

## A. Introduction

- 1.1 New Delhi Municipal Council (NDMC), the Distribution Licensee, has filed its Petition for Approval of True up for FY 2014-15 & FY 2015-16 and ARR & Tariff determination for FY 2017-18.
- 1.2 This Executive Summary contains the summary of the Petition filed by NDMC for True up for FY 2014-15 & FY 2015-16 and ARR & Tariff determination of FY 2017-18.
- 1.3 The Commission shall true-up the ARR for FY 2014-15 & FY 2015-16 as per MYT Regulations, 2011, after prudence check.
- 1.4 ARR and Tariff for FY 2017-18 shall be based on the provisions of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, which broadly has the following components:
  - a. Power Purchase Cost including transmission charges
  - b. Operation and Maintenance (O&M) expenses
    - i. Employee Expenses
    - ii. Administrative & General Expenses
    - iii. Repair & Maintenance Expenses
  - c. Return on Capital Employed
  - d. Depreciation
  - e. Income Tax.
  - f. Non-tariff Income, etc.
- 1.5 Depreciation and RoCE shall be trued up based on the actual capital expenditure and actual capitalization vis-à-vis capital investment plan (capital expenditure and capitalization) approved by the Commission - Controllable parameters.
- 1.6 Variation in revenue / expenditure on account of uncontrollable sales / power purchase respectively – Uncontrollable parameters.
- 1.7 The figures of various components in the executive summary have been extracted from the Petitions filed by NDMC for ease of understanding to various stakeholders however the complete Petition is also available on DERC website <http://www.derc.gov.in/>

**B. TRUE UP OF FY 2014-15**

1.8 NDMC has submitted that its energy sales in FY 2014-15 was 1312.6 MU compared to 1337.15 MU approved by the Commission for FY Tariff Order for FY 2014-15. The category-wise sales data for FY 2014-15 is tabulated as below:

**Table 1: Energy Sales for FY 15 (MU)**

Sl. No	Consumer Category	Approved in Tariff Order	Actual
1	<b>Domestic</b>	<b>265.43</b>	<b>251.54</b>
2	<b>Non Domestic</b>	<b>246.54</b>	<b>247.36</b>
	Single Phase		79.25
	Three Phase		168.11
3	<b>Mixed Load</b>	<b>779.13</b>	<b>757.48</b>
	Supply at 11KV(HT)		550.82
	Supply on LT where Supply is given from NDMC Substation		3.77
	Supply on LT where applicant provides built up space for sub station		202.89
4	Small Industrial Power	0.21	0.05
5	Public Lighting	8.32	8.08
6	Others	9.75	9.07
7	DMRC	18.00	29.84
8	Temporary	9.77	9.19
	<b>Total</b>	<b>1337.15</b>	<b>1312.60</b>

1.9 The AT&C loss is tabulated as below:

**Table 2: AT&C Loss for FY 15 (%)**

Sl. No	Particulars	Approved in Tariff Order	Actual
1	AT&C Loss	9.85%	12.26%

1.10 The actual Power Purchase Quantum submitted by NDMC for FY 15 is tabulated below:

**Table 3: Actual Power Purchase Quantum for FY15 (MU)**

Sl. No	Particulars	Approved in Tariff Order	Actual
1	Power Purchase from Central Stations	851.41	757.16
2	Interstate Transmission Losses	28.61	28.44
3	Net Power Purchase from Central Stations	822.80	728.72
4	Power Purchase from State Stations	1555.91	1134.85

Sl. No	Particulars	Approved in Tariff Order	Actual
5	Power Purchase from Short Term Sources		27.57
6	Power Purchase from Renewable Sources	82.90	17.00
7	<b>Gross Power Purchase</b>	<b>2461.61</b>	<b>1908.15</b>
8	Intra State Transmission Loss	14.22	13.36
9	<b>Net Power Available at NDMC Periphery</b>	<b>2447.39</b>	<b>1894.79</b>
10	Sale of Surplus Power	964.15	442.46
11	<b>Net Power available for Retail sales</b>	<b>1483.24</b>	<b>1452.33</b>

