beyond the control of the Petitioner.

viii. There is a decreasing trend of sales and revenue in some category of consumers due to energy conservation measures, Open Access, NGT Orders, sealing activities conducted by Civic agencies, clause of 15/ 17.5 meter building height etc. To meet the revenue requirement for FY 2020-21, the Petitioner requests the Hon'ble Commission to allow suitable Tariff revision inorder to make tariff cost reflective for the year apart from trajectory to recover the huge accumulated regulatory gap of Rs. 15,055 crores upto FY 2018-19;

ix. Principle amount of Regulatory Asset and carrying cost on Regulatory asset may please be allowed to be recovered through separate surcharges.

Table 3.4: Proposed Tariff Revision

S. No	Particulars	Amount (Rs. Cr.)	Remarks
A	Revenue (Gap)/ surplus during FY 2020-21	(1152)	D-C
B	Details		
i	Power Purchase	3343	Power Purchase Cost estimated as per bills and tariff orders of GENCO's and Transco's resulting into increase in Fixed cost.
ii	O&M Expenses including other Expenses/ Statutory Levies	815	Additional O&M expenses beyond the control of Petitioner considered
iii	RoCE/ Finance Charge/ Income Tax	458	Impact of Implementation of Hon'ble ATE Judgment considered.
iv	Depreciation	207	Impact of Implementation of Hon'ble ATE Judgment considered.
v	Less: Non-Tariff Income	86	

S. No	Particulars	Amount (Rs. Cr.)	Remarks
C	ARR	4737	
D	Revenue Available to meet ARR	3585	
F	Tariff Hike Proposed (%)	Suitable Cost-reflective Tariff	1. Without pre-judice, existing 8% surcharge to be suitably increased for principal recovery of RA within stipulated time as per plan proposed before Hon'ble SC. 2. Carrying cost ought to be allowed as a separate surcharge on revenue instead of allowing in tariff.

Cost of Service Model

a. As regards ratio of allocation of ARR into Wheeling and Retail Supply, Regulation-32 of DERC Business Plan Regulations, 2019 states as under:

> ***"32.Ratio of Allocation of ARR into Wheeling & Retail Supply***
>
> *The ratio of allocation of ARR into Wheeling & Retail Supply Business in terms of the Regulation 4(9) (e) of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 shall be as follows:*

Table 17: Retail Business

Particulars	***BRPL***	***TPDDL***	***BYPL***
Cost of Power Purchase	*100%*	*100%*	*100%*
Inter-State Transmission Charges	*100%*	*100%*	*100%*
Intra-State Transmission Charges	*100%*	*100%*	*100%*
SLDC fees and charges	*100%*	*100%*	*100%*
Operation & Maintenance Costs	*40%*	*38%*	*38%*
Depreciation (including AAD)	*21%*	*23%*	*19%*
Return on Capital Employed	*26%*	*28%*	*28%*
Income Tax	*26%*	*28%*	*28%*
Non Tariff Income	*85%*	*60%*	*85%*

Table 18: Wheeling Business

Particulars	***BRPL***	***TPDDL***	***BYPL***
Operation & Maintenance Costs	*60%*	*62%*	*62%*
Depreciation (including AAD)	*79%*	*77%*	*81%*
Return on Capital Employed	*74%*	*72%*	*72%*
Income Tax	*74%*	*72%*	*72%*
Non Tariff Income	*15%*	*40%*	*15%*

"

b. In accordance with the aforesaid ratios, the Petitioner has allocated the ARR into Retail and Wheeling Business as per the Table given below:

Table 3.5: Allocation of ARR into Retail and Wheeling Business for FY 2020-21(Rs. Cr.)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	0	3343	3343
Operation and Maintenance expenses	505	310	815
Depreciation	167	39	207
Return on Capital Employed	330	128	458
Less: Non-Tariff Income	13	73	86
Aggregate Revenue Requirement	**990**	**3747**	**4737**

**Carrying cost is proposed to be allowed as a separate surcharge, Petitioner requests the Hon'ble Commission to allow the carrying cost of Rs. 1926Cr (on claimed RA i.e. Rs 15,055 cr) as a separate surcharge.*

c. Accordingly, the Petitioner requests the Hon'ble Commission to consider the aforesaid bifurcation.

