



NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA, SANSAD MARG, NEW DELHI-110001
Website: www.ndmc.gov.in

PUBLIC NOTICE
REQUEST FOR PUBLIC RESPONSE

Petition for Approval of True Up for FY 2018-19, Revised ARR for 2019-20 along with ARR and Determination of Tariff for FY 2020-21

1. New Delhi Municipal Council (hereinafter referred to as "NDMC") has filed petition before the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "Commission") for True-up of ARR of FY 2018-19, revised Aggregate Revenue Requirement for 2019-20 and Aggregate Revenue Requirement & Determination of Tariff for FY 2020-21 on January 13, 2020 under the provisions of the Electricity Act, 2003, and the provisions of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 vide notification dated 31st January, 2017.
2. The salient features of Petition are provided below:

Table 1: Summary of ARR and Revenues for NDMC at existing Retail Supply Tariff (RST)

S. No.	Particulars	Units	FY 2018-19	FY 2020-21
A.	Energy Input for sale to consumers	MU	1446.18	1500.13
B.	Energy Billed	MU	1357.05	1357.22
C.	AT&C losses for the year	%	6.87%	10.43%
E.	Power Purchase (includes Transmission) Cost	Rs. Crore	964.18	956.90
F.	O&M Expenses	Rs. Crore	236.86	264.18
G.	Depreciation	Rs. Crore	33.13	35.50
H.	RoCE (Return + Interest)	Rs. Crore	53.73	53.79
I.	Administrative Dept. & Civil Engg. Dept Expenses	Rs. Crore	45.17	45.17
J.	Income Tax	Rs. Crore	0	0
K.	Less: Non-Tariff Income	Rs. Crore	0	2.93
L.	Aggregate Revenue Requirement	Rs. Crore	1333.07	1352.61
M.	Revenue available at existing tariff	Rs. Crore	1325.08	1296.09
N.	Revenue Gap/ Surplus at Existing Tariff	Rs. Crore	-7.90	-56.52

* At Discom Periphery

3. **Recovery of Revenue Gap:** As per the ARR and revenue at the existing tariff, NDMC has a revenue gap of Rs 7.90 crore for FY 2018-19 and Rs. 56.52 Crores for FY 2020-21. The above revenue gap is planned to be bridged by proposing revised tariff rates. NDMC proposes to adopt a tariff revision plan wherein, for FY 2020-21, a set of tariff rates for each category of the consumer are proposed so as to bridge the entire revenue gap. NDMC has proposed an average tariff hike of 5.00%. The proposed tariff structure is as follows:

Table 2: Proposed Revision in Tariff for FY 2020-21

S. No.	Category	Energy Sales	Revenue at Existing Tariff	Average Billing Rate at Existing Tariff	Hike Proposed in Existing Tariff	Revised Revenue Proposed	Average Billing Rate as per Proposed Tariff
		MU	Rs. Crore	Rs. /kWh	%	Rs. Crore	Rs. /kWh
1	Domestic	224.50	171.05	7.62	5.00%	179.60	8.00
2	Non-Domestic Low Tension	335.97	331.69	9.87	5.00%	348.27	10.37
3	NDHT	734.08	746.88	10.17	5.00%	784.22	10.68
4	Small Industrial Power	0.03	0.03	10.50	5.00%	0.03	11.02
5	Public Lighting	7.07	4.92	6.96	5.00%	5.17	7.31
6	Others	14.59	13.52	9.27	5.00%	14.19	9.73
7	DMRC	40.97	28.01	6.84	5.00%	29.41	7.18
	Total	1,357.21	1,296.09	9.55	5.00%	1,360.90	10.03

4. Performance of NDMC during FY 2018-19: The AT&C loss level in 2018-19 were 6.87% with a collection efficiency of 99.24%. Going forward, NDMC has proposed AT & C losses of 10.43% for 2020-21.
5. In accordance with the provisions of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 notified by the Commission, the consumers and stakeholders are requested to submit the response on the above Petition. The response may be sent to the Secretary of the Commission at the following address by 20.03.2020. The response may be submitted personally or by post to the Commission at the address given below. The response can also be e-mailed to the Secretary of the Commission at the e-mail address mentioned below.

DELHI ELECTRICITY REGULATORY COMMISSION

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

Email id: secyderc@nic.in

Telefax:011-26673608

6. The Commission would hold public hearings with the responding stakeholders subsequently. The details of the public hearings is submitted as under:

Date	Venue	Time
18/03/2020 Wednesday	NDMC Convention. Centre, Jai Singh Road, New Delhi – 110001	10.30 AM to 01.30 PM 02.30 PM to 05.00 PM

7. The complete petition can be downloaded from the website of the commission (www.derc.gov.in) and the website of NDMC (www.ndmc.gov.in). Soft copy of the petition may be obtained in CD on payment of Rs.25/- per CD or hard copy of the petition may be purchased from the Registration Office of NDMC located Palika Kendra, Sansad Marg, New Delhi on working day till 20.03.2020 between 11 a.m. and 4 p.m. on payment of Rs. 100/- per Hard Copy either by cash or by Demand Draft/Pay Order in favour of "Secretary, NDMC" payable at New Delhi.