1.11 The Power Purchase Cost is tabulated below:

**Table 4: Actual Total Power Purchase Cost for FY15 (Rs. Crore)**

Sl. No	Particulars	Approved in Tariff Order	Actual
1	<b>Gross Power Purchase Cost</b>	<b>1115.90</b>	<b>1062.60</b>
2	Revenue from Sale of Power	385.66	79.01
3	Rebate on Power Purchase Cost	22.02	21.25
4	<b>Net Power Purchase Cost</b>	<b>708.22</b>	<b>962.34</b>
5	Interstate Transmission Charges	19.26	24.26
6	Intrastate Transmission Charges including SLDC	60.24	45.54
7	Total Transmission Charges	79.50	69.80
8	Rebate on Transmission Charges	1.12	1.40
9	<b>Net Transmission Charges</b>	<b>78.38</b>	<b>68.40</b>
10	<b>Total Power Purchase Cost</b>	<b>786.60</b>	<b>1030.74</b>

1.12 The O&M Expenses is tabulated below:

**Table 5: Actual O&M Expenses for FY15 (Rs. Crore)**

Sl. No	Particulars	Approved in Tariff Order	Actual
1	Employee Expenses	91.64	91.64
2	A&G Expenses	18.15	18.15
3	R&M Expenses	55.83	55.83
4	<b>Gross O&amp;M Expenses</b>	<b>165.62</b>	<b>165.62</b>
5	Efficiency Factor	4.00%	4.00%
6	Less: Efficiency Improvement	6.62	6.62
7	<b>Net O&amp;M Expenses</b>	<b>159.00</b>	<b>159.00</b>

1.13 The Aggregate Revenue Requirement for FY 2014-15 and the Revised ARR for FY16 is

tabulated below:

**Table 6: Aggregate Revenue Requirement for FY 2014-15 (Rs. Crore)**

Sl. No	Description	Approved in Tariff Order	Actual
1	Cost of power purchase, including T&D Losses	786.60	962.34
2	Inter-State Transmission charges		23.77
3	Intra-state Transmission charges		44.09
4	SLDC Charges		0.54
5	Net Operation & Maintenance (O&M)	159.00	159.00
6	Depreciation	40.16	30.70
7	Administrative Dept. & Civil Engg. Dept	45.37	45.37
8	RoCE	91.42	56.82
	Less: Non Tariff Income	22.48	5.96
10	<b>Aggregate Revenue Requirement (Excluding Carrying Cost)</b>	<b>1100.07</b>	<b>1316.67</b>
11	Carrying Cost	32.02	0.00
12	<b>Aggregate Revenue Requirement (including Carrying Cost)</b>	<b>1132.09</b>	<b>1316.67</b>

1.14 The Revenue Gap is tabulated as below:

**Table 7: Actual Revenue Gap/ Surplus for FY15 (Rs. Crore)**

Sl. No	Description	Approved in Tariff Order	Actual
1	Aggregate Revenue Requirement, FY2014-15	1132.09	1316.67
2	Revenue Available Towards ARR	1156.31	1019.33
3	<b>Revenue (Gap)/Surplus</b>	<b>24.22</b>	<b>(297.34)</b>

1.15 The Revenue Gap and carrying cost is tabulated as below:

**Table 8: Revenue Gap and Carrying cost for FY15 (Rs. Crore)**

Sl. No	Description	FY15	FY16	FY17
1	Opening Revenue Gap	297.34	316.44	357.10
2	Carrying Cost (%)	12.85%	12.85%	12.85%
3	Carrying Cost	19.10	40.66	22.94
4	<b>Closing Revenue Gap</b>	<b>316.44</b>	<b>357.10</b>	<b>380.05</b>

**C. TRUE UP OF FY 2015-16**

1.16 NDMC has submitted that its energy sales in FY 2015-16 was 1302.13 MU compared to 1366.19 MU approved by the Commission in Tariff Order for FY 2015-16. The category-wise sales data for FY 2015-16 is tabulated as below:

