



## Delhi Electricity Regulatory Commission

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi –110 017.

F.11(2255)/DERC/2024-25/8214

### Petition No. 47/2024

In the matter of: Petition regarding levy of Power Purchase Cost Adjustment Charges (PPAC) for the Quarter of January, 2024 to March, 2024 (Q-4) in NDMC Area in accordance with Regulation No. 30 of DERC (Business Plan) Regulations, 2023 read with Regulation No. 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

New Delhi Municipal Council (NDMC)

... Petitioner

Coram:

Hon'ble Justice (Retd.) Jayant Nath, Chairperson

Hon'ble Sh. Ram Naresh Singh, Member

Hon'ble Sh. Surender Babbar, Member

Appearance:

Mr. Tushar Sannu, Advocate, NDMC

### ORDER

(Date of Order: 31.12.2024)

1. The instant Petition has been filed by New Delhi Municipal Council (NDMC) seeking permission to Levy and consequently recover the Power Purchase Adjustment Cost (hereinafter PPAC) from its consumers for Q4 of FY 2023-24 from January' 2024 to March' 2024 in accordance with law including but not limited to the DERC (Business Plan) Regulations, 2023 (hereinafter "Business Plan Regulations, 2023").
2. The Petitioner has made the following prayers;
  - a. To take on record that the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumer 'for a period of 3 months' in Quarter – 4 (January'2024 to March'2024) FY 2023-24; and
  - b. In terms of Business Plan Regulations 2023, for the Quarter – 4 i.e. January'2024 to March'2024, permit the Petitioner/NDMC to levy the PPAC claim of 45.77% (i.e. 54.52% - 8.75%) on the bills of all consumers for the period of three months.

### Petitioner's Submission

3. The Petitioner has submitted that: -
  - i. The Petitioner/NDMC is entrusted with the Distribution of Electricity to the consumers in the New Delhi Municipal area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994 and, for the said purpose, procures power from various sources in order to meet with its universal service obligations under

Section 43 of the Electricity Act, 2003 for providing uninterrupted, reliable power supply to the consumers at large.

- ii. The Commission notified the Business Plan Regulations, 2023 which are to remain in force from FY 2023-24 to FY 2027-28, unless reviewed earlier by the Commission. The Regulation 30 of the Business Plan Regulations, 2023 provides for the mechanism for recovery of PPAC. In accordance with the said regulation, the Commission specified the formula for computation of the PPAC vide its Tariff Order dated 30.09.2021.
- iii. Further, as per compliance of the said formula and Regulation 30 of the Business Plan Regulations, 2023, the PPAC for the period from January' 2024 to March' 2024 (Financial Year 2023-24) works out to 54.52%.
- iv. In accordance with the Business Plan Regulations, 2023, the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers of a period of 3 months.
- v. In light of the Commission's Orders dated 26.02.2024, the Petitioner/NDMC can levy the PPAC of 38.75% (30% + 8.75%).
- vi. The Bills pertaining to supply of Power from GTPS have not been considered in the PPAC computation as the Petitioner has challenged the allocation made by the Commission from GTPS before the Hon'ble APTEL. However, the Hon'ble APTEL vide its Order dated 05.10.2023 rejected the appeal due to non-payment of cost. That the Petitioner herein/NDMC has preferred an appeal against said order dated 05.10.2023 before the Hon'ble Supreme Court. The e-filing No. before Hon'ble Supreme Court is EC-SCIN01-17711-2024. The impact of this GTPS power shall be subject to decision by the Hon'ble Supreme Court. The Petitioner has received 1.19 MUs of power from GTPS Power Plant during the period from January 2024 to March'2024 for which the billed amount was Rs. 2.17 Crore, which has not been considered in the above PPAC.
- vii. Further, the subject PPAC does not include the withheld payments of Dadri-I Thermal, POC, Non-POC and wheeling charges/Transmission Charges of PGCIL, NRLDC, DTL applicable for Dadri-I Thermal Power as Petitioner has not scheduled and drawn any power from these Power Stations, as the PPAs entered between the parties had already expired on 30.11.2020.

### **Commission's Analysis**

4. The Civil Appeal bearing diary no. 22970 of 2024 filed by NDMC against the APTEL's Order dated 05.01.2023 has been dismissed as withdrawn vide Hon'ble Supreme Court's Order dated 09.08.2024 and further the NDMC has filed a Review Petition before the Commission on 08.11.2024.
5. NDMC vide abovementioned Petition, has submitted the PPAC computation for the Q4 of FY 2023-24, which is summarized as follows:

Quarter	PPAC Computed by DISCOM as per DERC Regulation	PPAC claimed by DISCOM
Q4 FY 2023-24	54.52%	45.77% (54.52%-8.75%*)

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

6. The Commission vide its Record of Proceedings dated 13/11/2024 admitted the above-mentioned PPAC Petition. A prudence check of PPAC Petition was also conducted with NDMC Officials on 11/12/2024.
7. The Petition submitted by NDMC has been scrutinized and it was observed that major reason for high PPAC is the total allocation of NDMC on Gas Based Thermal Power Plants for meeting its power requirement and Gas Prices have increased drastically during the said period.
8. After verification of the Power Purchase Bills submitted by NDMC 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 claimed by NDMC in Petition	PPAC Computed #
Q4 FY 2023-24	54.52%	54.52%

Note: # PPAC was restricted to the PPAC claimed by the DISCOM

9. In view of above, the Commission accords approval of PPAC as follows:

Quarter	PPAC claimed by DISCOM	PPAC computed
Q4 FY 2023-24	45.77% (=54.52% -8.75%**)	45.77% (=54.52% -8.75%**)

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

10. Presently, ongoing PPAC is 30.00%, which is applicable till 31/12/2024. PPAC of Q4 FY 2023-24 to be recovered works out to 45.77%. In view of this, the Petitioner is allowed to recover PPAC of 45.77% for 3 months beyond 31/12/2024 i.e., from 01/01/2025 to 31/03/2025.
11. Ordered accordingly.

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

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

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