Computation of expected Revenue (ABR)

a. The Average tariff (ABR) approved by Hon'ble Commission in Tariff Orders has been consistently lower than trued up ABR for that respective year. The comparison of Average tariff in terms of Rs./unit projected by Hon'ble Commission while approving the tariff and at the time of true up by Hon'ble Commission for last 6 years is tabulated below:-

Table 3.6: Comparison of Average tariff as per its ARR Projection and trued up by Hon'ble Commission

FY	BYPL			
	ARR (Rs/KWh)	True up (Rs/KWh) *	Gap in Average tariff (Rs/KWh)	Impact of tariff not realized by BYPL due to error in projection
FY 2012-13	6.42	6.19	(0.23)	-3.5%
FY 2013-14	6.68	6.69	0.01	0.1%
FY 2014-15	7.34	7.17	(0.18)	-2.4%
FY 2015-16	7.49	7.33	(0.16)	-2.2%
FY 2016-17	7.49	7.26	(0.23)	-3.0%
FY 2017-18	7.48	7.24	(0.24)	-3.2%

** Average tariff under true up and ARR Projection is considered as base tariff i.e. excluding PPAC, RA Surcharge, Etax, Pension Surcharge, LPSC etc.*
All figures are approved by Hon'ble Commission in the respective tariff orders.

b. As shown in table above, there is hidden reduction of tariff approved by Hon'ble Commission for Petitioner by 2% to 3.5% (16 Paisa to 24 paisa per unit) every year. In view of the above, the Petitioner humbly request to approve realistic ABR/ Revenue for FY 2020-21.

c. The Petitioner serves the largest percentage of Domestic consumers having lower slab consumption in Delhi. The Petitioner observed almost 61% of the total sales during FY 2019-20 on account of domestic consumers out of which 55% billing is done in Slab 0-400 Units and 45% in the Slab of above 400 units. This clearly reflects that BYPL has huge consumption in the Low paying consumer category, which is very less than the cost of supply of the BYPL.

d. This has also been recognized by the Hon'ble Commission in Table 5.20 of the tariff order dated 31.07.2019, wherein the Hon'ble Commission had approved the ratio of ABR at revised tariff to ACOS for Domestic category as 71%.

e. In view of the above, the Petitioner request the Hon'ble Commission to allocate cheaper power stations to the petitioner so that the gap in cost and the revenue realized of the petitioner are in line with the other DISCOMS.

f. Due to the outbreak of COVID19 Pandemic, the billing under subsidizing consumers is falling in tariff categories like Non Domestic and industrial. It is estimated that the consumption mix of Domestic consumers will be revised from 61% in FY 2019-20 to 73% during FY 2020-21. As explained in S.no b above, the current tariff of Domestic category is being billed 29% lower than the average cost of supply. The consumption of subsidizing consumers is fallen due to force majeure event. We request the Hon'ble Commission to kindly address the Gap in Average Cost of Supply with tariff seeking the Consumption mix of DISCOM while approving the tariff for FY 2020-21.

g. The Hon'ble Commission in Tariff Order dated July 31, 2019provided pension surcharge of 3.80% which may be suitably revised.

h. Based on the above submission, Petitioner requests the Hon'ble Commission for a suitable design in tariff during FY 2020-21 in a cost reflective manner.

