



## 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

|                                                                     |     |
|---------------------------------------------------------------------|-----|
| <b>INTRODUCTION</b>                                                 | 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  |
| <b>RESPONSE FROM STAKEHOLDERS</b>                                   | 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 |
| <b>TRUE UP FOR FY 2019-20</b>                                       | 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 &amp; 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        |
| <b>TARIFF STRUCTURE .....</b>                                           | <b>337</b> |