**Table 9: Energy Sales for FY 15 (MU)**

Sl. No.	Consumer Category	FY 2015-16	
		Approved in Tariff Order	Actual
1	Domestic	259.50	247.09
2	Non-Domestic Low Tension (up to 140 kW/150 kVA)	256.03	247.63
3	Mixed Load	789.88	749.04
4	Small Industrial Power	0.21	0.05
5	Public Lighting	8.08	7.71
6	Others	19.49	10.92
7	DMRC	33.00	39.67
	<b>Total</b>	<b>1,366.19</b>	<b>1,302.13</b>

1.17 The AT&C loss is tabulated as below:

**Table 10: AT&C Loss for FY 2015-16 (%)**

Sl. No	Particulars	Approved in Tariff Order	Actual
1	AT&C Loss	9.60%	11.76%

1.18 The actual Power Purchase Quantum submitted by NDMC for FY 2015-16 is tabulated below:

**Table 11: Actual Power Purchase Quantum for FY 2015-16 (MU)**

Sl. No.	Particulars	Approved in Tariff Order	Actual
1	Power Purchase from Central Stations	851.60	566.92
2	Interstate Transmission Losses	26.74	19.84
3	Net Power Purchase from Central Stations	824.86	547.08
4	Power Purchase from State Stations	1,300.42	962.23
5	Power Purchase from Short Term Sources	27.72	115.42
6	Power Purchase from Renewable Sources	3.40	8.96
7	Gross Power Purchase	<b>2,156.40</b>	<b>1,633.70</b>
8	Intra State Transmission Loss	10.65	11.44
9	<b>Net Power Available at NDMC Periphery</b>	<b>2,145.74</b>	1,622.26
10	Sale of Surplus Power	634.48	174.08
11	<b>Net Power available for Retail Sales</b>	<b>1,511.27</b>	<b>1,448.18</b>

1.19 The Power Purchase Cost is tabulated below:

**Table 12: Actual Total Power Purchase Cost for FY 2015-16 (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order	Actual
1	Gross Power Purchase Cost	1,146.83	851.63
2	Cost of Short term and Renewable Purchase		42.93
3	Less Revenue from Sale of Power	266.48	32.98
4	Rebate on Power Purchase Cost	22.72	17.03
5	<b>Net Power Purchase Cost</b>	<b>857.64</b>	<b>844.54</b>
6	Interstate Transmission Charges	18.56	24.88
7	Intrastate Transmission Charges including SLDC	51.75	82.35
8	Total Transmission Charges	<b>70.31</b>	<b>107.23</b>
9	Rebate on Transmission Charges	1.43	2.14
10	<b>Net Transmission Charges</b>	<b>68.88</b>	<b>105.09</b>
11	<b>Total Power Purchase Cost for True-up</b>	<b>926.53</b>	<b>949.63</b>

1.20 The O&M Expenses is tabulated below:

**Table 13: Actual O&M Expenses for FY 2015-16 (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order	Actual
1	Employee Expenses		100.54
2	A&G Expenses		57.50
3	R&M Expenses		18.69
4	Gross O&M Expenses	<b>171.80</b>	<b>176.74</b>
5	Efficiency Factor	4.00%	
6	Less: Efficiency Improvement	6.87	
7	<b>Net O&amp;M Expenses</b>	<b>164.92</b>	

1.21 The Aggregate Revenue Requirement for trueing up for FY 2015-16 is tabulated below:

**Table 14: Aggregate Revenue Requirement for FY 2015-16 (Rs. Crore)**

Sl. No.	Description	Approved in Tariff Order	Actual
1	Cost of power purchase, including T&D Losses	926.53	844.54
2	Inter-State Transmission charges		24.38
3	Intra-state Transmission charges (Including SLDC charges)		80.71
4	Net Operation & Maintenance (O&M)	164.92	176.74
5	Depreciation	17.70	31.85
6	Administrative Dept. & Civil Eng. Dept.	0.00	45.37