Expected Revenue with tariff hike proposed

a. The expected revenue is tabulated below:

Table 3.7: Expected revenue category-wise

S. No	Category	Revenue at current tariff	Hike in* Tariff	Revised Revenue proposed*	Average Billing rate as per revised tariff*
		(Rs. Cr)	(%)	(Rs. Cr.)	(Rs./unit)
1	2	3	4	5	6
1	**Domestic**				
1.1	Domestic	**1,975**			
1.1.1	Domestic upto 2 KW Connected load	979			

S. No	Category	Revenue at current tariff	Hike in* Tariff	Revised Revenue proposed*	Average Billing rate as per revised tariff*
		(Rs. Cr)	(%)	(Rs. Cr.)	(Rs./unit)
1	2	3	4	5	6
1.1.2	Between 2 KW to 5 KW Connected Load	471			
1.1.3	Between 5 KW to 15 KW Connected Load	389			
1.1.4	Between 15 KW to 25 KW Connected Load	21			
1.1.5	Above 25 KW Connected Load	30			
1.2	Single Delivery Point on 11 KV GHS	12			
1.3	11 KV Worship/Hospital	68			
1.4	DVB Staff	5			
2	**Non Domestic**	**1,331**			
3	**Industrial**	**258**			
4	**Agriculture & Mushroom Cultivation**	**0**			
5	**Public Utilities**	**256**			
6	**Temporary Supply**	**45**			
7	**Advertisement and Hoardings**	**0**			
8	**E Vehicle**	**6**			
9	Enforcement	**10**			
10	Self-Consumption				
Total Revenue Billed		**3,881**			
Revenue Collected @ 92.38% collection efficiency		**3,585**			

*Please Note: * The Hon'ble Commission may fix appropriate cost reflective tariff for recovery of the ARR during FY 2020-21.*

Revenue billed and Revenue Collected under the head Revenue at current tariff includes PPAC applicable till 18th August 2020.

Ratio of Average Billing Rate to Average Cost of Supply:

a. Being Sales as uncontrollable factor in the hands of petitioner, 71.27% of the total energy sales is under the categories whose tariff is lower than the cost of supply burdening the consumers whose consumption is only 28.73% to cross subsidize the loss on account of lower tariff approved for the cross subsidizing consumers categories. The ratio of Average Billing Rate to Average Cost of Supply at existing tariff and proposed tariff and the % of total Energy consumption done by the consumer categories is tabulated below:

Table 3.8: Ratio of Average Billing Rate to Average Cost of Supply for FY 2020-21

S. No	Category	% of total Sales	Average Cost of Supply*	Average Billing rate at current tariff	Hike in Tariff#	Average Billing rate as per revised tariff#	% ABR to COS at existing tariff	% ABR to COS at proposed tariff#
		%	Rs./ Unit	Rs./ Unit	%	Rs./ Unit	%	%
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	**Domestic**		8.80	4.68			53%	
1.1	Domestic		8.80	4.60			52%	
1.1.1	Domestic upto 2 KW Connected load	**43.56%**	8.80	3.89			44%	
1.1.2	Between 2 KW to 5 KW Connected Load	**16.52%**	8.80	4.93			56%	

TARIFF DESIGN FOR FY 2020-21

S. No	Category	% of total Sales	Average Cost of Supply*	Average Billing rate at current tariff	Hike in Tariff#	Average Billing rate as per revised tariff#	% ABR to COS at existing tariff	% ABR to COS at proposed tariff#
		%	Rs./ Unit	Rs./ Unit	%	Rs./ Unit	%	%
1.1.3	Between 5 KW to 15 KW Connected Load	**10.05%**	8.80	6.69			76%	
1.1.4	Between 15 KW to 25 KW Connected Load	**0.39%**	8.80	9.26			105%	
1.1.5	Above 25 KW Connected Load	**0.49%**	8.80	10.40			118%	
1.2	Single Delivery Point on 11 KV GHS	**0.38%**	8.80	5.28			60%	
1.3	11 KV Worship/Hospital	**1.20%**	8.80	9.86			112%	
1.4	DVB Staff	**0.28%**	8.80	3.25			37%	
2	**Non Domestic**		8.80	13.70			156%	
2.1	**Non Domestic Upto 3 KVA**	**3.20%**	8.80	14.06			160%	
2.2	**Non Domestic Above 3 KVA**	**13.59%**	8.80	13.62			155%	
3	**Industrial**	**4.08%**	8.80	10.94			124%	
4	**Agriculture & Mushroom Cultivation**	**0.00%**	8.80	3.60			41%	
5	**Public Utilities**	**4.97%**	8.80	8.89			101%	
6	**Temporary Supply**	**0.69%**	8.80	11.30			128%	

