



DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1825)/DERC/2020-21/

Petition No. 02/2021

In the matter of: Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.

BSES Yamuna Power Limited,
Through its: **CEO**
Shakti Kiran Building,
Karkardooma,
Delhi-110 092.

...Petitioner/Licensee

Coram:

Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasth, Member

ORDER

(Date of Order: 30/09/2021)

M/s BSES Yamuna Power Limited (BYPL) has filed the instant Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22. The Petition was admitted by the Commission vide Order dated 19/02/2021. The Petition along with Executive summary was uploaded on the website of the Commission and published through advertisement in newspapers for seeking response of the stakeholders.

The comments and suggestions of the stakeholders including the submissions made during the virtual public hearing held in April, 2021 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers vested in the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby passes this Tariff Order signed, dated and issued on 30/09/2021.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised Tariff applicable from 01/10/2021.

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


(Dr. A.K. Ambasth)
Member


(Justice Shabihul Hasnain 'Shastri')
Chairperson

WEAR FACE MASK

WASH HANDS REGULARLY

MAINTAIN SOCIAL DISTANCING



Contents

INTRODUCTION	7
BSES YAMUNA POWER LIMITED (BYPL)	14
DELHI ELECTRICITY REGULATORY COMMISSION	14
STATE ADVISORY COMMITTEE MEETING	14
MULTI YEAR TARIFF REGULATIONS	15
FILING OF PETITION FOR TRUE-UP OF FY 2019-20 AND ARR FOR FY 2021-22	15
INTERACTION WITH THE PETITIONER AND PUBLIC HEARING	16
PUBLIC NOTICE	18
LAYOUT OF THE ORDER.....	19
PERFORMANCE REVIEW	20
APPROACH OF THE ORDER.....	23
APPROACH FOR TRUE UP OF FY 2019-20	23
APPROACH FOR ARR AND TARIFF FOR FY 2021-22	23
RESPONSE FROM STAKEHOLDERS	24
ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS	24
ISSUE 2: BUSINESS PLAN & SOP REGULATION.....	27
ISSUE 3: RENEWABLE PURCHASE OBLIGATION	32
ISSUE 4: POWER PURCHASE COST	37
ISSUE 5: AT&C LOSSES	49
ISSUE 6: DISTRIBUTION INFRASTRUCTURE	53
ISSUE 7: TRUE-UP OF PAST CLAIM UP TO 2017-18.....	56
ISSUE 8: REGULATORY ASSETS.....	60
ISSUE 9: PENSION TRUST	70
ISSUE 10: OPEN ACCESS.....	74
ISSUE 11: TARIFF HIKE	79
ISSUE 12: CAG AUDIT	84
ISSUE 13: TARIFF CATEGORY	86
ISSUE 14: RETURN ON EQUITY.....	95
ISSUE 15: FIXED CHARGE	96
ISSUE 16: TRANSMISSION LOSS AND CHARGES.....	100
ISSUE 17: GROUP HOUSING SOCIETY TARIFF CHARGES	110
ISSUE 18: EV CHARGING STATION	116
ISSUE 19: E-BILL & ONLINE PAYMENT	118
TRUE UP FOR FY 2019-20	134
BACKGROUND	134

PRIOR PERIOD ISSUES.....	135
REVISION IN RATE OF DEPRECIATION (AS PER JUDGMENT IN APPEAL NO 246 OF 2014)	141
COMPUTATION OF WORKING CAPITAL (AS PER JUDGMENT IN APPEAL NO. 246 OF 2014).....	141
SYNDICATION FEE/BANK CHARGES	143
PHYSICAL VERIFICATION OF CAPITALIZATION FOR FY 2017-18	144
Table 3. 11 Commission Approved Physical Verification for Capitalization of Assets for FY 2018-19	145
IMPACT OF REVIEW ORDER DATED 13/12/2019.....	145
IMPACT OF REVIEW ORDER DATED 11/03/2021.....	146
IMPACT OF REVIEW ORDER DATED 18/06/2021.....	146
OMISSION TO CONSIDER SALES ON ACCOUNT OF NET METERING FOR FY 2017-18.....	146
ERRONEOUS COMPUTATION OF DEEMED REVENUE IN EXCESS OF 1% CAP ON BILLING ADJUSTMENTS DURING FY 2017-18.....	147
IMPACT OF MERIT ORDER DESPATCH FY 2013-14	154
ENERGY SALES	156
OWN CONSUMPTION.....	159
ENFORCEMENT SALES	160
NET METERING	160
ADJUSTMENT IN BILLING BY MORE THAN 1%.....	161
DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2019-20.....	166
ENERGY INPUT.....	168
DISTRIBUTION LOSS.....	169
REVENUE BILLED.....	172
REVENUE COLLECTED	172
COLLECTION EFFICIENCY	173
POWER PURCHASE QUANTUM	175
LONG TERM POWER PURCHASE QUANTUM.....	176
SHORT TERM POWER PURCHASE QUANTUM	178
SHORT TERM POWER SALES QUANTUM.....	178
POWER PURCHASE COST.....	180
LONG TERM SOURCES	181
SHORT TERM POWER PURCHASE	184
CONTINGENCY LIMIT OF 5% ON UI SALE.....	185
MERIT ORDER DESPATCH, SALE OF SURPLUS POWER AND INCENTIVE THEREON	189
TRANSMISSION CHARGES	195
REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES	196
RENEWABLE PURCHASE OBLIGATION (RPO).....	200
TOTAL POWER PURCHASE COST	203

