

# BSES

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Ref: RA/BYPL/2024-25/104



Date: 30.07.2024

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

**Sub: Power Purchase Adjustment Charges (PPAC) for April, May and June, 2024**

**Ref: Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 and Tariff Order dated 30.09.2021**

Dear Sir,

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

In this regard, we would also like to bring to the notice of this Hon'ble Commission that NTPC has billed Rs. 119 Cr. towards past arrears (FY 2014-19) for Badarpur Power Thermal Station (BTPS) to BYPL in terms of CERC's Order dated 14.04.2024. The said station was a part of base cost of PPAC during the past Tariff Orders of the Hon'ble Commission.

Accordingly, the PPAC for the period April – June, 2024 (i.e. Q1 of FY 2024 – 2025) is computed at 19.25%. If the above arrears of BTPS are not considered, our PPAC for the period April – June, 2024 (i.e. Q1 of FY 2024 – 2025) is computed at 10.81%.

Moreover, in terms of Rule 14 of Electricity Rules, 2005 (as amended by Electricity (Amendment) Rules, 2022) our computed PPAC is 21.48% (with BTPS arrears) and 13.26% (without BTPS arrears) respectively.

The detailed computations are enclosed as **Annex – 1**. Other details like the Power Purchase Audited statement and SLDC accounts are enclosed as **Annex – 2** for reference. A copy of the bills received from NTPC towards these BTPS arrears are enclosed as **Annex – 3**.



Further, the Hon'ble Commission vide its common Order dated 20.06.2024 while approving PPAC for Q-3 and Q-4 of FY 2023-24 had continued the existing PPAC of 31.60% to avoid a tariff shock for the consumers. The relevant extract of the said order is reproduced below:

"12. In view of above, the Commission accords approval of PPAC for Q3 & Q4 FY 2023-24 as follows:

<b>Sr. No.</b>	<b>Description</b>	<b>PPAC Claimed</b>	<b>PPAC Allowed</b>
A	Q-3 FY 2023-24	10.09%	10.01% (11.33%+7.43%-8.75%)
B	Q-4 FY 2023-24	34.09%	34.07% (6.46%+7.43%-6.10%+26.28%)
C	Total PPAC to be recovered C=A+B		44.08%
D	Ongoing PPAC as per Commission Order dated 8/03/2024 applicable till 20/06/2024		31.60%
E	PPAC allowed (Lower of (D), (C))		31.60%

As evident from the above, even though as per the Hon'ble Commission's own calculations, the PPAC to be actually recovered was more. This eventually left us with an unrecovered PPAC of 12.48% (44.08%-31.60%).

Additionally, this Hon'ble Commission vide its Tariff Order dated 30.09.2021 for BYPL had considered a PPAC of 7.43% equivalent to Rs. 512.14 Cr. for meeting the revenue gap arising in the Annual Revenue Requirement (ARR) for FY 2021-22. The relevant extracts are under:



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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
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	<b>11.56</b>

As it is evident from the above table, 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 Hon'ble Commission has allowed PPAC including 7.43% along with other quarterly PPAC.

In view of the above, the actual PPAC required for recovering of the Power Purchase Cost is 39.16% (i.e. 19.25%+ 7.43% + 12.48%) in terms of Hon'ble Commission (including BTSP arrears) and 41.39% (i.e. 21.48%+ 7.43% + 12.48%) in terms of Rule 14 of Electricity Rules, 2005 (as amended by the Electricity (Amendment) Rules, 2022).

In any event and without prejudice to the above, given that 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 all DISCOMs including BYPL, hence BYPL will levy the suo-motto capped PPAC of 8.75% (in terms of DERC's Business Plan Regulations, 2023) on the bills of all consumers from the billing cycle w.e.f. 01.08.2024 for a period of 3 months.

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

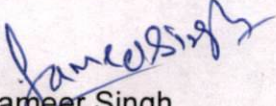
In view of the above, we shall upload PPAC computation on our website before the same is levied on the consumers' electricity bills.



This is submitted for the kind information of the Hon'ble Commission.

Thanking You,  
Yours faithfully

**For BSES Yamuna Power Limited**

  
Sameer Singh  
(DGM- Regulatory Affairs)

Encl: As above

# Annexure-1



**BYPL PPAC % Calculation for Apr - Jun - 24**

Sr No	Parameters	DERC Methodology	As per MOP
1	A (in Kwh)	2,356.43	2,418.28
2	B (in Kwh)	249.35	298.43
3	C (in Kwh)	1.31	1.44
4	D (Rs. Cr.)	139.83	139.83
5	E (Rs. Cr.)	172.41	172.41
6	Z	2,043.19	2,054.17
7	Distribution Loss	7.54%	7.54%
8	ABR	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	7.54%	7.54%
13	Total unit sold other than Direct Consumer (Provisional figure)	298.43	298.43
14	Gross power Purchase	2,820.26	2,820.26
15	Avg PPC#	4.84	4.97
16	Base	3.54	3.54
16	PGCIL Losses	2.00%	2.00%
17	DTL Losses	0.92%	0.92%
18	Z	2,043.19	2,054.17
19	CGS	2,130.01	2,191.86
20	SGS	226.42	226.42
21	PPAC (nth Qtr) %= ((A-B)*C+(D-E)/ ((Z*(1-Distribution Loss in %/100)*ABR)	19.25%	21.48%
22	PPAC (excl. BTPS)	10.81%	13.26%

# Excluding the Cost and Quantum of BTPS and 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)  
 Proportionate bulk sale of power from power station having long Term

B 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  
 Actual Avg PPC (n-1) Qtr from bill - Projected avg PPC base from Tariff

C 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