



## Delhi Electricity Regulatory Commission

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

F.11(2268)/DERC/2024-25/8262

### Petition No. 56/2024

In the matter of: **Petition under Section 62(4) of the Electricity Act, 2003 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2017 seeking the Commission's approval to Levy Differential Power Purchase Cost Adjustment Charges (PPAC) for the power purchase cost incurred during July 2024 till September 2024.**

**BSES Yamuna Power Ltd.**

**.... Petitioner**

### Coram:

**Justice (Retd.) Jayant Nath, Chairperson**  
**Sh. Ram Naresh Singh, Member**  
**Sh. Surender Babbar, Member**

### Appearance:

1. **Mr. Buddy A. Ranganadhan, Sr. Advocate, BYPL**
2. **Mr. Dushyant Manocha, Advocate, BYPL**
3. **Ms. Kashish Chhabra, Advocate, BYPL**

### ORDER

(Date of Order: 20.12.2024)

1. The instant Petition has been filed by BSES Yamuna Power Ltd. (BYPL) seeking approval to levy Differential Power Purchase Adjustment Cost (hereinafter called PPAC) for the Power Purchase Cost incurred during July'2024 to September'2024 for the Q2 of FY 2024-25, in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2017.
2. The Petitioner has made the following prayers:
  - i. Take on record that the Petitioner is levying a PPAC of 8.75% for the Quarter July' 2024 till September' 2024, on the bills of all consumers from the billing cycle with effect from 01.08.2024 for a period of three months in terms of the extant Regulations and the Petitioner's letter dated 30.07.2024;
  - ii. Allow the levy of differential PPAC at 8.35% (i.e., 16.13% - 7.78%) (as computed on the basis of the Commission's methodology) or 8.82% (i.e., 16.60% - 7.78%) (as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22), and the BTPS arrears for the power purchase costs accrued from July' 2024 to September' 2024.

**PETITIONERS' SUBMISSIONS:**

3. The Petitioner has submitted the following:
- i. The Petitioner is a Distribution Licensee in terms of Section 14 of the Electricity Act, 2003 granted by the Commission. The Petitioner is involved in the business of the distribution and supply of electricity in the licensed area which is exclusively under the jurisdiction of the Commission.
  - ii. The present Petition is being filed claiming the additional PPAC for the Second Quarter of FY 2024-25 (hereinafter "Q2") computed at 16.13% (as computed on the basis of the Commission's methodology) or 16.60% (as computed on the basis of the Ministry of Power's (hereinafter "MoP") methodology).
  - iii. The Commission vide its Tariff Order dated 30.09.2021 provided a mechanism for levy of PPAC by the Petitioner. The Petitioner vide its order dated 22.06.2023 had allowed PPAC of 31.60% for the Petitioner to be levied till March' 2024. Further, the Commission vide Order dated 21.07.2023 directed DISCOMs to not levy any additional PPAC till March, 2024 except as what was provided in Order dated 22.06.2023.
  - iv. That on 19.01.2024, in line with the directions issued vide Order dated 03.01.2024 in Petition No. 38/2023, the Commission withdrew the directions contained in Para 2 of the Order dated 21.07.2023 with immediate effect also for Petitioner and other DISCOMs as well. In effect, by virtue of its Order dated 19.01.2024, the Commission permitted the Petitioner and other DISCOMs to levy additional PPAC in terms of the Business Plan Regulations, 2023.
  - v. During Q2 of FY 2024-25, the Petitioner has also paid arrears of Rs. 2.91 Crores to National Thermal Power Corporation ("NTPC") for Badarpur Power Thermal Station ("BTPS arrears") in terms of Order dated 14.04.2024 passed by the Hon'ble Central Electricity Regulatory Commission ("CERC"). The said station was part of the base cost of PPAC during the past Tariff Orders passed by the Commission. Accordingly, considering the BTPS arrears, the PPAC for Q2 of FY 2024-25 is calculated at 8.70%, following the Commission's methodology. As per the Ministry of Power's methodology, the PPAC is calculated at 9.17%.
  - vi. The Commission vide its Tariff Order dated 30.09.2021 has considered a PPAC of 7.43% equivalent to Rs. 512.14Crore for meeting the revenue gap arising in the Annual Revenue Requirement (ARR) for FY 2021-22. The entire PPAC of 7.43% has been utilized to meet the fixed cost recovery forming part of ARR of FY 2021-22. In the past, the Commission has allowed PPAC including 7.43% along with quarterly PPAC. Since the Commission has not considered PPAC

in its previous order, this has left the Petitioner with an unrecovered PPAC of 7.43% as well.