Sl. No.	Description	Approved in Tariff Order	Actual
7	RoCE	28.34	59.65
8	Income Tax	0.00	8.40
9	Less: Non-Tariff Income	7.58	27.50
10	<b>Aggregate Revenue Requirement</b>	<b>1,129.92</b>	<b>1,244.14</b>

1.22 The Revenue Gap is tabulated as below:

**Table 15: Actual Revenue Gap/ Surplus for FY 2015-16 (Rs. Crore)**

Sl. No.	Particulars	Actual
1	Aggregate Revenue Requirement, FY 2015-16	1,244.14
2	Revenue Available Towards ARR	1,153.64
3	<b>Revenue (Gap)/Surplus</b>	<b>(90.50)</b>

#### D. Aggregate Revenue Requirement (ARR) & Tariff for FY 2017-18

1.23 NDMC has submitted that energy sales for various category and sub categories for FY 2017-18 have been estimated as below:

**Table 96: Projected Energy Sales for FY 17-18 (MU)**

Sl. No.	Particulars	Provisional
1	Domestic	258.60
2	Non-Domestic Low Tension (up to 140 kW/150 kVA)	248.42
3	Mixed Load*	763.25
4	Small Industrial Power	0.05
5	Public Lighting	8.58
6	Others	11.72
7	DMRC	41.84
8	<b>Total</b>	<b>1,332.45</b>

1.24 The AT&C loss is tabulated as below:

**Table 17: AT&C Loss for FY 2017-18 (%)**

Sl. No.	Particulars	FY 2017-18
1	Distribution Loss (%)	9.90%
2	Collection Efficiency (%)	99.00%
3	<b>AT&amp;C losses (%)</b>	<b>10.80%</b>

1.25 The Power Purchase Cost & quantum proposed by NDMC for FY 2017-18 is tabulated below:

**Table 18: Power Purchase Quantum for FY 2017-18 (MU)**

Sl. No	Particulars	Quantity (MU)	Amount (Rs. Crore)
1	<b>Energy Availability</b>		
2	Power Purchase from NTPC Dadri, UMPP Odisha and RAPP	987.26	410.82
3	PGCIL Transmission (inter-state) losses (%)	3.50%	31.48
4	<b>Power at Delhi periphery from CGS</b>	952.70	442.30
5	Power Purchase from SGS	679.64	328.29
6	(including Renewable)		
7	Intra State Loss and Charges including SLDC Charges	10.42	64.56
8	Power Purchase from DISCOM	1,621.92	
9	Sales	1,332.44	
10	Distribution Loss	9.90%	
11	Required Power for the DISCOM	1,478.84	
12	Purchase/ (Sale) from Short Term Sources (Balancing Figure)	(143.08)	(28.62)
13	Gross Power Purchase Quantum (including Short Term Power Purchase)	1,621.92	
14	DTL Transmission (intra-state) losses (%)	0.70%	
15	<b>Energy Available / Required at NDMC periphery for Retail Sale</b>	<b>1,610.57</b>	<b>806.54</b>

1.26 The O&M Expenses projected for FY 2017-18 are tabulated below:

**Table 19: O&M Expenses Projected for FY 2017-18 (Rs. Crore)**

Sl. No.	Particulars	FY 2017-18
1	Escalation Factor	3%
2	Base A&G Costs	19.26
3	Projected A&G Costs	19.84
4	Base Employee Costs	103.56
5	Projected Employee Costs	106.67
6	Base R&M Expenses	59.23
7	Projected R&M Costs	61.01
8	<b>O&amp;M Expenses</b>	<b>187.51</b>



