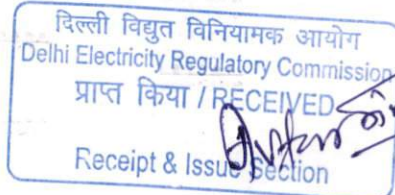


BSES

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Ref: RA/BYPL/23-24/ 271

Date: 1 February 2024

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

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

Dear Sir,

We refer to the Regulation 30 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 which provides for mechanism for recovery of Power Purchase Cost Adjustment. The relevant extract is shown below:

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

The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2023-24 to FY 2025-26 of the Distribution Licensees shall be as follows:

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

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



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- file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).
- d) The Distribution Licensee shall file Petition only for their claim of PPAC.

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

Accordingly, and in accordance with Regulations 30 (4)(c) above, we would like to intimate the Hon'ble Commission, that the PPAC of licensee for Oct, Nov and Dec of FY 23-24 (Q3) is computed as 11.41%. However, in terms of Rule 14 of Electricity (Amendment) Rules, 2022 regarding "Timely recovery of power purchase costs by distribution licensee" the computed PPAC is 12.62%. The detailed computation is attached as **Annex-1**.

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

Hon'ble Commission vide its Tariff Order dated 30.09.2021 of BYPL, had considered the PPAC of 7.43% equivalent to Rs. 512 Cr. for meeting the revenue gap arising in the Annual Revenue Requirement (ARR) for FY 2021-22. The relevant extracts are as under:

"Table 4.71: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	ARR	4461.43
B	Carrying Cost for FY 2021-22	280.15
C	PPAC Cost Subsumed	18.40
D	Revised ARR	4759.98
E	Revenue at Revised Tariff	4259.40
F	Revenue from PPAC	512.14
G	Total Revenue	4771.54
H	Revenue (Gap)/ Surplus	11.56

As evident from the above table, entire PPAC @7.43% has been utilized to meet the fixed cost recovery forming part of ARR of FY 2021-22. In past, the Hon'ble Commission has allowed PPAC including 7.43% along with other quarterly PPAC.

Therefore, the actual PPAC required for recovering of Power Purchase Cost is 18.84% (i.e. 11.41% + 7.43% PPAC)

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

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

para 2 in the above mentioned Order dated 21.07.2023 with immediate effect also for BRPL, BYPL and NDMC.

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

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

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

Kindly acknowledge the receipt.

Thanking You,
Yours faithfully

For BSES Yamuna Power Limited



Rajeev Chowdhury
Head- Regulatory Affairs

Encl: As above

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

Sr No	Parameters	DERC Methodology	As per MOP
1	A (in Kwh)	2,063.26	2,112.07
2	B (in Kwh)	647.74	685.97
3	C (in Kwh)	0.97	1.04
4	D (Rs. Cr.)	130.89	130.89
5	E (Rs. Cr.)	172.41	172.41
6	Z	1358.82	1367.99
7	Distribution Loss	7.72%	7.72%
8	ABR	6.68	6.68
9	Avg PPA base	3.54	3.54
10	PGCIL Loss	2.00%	2.00%
11	DTL Loss	0.92%	0.92%
12	Distribution Loss	7.72%	7.72%
13	Total unit sold other than Direct Consumer (Provisional figure)	685.97	685.97
14	Gross power Purchase	2,185.02	2,185.02
15	Avg PPC [#]	4.50	4.57
16	Base	3.54	3.54
17	PGCIL Losses	2.00%	2.00%
18	DTL Losses	0.92%	0.92%
19	Z	1,358.82	1,367.99
20	CGS	1,903.16	1,951.97
21	SGS	160.10	160.10
22	PPAC (nth Qtr) %= # Excluding the Cost and Quantum of Power Station whose cost is not approved in Base Cost	11.41%	12.62%

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

- A Total unit procured in (n-1)th Qtr from power station having Long term PPA (in KWH) -(To be taken from bills of the Genco issued to Discom)
- B Proportionate bulk sale of power from power station having long Term PPA (in Kwh) = Total unit Sold(Other than sold to direct consumer KWH) in (n-1) Qtr/ Gross Power Purchase (Kwh) in (n-1) Qtr X A
- C Actual Avg PPC (n-1) Qtr from bill - Projected avg PPC base from Tariff order
- D Actual Transmission Charges
- E Approved Transmission Charges
- Z $\{[(\text{Power purchase from CGS having LTPP}) * (1 - \text{PGCIL loss in \%} / 100) + (\text{PP from Delhi Genco including BTPS})] * (1 - \text{DTL loss\%} / 100) - B\}$ in KWH
- ABR Average Billing Rate