- vii. In view of the above, the Petitioner issued a letter dated 30.07.2024 stating that its actual PPAC to recover power purchase cost as per the Commission's methodology is, therefore, calculated at 16.13% (i.e., 8.70% + 7.43%) (as computed on the basis of the Commission's methodology inclusive of BTPS arrears) and at 16.60% (i.e., 9.17% + 7.43%) (as computed on the basis of the MoP's methodology inclusive of BTPS arrears). In view of the Business Plan Regulations, 2023 and the Commission's Order dated 19.01.2024, the Petitioner would *suo-motu* levy additional PPAC of 7.78% on the bills of consumers from the billing cycle from 01.11.2024 for a period of 3 months.
- viii. That since the Commission vide its Order dated 19.01.2024 has been pleased to withdraw its direction contained in Order dated 21.07.2023, in accordance with the Business Plan Regulations, 2023, the Petitioner is levying a capped PPAC of 7.78% on the bills of consumers from the billing cycle w.e.f. 01.11.2024 for a period of 3 months as intimated vide letter dated 28.10.2024. Moreover, in compliance with the Business Plan Regulations, 2023, the Petitioner also uploaded the computation of PPAC on its website prior to levying the same on the electricity bills of the consumers.
- ix. Further, for the differential, i.e., 8.35% (i.e., 16.13% - 7.78%) (as computed on the basis of the Commission's methodology) or 8.82% (i.e., 16.60% - 7.78%) (as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22) and the BTPS arrears, for the power purchase costs accrued from July'2024 to September' 2024, the Petitioner is filing the present Petition seeking approval of the Commission. The calculations have been done by the Petitioner in accordance with the methodology specified by the Commission and the MoP. In support of the same, the Petitioner is also placing on record of the Commission, the Power Purchase Audited statement.

**Commission Analysis**

- 4. BYPL vide abovementioned Petition, has submitted the PPAC computation for the Q2 of FY 2024-25, which is summarized as follows:

Quarter	PPAC Computed by DISCOM as per DERC Regulation	PPAC claimed by DISCOM
Q2 FY 2024-25	8.70%	8.35% (8.70%+7.43%-7.78% <sup>**</sup> )

Note: \* PPAC @ 7.43%, as allowed by Commission vide Tariff Order dated 30.09.2021 for meeting the Revenue gap.

\*\*Suo-motu levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023

5. Tariff Division sought information from the Petitioner vide email dated 03/12/2024 w.r.t CERC Orders resulting in arrears, Coal based Power Plants Blending Ratio details, STOA bills, etc. BYPL vide its email dated 05/12/2024, submitted the information. A prudence check of PPAC Petition was also conducted with BYPL on 06/12/2024.
6. The Commission vide its Record of Proceedings dated 11/12/2024, admitted the above-mentioned PPAC Petition.
7. After verification of the Power Purchase Bills submitted by BYPL and prudence check by the Commission, the PPAC computed as per formula approved in Tariff Order dated 30/09/2021 is as follows:

Quarter	PPAC submitted by DISCOM	PPAC Computed
Q2 FY 2024-25	8.70%	6.20%

8. Major reasons of variation in PPAC claimed and PPAC allowed (8.359% vs. 6.209%) are:
  - a) There is variation in Short-term Power Sale quantum as submitted by BYPL and as provided by SLDC in their monthly power purchase report.
  - b) BYPL has not considered the Short-term Open Access (STOA) refund in their computation.
9. In view of above, the Commission accords approval of PPAC for Q2 FY 2024-25 as follows:

Quarter	PPAC claimed by DISCOM	PPAC Computed
Q2 FY 2024-25	8.35% (=8.70% +7.43%* -7.78%**)	5.85% (=6.20% +7.43%* -7.78%**)

Note: \* PPAC @ 7.43%, as allowed by Commission vide Tariff Order dated 30.09.2021 for meeting the Revenue gap.

\*\*Suo-motu levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023

10. Presently, ongoing PPAC is 30.34%, which is applicable till 20/12/2024. PPAC of Q2 of FY 2024-25 to be recovered works out to 5.85%. In view of this, the Petitioner is allowed to recover PPAC of 5.85% for 3 months beyond 20/12/2024 i.e., from 21/12/2024 to 20/03/2025.

11. Ordered accordingly.

**Sd/-**  
**(Surender Babbar)**  
**Member**

**Sd/-**  
**(Ram Naresh Singh)**  
**Member**

**Sd/-**  
**(Justice (Retd.) Jayant Nath)**  
**Chairperson**