1.27 The Aggregate Revenue Requirement required for FY 2017-18 is tabulated below:

**Table 20: Projected Revenue Requirement for FY 2017-18 (Rs. Crore)**

Sl. No.	Particulars	FY 2017-18
1	Cost of power purchase, including T&D Losses	710.49
2	Inter-State Transmission charges	31.48
3	Intra-state Transmission charges including SLDC charges	64.56
4	Net Operation & Maintenance (O&M)	187.51
5	Depreciation	38.71
6	Administrative Dept. & Civil Engg. Dept	45.37
7	RoCE	75.40
8	Income Tax	10.61
9	<b>Aggregate Revenue Requirement</b>	<b>1,164.14</b>
10	Less: Non-Tariff Income	15.69
11	<b>Aggregate Revenue Requirement (9 - 10)</b>	<b>1,148.45</b>
12	<b>Revenue at Existing Tariff</b>	<b>1,047.67</b>
13	<b>Revenue (Gap)/Surplus for FY 2017-18 (11 - 12)</b>	<b>(100.78)</b>
14	<b>Revenue (Gap)/Surplus for FY 2016-17</b>	<b>(55.01)</b>
15	<b>Revenue (Gap)/Surplus for FY 2015-16</b>	<b>(90.50)</b>
16	<b>Total Revenue Gap to be adjusted in ARR FY 2017-18</b>	<b>(246.29)</b>

1.28 Tariff Proposal:

NDMC submits that an average hike of 23.51% would be required in the existing tariff in order to recover the ARR for the year FY 2017-18. The following table summarizes the existing and proposed tariff of key tariff categories.

**Table 21: Category-wise Existing and Proposed Tariff for FY 2017-18**

Sl. No.	Particulars	UoM for Fixed Charges	Existing Fixed Charges	Proposed Fixed Charges	UoM for Energy Charges	Existing Energy Charges	Proposed Energy Charges
1	<b>Domestic</b>						
	0-200	Rs./kW/Month	20	25	Rs./kWh	3.25	4.01
	201-400	Rs./kW/Month	20	25	Rs./kWh	4.60	5.68
	401-800	Rs./kW/Month	20	25	Rs./kWh	6.00	7.41
	801-1200	Rs./kW/Month	20	25	Rs./kWh	6.75	8.34
	Above 1200	Rs./kW/Month	20	25	Rs./kWh	8.00	9.88
	Single Delivery Point for GHS	Rs./kW/Month	0	0	Rs./kWh	6.00	7.41
2	<b>Non-Domestic Low Tension (up to 140</b>						

Sl. No .	Particulars	UoM for Fixed Charges	Existing Fixed Charges	Proposed Fixed Charges	UoM for Energy Charges	Existing Energy Charges	Proposed Energy Charges
	<b>kW/150 kVA)</b>						
	Single Phase (<=10 kW)	Rs./kW/Month	75	93	Rs./kWh	7.60	9.39
	Three Phase (>10 kW to <=140 kW)	Rs./kVA/Month	90	111	Rs./kVAh	8.05	9.94
<b>3</b>	<b>Mixed Load*</b>						
	Supply 11 kV and above (HT)	Rs./kVA/Month	125	154	Rs./kVAh	7.15	8.83
	Supply on LT(400 Volt, where supply is given from NDMC sub-station)	Rs./kVA/Month	150	185	Rs./kVAh	8.35	10.31
	Where applicant provides built up space for sub-stations	Rs./kVA/Month	135	167	Rs./kVAh	7.85	9.70
<b>4</b>	<b>Small Industrial Power</b>	Rs./kW/Month	50	62	Rs./kVAh	6.95	8.58
<b>5</b>	<b>Public Lighting</b>				Rs./kVAh		
	Metered	Rs./kVA/Month	0	0	Rs./kVAh	7.30	9.02
	Un-Metered	Rs./kVA/Month	0	0	Rs./kWh	7.80	9.63
<b>6</b>	<b>DMRC</b>	Rs./kVA/Month	125	154	Rs./kVAh	6.10	7.53
<b>7</b>	<b>Railway Traction</b>	Rs./kVA/Month	150	185	Rs./kVAh	6.80	8.40
<b>8</b>	<b>Advertisements and Hoardings</b>	Rs./Hoardings/Month	500	618	Rs./kVAh	11.20	13.83