S. No	Category	% of total Sales	Average Cost of Supply*	Average Billing rate at current tariff	Hike in Tariff#	Average Billing rate as per revised tariff#	% ABR to COS at existing tariff	% ABR to COS at proposed tariff#
		%	Rs./ Unit	Rs./ Unit	%	Rs./ Unit	%	%
7	**Advertisement and Hoardings**	**0.00%**	8.80	82.74			941%	
8	**E Vehicle**	**0.22%**	8.80	4.54			52%	
9	**Enforcement**	**0.12%**	8.80	13.71			156%	
10	**Self-Consumption**	**0.25%**	8.80	-			0%	
12	**Total**		8.80	6.71			76%	

**For the purpose of computation of average cost of supply, the Petitioner has considered units collected so that entire revenue deficit can be realised and there is no further accumulation of Revenue Gap.*

 # The Hon'ble Commission may fix appropriate cost reflective tariff for recovery of the ARR during FY 2020-21.

Tariff Schedule proposed:

The existing category wise Tariff Schedule is given below:

Table 3.9: Existing Tariff Schedule vis-a-vis proposed Tariff Schedule proposed for FY 2020-21

TARIFF DESIGN FOR FY 2020-21

S. No	Category	Existing Tariff								Proposed Tariff	
		Fixed Charges		Energy Charges						Fixed Charges	Energy Charges
1	**Domestic**										
1.1	Individual Connections			0-200	201-400	401-800	801-1200	>1200			
A	Upto 2 KW	20	Rs./ Kw/ month								
B	>2 KW and <=5 KW	50	Rs./ Kw/ month								
C	>5 KW and <=15 KW	100	Rs./ Kw/ month								
D	>15KW and <=25KW	200	Rs./ Kw/ month								
E	>25 KW	250	Rs./ Kw/ month	3.00	4.50	6.50	7.00	7.75	Rs./ kWh		
1.2	Single Delivery Point Supply at 11 kV for GHS	150	Rs./ Kw/ month	4.50					Rs./ kWh		
2	**Non-Domestic**										
	Non Domestic Upto 3 KVA	250	Rs./ kVA/month	6.00					Rs./ kVAh		
	Non Domestic Above 3 KVA	250	Rs./ kVA/month	8.50					Rs./ kVAh		
3	**Industrial**	250	Rs./ kVA/month	7.75					Rs./ kVAh		
4	**Agriculture**	125	Rs./ Kw/ month	1.50					Rs./ kWh		
5	**Mushroom Cultivation**	200	Rs./ Kw/ month	6.50							
6	**Public Utilities**	250	Rs./ kVA/month	6.25					Rs./ kVAh		
7	DIAL	250	Rs./ kVA/month	7.75					Rs./ kVAh		

TARIFF DESIGN FOR FY 2020-21

S. No	Category	Existing Tariff				Proposed Tariff	
		Fixed Charges		Energy Charges		Fixed Charges	Energy Charges
8	Advertisements and Hoardings	250	Rs./ kVA/month	8.50	Rs./ kVAh		
9	Charging Stations for E Vehicle on SDP						
9.1	Supply on LT			4.50	Rs/KWh		
9.2	Supply on HT			4.00	Rs/KWh		

Note: The Hon'ble Commission may fix appropriate cost reflective tariff for recovery of the ARR during FY 2020-21.

Tariff Rationalization Proposal:

The Petitioner proposes the following Tariff Rationalization measures for consideration of the Hon'ble Commission:

i. Time Bound recovery of Regulatory Asset/ Revenue Gap

The Hon'ble Commission in its Tariff Order dated 13th July 2012, 31st July 2013, 23rd July 2014, 29th September 2015, 31st August 2017, 28th March 2018 and 31st July 2019 had allowed 8% additional surcharge towards recovery of past accumulated deficit/ Regulatory assets.