For NDMC
Sd/-
Secretary

A. INTRODUCTION

- 1.1 New Delhi Municipal Council (NDMC), the Distribution Licensee, has filed its Petition for Approval of True up for FY 2018-19 and Aggregate Revenue Requirement (ARR) for FY 2020-21.
- 1.2 This Executive Summary contains the summary of the Petition filed by NDMC for True up for FY 2018-19 and ARR of FY 2020-21.
- 1.3 The True up for FY 2018-19 shall be done based on the provisions of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2017*.
- 1.4 ARR and Tariff for FY 2020-21 shall be determined based on the provisions of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2019*. ARR broadly has the following components:
- Power Purchase Cost including Transmission Charges
 - Operation and Maintenance (O&M) expenses
 - Return on Capital Employed
 - Depreciation
 - Income Tax.
 - Non-tariff Income, etc.
- 1.5 The following tables/ figures have been extracted from the Petition filed by NDMC for ease of understanding to various stakeholders. Complete Petition is also available on DERC website <http://www.derc.gov.in>

B. TRUE UP OF FY 2018-19

- 1.6 NDMC has submitted that Sales for FY 2018-19 based on actual as follows:

Table 1: Energy Sales for FY 2018-19 (MU)

Sr. No.	Consumer Category	Approved in TO FY 2018-19	Actual
1	Domestic	277.20	224.50
2	Non Domestic	1053.73	1070.05
3	Small Industrial Power	0.05	0.03
4	Public Lighting	7.87	7.07
5	DMRC	62.09	40.97
6	Others	11.74	14.59
7	Total	1412.67	1357.21

- 1.7 The AT&C loss along-with Distribution Loss and Collection Efficiency for FY 2018-19 sought by NDMC is as follows:

Table 2: Losses & Collection Efficiency for FY 2018-19 (%)

Sr. No.	Particulars	Actual
1	AT&C Loss	6.87
2	Distribution Loss	6.16
3	Collection Efficiency	99.24

- 1.8 The Power Purchase Quantum and Cost submitted by NDMC for FY 2018-19 is as follows:

Table 3: Power Purchase Quantum for FY 2018-19 (MU)

Sr.No.	Particulars	Actual
1	Power Purchase from Central Stations	567.70
2	Interstate Transmission Losses	9.37
3	Net Power Purchase from Central Stations	558.33
4	Power Purchase from State Stations	881.43
5	DMSWSL and EDWPCL	6.29
6	Power Purchase from Short Term Sources including ST Renewable	275.22
A	Gross Power Purchase	1,721.27
7	Intra State Transmission Loss	15.84
B	Net Power Available at NDMC Periphery	1,705.43
8	Sale of Surplus Power	259.28
C	Net Power available for Retail Sales	1,446.15

Table 4: Power Purchase Cost for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Power Purchase Cost	969.52
2	Cost of Short term and Renewable Purchase	
3	Less: Revenue from Sale of Power	90.95
A	Net Power Purchase Cost	878.56
4	Interstate Transmission Charges	25.96
5	Intrastate Transmission Charges including SLDC	59.67
B	Total Transmission Charges	85.61
C	Total Power Purchase Cost for True-up	964.18

- 1.9 The O&M Expenses as considered by NDMC during FY 2018-19 is as follows:

Table 5: O&M Expenses for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Employee Expenses	216.13
2	A&G Expenses	7.44
3	R&M Expenses	13.29
4	Gross O&M Expenses	236.86

- 1.10 NDMC has submitted that they are exempted from paying the Income Tax, therefore claim for such tax liabilities has not been proposed in the Petition.

- 1.11 The ARR claimed during FY 2018-19 is as follows:

Table 6: Trued up ARR for FY 2018-19 as submitted by NDMC (Rs. Cr.)

Sr. No.	Description	Actual
1	Cost of power purchase including T&D Losses	878.56
2	Inter-State Transmission charges	26.02
3	Intra-state Transmission charges (Including SLDC charges)	59.59
	Rebate on Timely payments	-
4	Net Operation & Maintenance (O&M)	236.86
5	Depreciation	33.13

Sr. No.	Description	Actual
6	Administrative Dept. & Civil Eng. Dept.	45.17
7	Return on Capital Employed	53.73
8	Income Tax	-
9	Less: Non-Tariff Income	-
10	Aggregate Revenue Requirement	1,333.07

1.12 The Revenue Surplus/(Gap) for FY 2018-19 is as follows:

Table 7: Revenue Surplus/(Gap) for FY 2018-19 (Rs. Cr.)