OPERATION AND MAINTENANCE (O&M) EXPENSES.....	204
ADDITIONAL O&M EXPENSES.....	205
LOSS ON SALE OF RETIRED ASSETS.....	205
ARREARS PAID ON ACCOUNT OF 7TH PAY COMMISSION.....	206
IMPACT OF REVISION IN MINIMUM WAGES.....	206
WATER CHARGES.....	207
PROPERTY TAX.....	208
GST CHARGES	208
SMS CHARGES	209
LEGAL EXPENSES.....	209
OMBUDSMAN FEES	210
DSM CHARGES AND OTHER STATUTORY EXPENSES	210
CAPITAL EXPENDITURE AND CAPITALISATION	212
FUNDING OF CAPITALISATION	212
CONSUMER CONTRIBUTION AND GRANT.....	214
DEPRECIATION.....	215
WORKING CAPITAL	218
REGULATED RATE BASE	219
INCOME TAX.....	226
NON-TARIFF INCOME	227
INTEREST ON CONSUMER SECURITY DEPOSIT	228
DIFFERENCE ON ACCOUNT OF SERVICE LINE DEVELOPMENT (SLD) CHARGES	229
LATE PAYMENT SURCHARGE	230
SHORT TERM GAIN	233
TRANSFER FROM CONSUMER CONTRIBUTION AND CAPITAL WORKS	234
INCOME ON ACCOUNT OF BAD DEBTS RECOVERED	235
COMMISSION ON ELECTRICITY DUTY.....	235
INCOME FROM OTHER BUSINESS.....	238
INCOME FROM ADVANCES FROM CONSUMERS.....	239
INCOME FROM OPEN ACCESS	242
AGGREGATE REVENUE REQUIREMENT FOR TRUING-UP OF FY 2019-20	243
REVENUE AVAILABLE TOWARDS ARR.....	244
REVENUE (GAP)/ SURPLUS	245
ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22	246
ENERGY SALES	247
DOMESTIC, NON DOMESTIC AND INDUSTRIAL CONSUMER	262
PUBLIC UTILITIES	263

ESTIMATED REVENUE FOR FY 2021-22 AT EXISTING TARIFF.....	265
* <i>Misuse, Theft & own-consumption</i>	268
DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET	268
POWER PURCHASE QUANTUM AND COST.....	270
POWER PURCHASE COST.....	274
RENEWABLE PURCHASE OBLIGATION (RPO).....	284
COST OF POWER FROM OTHER SOURCES.....	289
SHORT TERM PURCHASE AND SALE	289
TRANSMISSION LOSS AND CHARGES	290
ENERGY BALANCE.....	292
REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES	294
TOTAL POWER PURCHASE COST	296
POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC).....	299
OPERATION AND MAINTENANCE (O&M) EXPENSES.....	303
CAPITAL EXPENDITURE AND CAPITALISATION	306
CONSUMER CONTRIBUTION & GRANTS.....	308
DEPRECIATION.....	308
WORKING CAPITAL	310
MEANS OF FINANCE FOR REGULATED RATE BASE, RoCE, WACC.....	311
EQUITY AND DEBT	312
WEIGHTED AVERAGE COST OF CAPITAL.....	313
RETURN ON CAPITAL EMPLOYED (ROCE)	314
Rate of Interest.....	318
NON-TARIFF INCOME	319
CARRYING COST ON REVENUE GAP	319
AGGREGATE REVENUE REQUIREMENT	322
ALLOCATION FOR WHEELING AND RETAIL BUSINESS	322
REVENUE (GAP)/ SURPLUS FOR FY 2021-22	323
TARIFF DESIGN	325
COMPONENTS OF TARIFF DESIGN.....	325
CONSOLIDATED REVENUE (GAP)/SURPLUS.....	325
REVENUE (GAP)/SURPLUS TILL FY 2019-20	325
REVENUE (GAP)/SURPLUS FOR FY 2021-22 AT EXISTING / REVISED TARIFF	326
COST OF SERVICE MODEL.....	329
ALLOCATION OF RETAIL SUPPLY ARR	331
CROSS-SUBSIDISATION IN TARIFF STRUCTURE	332
TARIFF STRUCTURE	337