It is pertinent to mention that the said Surcharge is not sufficient for recovery of entire Regulatory Asset in a stipulated timeframe. Upto FY 2012-13, the Hon'ble Commission approved Regulatory asset of Rs. (3,795) Cr for the Petitioner. This excludes the impact of Past claims and the Impact of Hon'ble ATE Directions in favour of Petitioner and yet to be allowed by the Hon'ble Commission.

Upto FY 2018-19, Petitioner is claiming Regulatory Asset of Rs (15,055) Cr which includes the impact of Past claims, Impact of Hon'ble ATE Directions in favour of the petitioner and the impact of carrying cost. The 8% Additional Surcharge towards recovery of past accumulated deficit is not sufficient to recover the Regulatory asset of Rs (15,055) Cr in a time bound manner, where the annual revenue realization of the petitioner is less than Rs 5,000 Cr.

The creation and maintenance of the Regulatory asset for such a long period is against the principle of natural justice to both the petitioner and its consumers. The Petitioner is affected due to adverse effect on financial health of the Petitioner and banks are reluctant to disburse loan to the Petitioner. The consumer of the Petitioner is adversely affected due to additional burden of carrying cost impact on annual basis in the Tariff.

The Hon'ble Commission is requested to kindly review the present 8% surcharge towards accumulated deficit and approve a revised Surcharge to ensure that the Regulatory asset of the petitioner along with the impact of past claims, and impact of Hon'ble ATE Directions be recovered in a time bound manner alongwith the carrying cost.

ii. **Cross Subsidy as per Tariff Policy:**

As per Tariff Policy 2016, the appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the Average cost of Supply. Clause 8.3 of Tariff policy 2016 is reproduced below:

"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."

The Petitioner would like to bring to the kind notice of the Hon'ble Commission that the cross subsidy in the approved tariff is more than norms as mentioned in the Tariff Policy 2016. A comparative table of cross subsidy approved by the Hon'ble Commission in its tariff order from FY 2017-18 to FY 2019-20 is tabulated below in Table 5.10.

Table 3.10: Comparison of Cross Subsidy approved in respective Tariff Orders

S.No.	Category	Approved in TO Dated 31.07.2017	Approved in TO Dated 28.03.2018	Approved in TO Dated 31.07.2019
		FY 2017-18	FY 2018-19	FY 2019-20
1	Domestic	-24%	-23%	-29%
2	Non Domestic	+45%	+48%	+63%
3	Industrial	+31%	+27%	+36%
4	Agriculture	-59%	-58%	-55%
5	Public Lighting	+1%	-13%	
6	DMRC	-8%	-19%	+5%
7	DJB	+27%	+7%	
8	E Vehicle			-28%

The issue related to cross subsidy and tariff simplification has also been addressed in agenda item no 4(a) 60th Meeting of Forum of Regulator Dated 23rd June 2017 which mentions that Domestic category may have within itself three subcategories i.e. Cross subsidizing, Cross Subsidized, and cross subsidy neutral. It is pertinent to mention that as per cross subsidy as projected by the petitioner for FY 2020-21 on the basis of approved tariff schedule of FY 2019-20 within Domestic category is not in line with the 60th meeting of Forum of Regulator. A comparison of Cross Subsidizing, Cross Subsidized and Cross Subsidy Neutral within Domestic category is tabulated below along with the percentage consumption.

Table 3.11: Comparison of Cross Subsidy within Domestic category

S.No	Category	% Units Billed	ACoS	ABR	Cross subsidy	Remarks
1	Domestic upto 2 KW	**61.35%**	8.80	3.89	-56%	98.76% Domestic consumption is Cross Subsidized
2	Domestic 2 to 5 KW	**23.26%**	8.80	4.93	-44%	
3	Domestic 5 to 15 KW	**14.15%**	8.80	6.69	-24%	
4	Domestic 15 to 25 KW	**0.55%**	8.80	9.26	5%	1.24% Domestic consumption is Cross Subsidizing
5	Domestic Above 25 KW	**0.69%**	8.80	10.40	18%	