Sr. No	Particulars	Actual
1	ARR for FY 2018-19	1333.07
2	Revenue Available Towards ARR	1325.08
3	Revenue(Gap)/Surplus	(7.99)

C. AGGREGATE REVENUE REQUIREMENT FOR FY 2020-21

1.13 NDMC has submitted that sales in its licenced areas have remained stagnant over the last few years, therefore, for projection of sales for FY 2020-21, they have not considered any change in sales from the actual sales in FY 2018-19. The energy sales projected for FY 2020-21 are as follows:

Table 8: Category-wise Energy Sales for FY 2020-21 (MU)

Sr. No.	Consumer Category	FY 2020-21
1.	Domestic	224.50
2.	Non Domestic	1070.05
3.	Small Industrial Power	0.03
4.	Public Lighting	7.07
5.	DMRC	40.97
6.	Other	14.59
7.	Total	1357.21

1.14 The AT&C Loss, Distribution Loss & Collection Efficiency for FY 2020-21 are as follows:

Table 9: AT&C Loss, Distribution Loss & Collection Efficiency for FY 2020-21

Sr. No.	Particulars	FY 2020-21
1	Distribution Loss	9.50%
2	Collection Efficiency	99.00%
3	AT&C losses	10.43%

1.15 The Energy Requirement for FY 2020-21 is as follows:

Table 10: Energy Requirement Projections for FY 2020-21

Sr. No.	Particulars	FY 2020-21
1	Energy Sales (MU)	1357.05
2	Distribution Loss (%)	9.50%
3	Distribution Loss (MU)	142.47
4	Energy Required at Distribution Periphery (MU)	1499.69

1.16 The Energy Balance for FY 2020-21 is as follows:

Table 11: Energy Balance Projections for FY 2020-21 (in MU)

Sr. No.	Particulars	FY 2020-21
A	Energy Requirement	
1	Energy Sales	1357.05
2	Distribution Loss (%)	9.50%
3	Distribution Loss (MU)	142.47
4	Energy Required at Distribution Periphery	1499.69
B	Energy Availability	
1	Power Purchase from CGS outside the State	567.70
2	Interstate Transmission Losses	9.37
3	Net Power Purchase from Central Stations	558.33
4	Power Purchase from within the State	646.70
5	DMSWSL and EDWPCL	6.63
6	Power Purchase from Short Term Sources including ST Renewable	302.40
7	Gross Power Purchase Quantum	1,514.06
8	Intra State Transmission Loss	13.93
9	Net Power Available at NDMC Periphery	1,500.13
10	Sale of Surplus Power	-
11	Net Power available for Retail Sales	1,500.13

1.17 The O&M Expenses projected for FY 2020-21 is as follows:

Table 12: O&M Expenses Projected for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	FY 2020-21
1	Employee Expenses	241.07
2	A&G	8.29
3	R&M	14.83
4	O&M Expenses	264.18

1.18 The Non Tariff Income for FY 2020-21 is as follows:

Table 13: Projected Non-Tariff Income for FY 2020-21 (Rs. Cr.)

Non-Tariff Income	FY 2020-21
Total	2.93

1.19 The projected ARR & Revenue Gap for FY 2020-21 is as follows:

Table 14: Projected ARR & Revenue Gap for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	FY 2020-21
1	Cost of power purchase, including T&D Losses	871.11
2	Inter-State Transmission charges	28.75
3	Intra-state Transmission charges including SLDC charges	57.04
	Rebate on Timely Payments	-
4	Net Operation & Maintenance (O&M)	264.18
5	Depreciation	35.50
6	Administrative Dept. & Civil Engg. Dept	45.17
7	Return on Capital Employed	53.79
8	Income Tax	-
9	Aggregate Revenue Requirement (ARR)	1355.54

Sr. No.	Particulars	FY 2020-21
10	Less: Non-Tariff Income	2.93
11	Net ARR	1,352.61
12	Revenue At Existing Tariff	1296.09
13	Gap for FY 2020-21 to be adjusted	(56.52)
14	Gap of FY 2018-19 to be adjusted	(7.99)
15	Total Revenue gap to be recovered from Tariff	(64.51)

1.20 The Tariff proposal for FY 2020-21 is as follows:

Table 15: Revenue and ABR for Existing Vs. Proposed Tariff for FY 2020-21

Sr. No.	Category	FY 2020-21	Revenue at Existing Tariff	ABR at Existing Tariff	Hike Proposed in Existing Tariff	Revised Revenue Proposed	ABR as per Proposed Tariff
			Rs. Cr.	Rs./kWh	%	Rs. Cr.	Rs./kWh
1	Domestic	224.50	171.05	7.62	5.00%	179.60	8.00
2	Non-Domestic Low Tension	335.97	331.69	9.87	5.00%	348.27	10.37
3	NDHT	734.08	746.88	10.17	5.00%	784.22	10.68
4	Small Industrial Power	0.03	0.03	10.50	5.00%	0.03	11.02
5	Public Lighting	7.07	4.92	6.96	5.00%	5.17	7.31
6	Others	14.59	13.52	9.27	5.00%	14.19	9.73
7	DMRC	40.97	28.01	6.84	5.00%	29.41	7.18
8	Total	1,357.21	1,296.09	9.55	5.00%	1,360.90	10.03