In view of the above, Hon'ble Commission is requested to kindly address the issue of cross subsidization among all categories by restructuring the existing tariff structure. It is also suggested that common tariff may be adopted across all categories of consumer matching with average cost of supply of the Petitioner.

iii. Recovery of fixed cost of ARR through fixed charges and variable cost through energy charges:

Regulation 129, 130 & 132 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, mentions that the fixed charge of the distribution licensee shall comprise of fixed components of ARR and Energy charge of the distribution licensee shall comprise of variable component of ARR. The relevant extracts of the Tariff Regulations 2017 is reproduced below:

“129. The recovery of ARR for supply of electricity to be billed by the Distribution Licensees shall comprise of:

(1) Fixed Charge, and;

(2) Variable Charge.

130. The Fixed Charge of the Distribution Licensee shall consist of the following components:

(a) Capacity Charges of Generating Stations as approved/adopted by the appropriate Commission;

(b) Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate

(c) Fixed Cost of Distribution Licensee:

(i) Return on Capital Employed;

(ii) Depreciation; and

(iii) Operation and Maintenance expenses.

131. The Variable Charge of a Distribution Licensee shall consist of the following components:

(a) Energy Charges (Power Purchase Cost excluding Capacity Charges);

(b) Trading Margin, if any,; and

(c) Open Access Charges, if any.”

Hon’ble Commission vide its tariff order dated 28th March 2018 took a step towards the compliance of the above regulations by increasing the fixed charges and reducing the energy charges. But in tariff order dated 31st July 2019, the fixed charges were reduced for Domestic Category of consumers which form 76% of the consumer base of the Petitioner. A comparison of cost and tariff as approved by Hon’ble Commission is tabulated below in table 5.11

Table 3.12: Comparison of Fixed Cost and Variable cost with Fixed charges and Variable charges

Particulars	FY 2018-19	FY 2018-19	FY 2019-20
	Current Tariff	Revised tariff	Revised tariff
Fixed cost	67.02%	67.02%	60.69%
Variable cost	32.98%	32.98%	39.31%
Revenue from Fixed charges	8.98%	25.52%	18.99%
Revenue from Energy charges	91.02%	74.48%	81.01%

The Hon’ble Commission is requested to kindly approve the Tariff in line with the Regulation 130 and 131 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017. In this way the Petitioner would be able to recover its whole fixed cost component from fixed charges and variable component from energy charges and the consumer would be benefitted as the energy charge component of tariff will be reduced and on the reduced energy charge consumer would save the electricity duty payable to some extent.

iv. GoNCTD Subsidy amount to be passed on to the eligible consumers on the basis of Direct Benefit Transfer (DBT):

The GoNCTD subsidy is given to the Domestic consumers, Lawyer’s Chambers and 1984 Sikh Riots Victims. Currently, the Subsidy amount is being discounted in the electricity bills of the consumers. In this regard, Hon'ble Commission is requested to kindly allow the payment of subsidy amount through direct benefit transfer as done in several schemes of Government of India such as payment of subsidy for LPG Gas cylinder. In this way consumer, would feel a sense of responsibility in usage of electricity as consumer have to pay the electricity bills and the subsidy amount to the consumer would be passed through direct benefit transfer.

v. Exclusion of dishonest consumers for GoNCTD subsidy:

Subsidy should be given to the honest consumers so that the dishonest consumers are encouraged in making timely payment of electricity bills and/ or avoid in indulging in activities like theft & unauthorized use of electricity etc. Hence, Petitioner requests the Hon'ble Commission to kindly allow for payment of subsidy only to those consumers whose electricity bills are clear upto the previous billing cycle. Further, it is also requested, a subsidy lock on those consumer needs to be approved where a case of theft/ unauthorized use of electricity has been booked. The subsidy lock will be removed after one year of clearance of the full enforcement dues.

vi. Time of Day tariff:

Hon'ble Commission in the tariff order dated 31st July 2019 had approved Time of Day tariff as per the following:

"2. Time of Day (TOD) Tariff

"3. 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 other 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. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

h. The Commission has retained 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 to September	*1400-1700 hrs and 2200 – 0100 hrs*	*20%*	*0400 – 1000 hrs*	*20%*

The Petitioner Requests the Hon'ble Commission to kindly retain the TOD Tariff as approved for FY 2019-20 while approving the tariff for FY 2020-21.

vii. Waiving of the processing fee on account of digital payment:

The Digital India programme is the flagship program of Government of India with a vision to transform India into digitally empowered society and knowledge economy. Petitioner had also taken several initiatives to become digital by all means and contribute towards the national goal. One of the major key factors for contributing towards the Digital India Program is to adopt and promote the digital payment modes. Digital payment modes not only give the convenience in bill payment 24x7, from the comfort of home or on the go, but it also results in monetary savings to consumers in their travelling cost and also saves the precious time of the consumers. Many of the petitioner's associated business partners like Paytm, Mobikwik, Phonepe etc. keep on sponsoring incentive schemes for promotion of digital payments thorough their platform. The Hon'ble Commission had also restricted the cash payment of electricity bills to Rs 4,000/- for promoting digital payment.

In view of promotion of Digital payments, Petitioner request the Hon'ble Commission to kindly waive of the processing charges charged by the Bank/ Gateway and allow the same as a pass through in the ARR of the Petitioner.

viii. Levy of Disconnection penalty on account of non-payment of dues by defaulting consumers:

The Hon'ble Commission had empowered the DISCOMs under Regulation 50 of the DERC (Supply Code & Performance Standards) Regulations, 2017 to disconnect the supply in case of default in payment by the consumer. It is submitted that considerable manpower and cost is being deployed by the Petitioner to disconnect the supply of the defaulting consumers. There are instances that some consumers are continuous defaulters and licensee has to disconnect such consumers more than one times in a year.

The Hon'ble Commission is requested to kindly approve the disconnection penalty of 2% of defaulted amount to be recovered from the defaulting consumers, so that the consumers may also feel the sense of responsibility in making timely payment of their electricity dues so that disconnection can be avoided.

ix. **One-time non-refundable processing fees to be recovered from the consumer at the time of accepting application in case of new connection:**

It is observed, that many consumers apply for the new connection in terms of Regulation 11 of DERC (Supply code & Performance Standards) Regulations 2017 and after the field inspection or even after the generation of demand note the consumer does not adhere to the formalities of new connection and the petitioner's effort and time wasted.

It is requested that the Hon'ble Commission may kindly approve the onetime non-refundable processing fee which will be reduced from the demand note at the time of making payment by the consumers. This will avoid the non-serious applicants and licensee would be able to serve better the genuine applicants seeking new connection.

x. **Tariff of Electric Vehicle**

Currently the Tariff of electric vehicle is much lower than the average cost of supply and other tariff categories are cross subsidizing this lower tariff of electric vehicle. It is requested that the tariff for charging stations for electric vehicle may be approved @-20% of average cost of supply of the petitioner. Further, Time of day tariff is also required to be approved on the charging station for Electric vehicle category as their business model is suitable for shifting the electric load in the off peak time slots. This would help the DISCOM's Load curve. It is also proposed dynamic pricing in the tariff for maintaining the grid security in low/ high demand time.

xi. Mitigation of Adverse Cash Flow impact of Petitioner due to COVID19 impact

The IMF have estimated that the adverse impact of lockdown and COVID19 Pandemic on Indian economy would be majorly in the form of:

a. Sharp rise in unemployment
b. Stress supply chain.
c. Decrease in Government income
d. Collapse of tourism and hospitality industry
e. Reduced consumer activity

This may adversely impact the consumer's ability to pay their electricity dues. This might also adversely impact the position of debtors and subsequently the collection efficiency of the petitioner. In view of the above, we request the Hon'ble Commission to kindly advise the State Government/ Central Government for approval of subsidy under a One Time Settlement Scheme. This would save the consumer's interest from getting their electricity supply disconnected due to non-payment of electricity dues. This would also save the Petitioner from the expected impact of bad debts.