

### PUBLIC NOTICE REQUEST FOR PUBLIC RESPONSE

#### Petition for approval of Aggregate Revenue Requirement for Distribution (Wheeling and Retail Supply) Business for FY 2011-12, Review of FY 2010-11 and True up for FY 2009-10

1 Under the provisions of the Electricity Act, 2003, Delhi Electricity Reform Act, 2000 to the extent applicable and the Distribution Tariff Regulations issued by the Commission dated May 30, 2007 to be read with DERC advertisement dated 18.03.2011 for extension of MYT Regulations, BSES Yamuna Power Limited (hereinafter referred to as "BYPL") has filed the Petition on March 30, 2011 before the Delhi Electricity Regulatory Commission (hereinafter referred to as "Commission") for Review of FY 2010-11 and determination of Aggregate Revenue Requirement (ARR) and corresponding Tariff adjustment for FY 2011-12.

BYPL had also filed a Petition on 11.10.2010 before the Commission for True up of FY 2009-10 under the provisions of the Electricity Act, 2003, Delhi Electricity Reform Act, 2000 to the extent applicable and the Distribution Tariff Regulations issued by the Commission dated May 30, 2007.

2 The salient features of the Petitions are provided below:

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

S.No.	Particulars	Unit	2009-10@	2010-11@	2011-12@
A	Energy Input	MU	5706.72	6049.08	6575.66
B	Sales	MU	4330.36	4688.04	5244.35
C	Actual/Targeted AT&C Loss for the year	%	23.11%	20.64%	20.64%
D	Average Power Purchase Rate \$	₹ /kWh	3.19	4.16	5.10
E	Current tariff is based on the approved power purchase cost of	₹/kWh	2.45	2.45	2.45
F	Average Billing rate (Excl. E tax) last determined in True up of FY 2007-08	₹/kWh	4.63	4.63	4.63
G	Power Purchase Cost at Average Power Purchase Rate \$ (A x D/10)	₹ Crores	1818.56	2513.89	3355.71
H	O&M Expenses	₹ Crores	243.93	393.43	449.55
I	Arrears of sixth pay Commission	₹ Crores	123.99	51.13	
J	Depreciation + AAD	₹ Crores	101.13	114.36	131.29
K	RoCE + Retail Supply Margin including interest on borrowings	₹ Crores	143.85	160.38	189.91
L	Other Expenses	₹ Crores	2.19	9.68	21.91
M	Income Tax	₹ Crores	3.51	31.75	35.71
N	Past Period Expenses due to implementation of ATE Order (Appeal 37 of 2008 & Appeal 153 of 2009)	₹ Crores	91.92	5.81	6.49
O	Implications on RoCE and Depreciation due to disallowance of Capital expenditure and Capitalisation	₹ Crores	278.26		
P	Less: Non-Tariff Income	₹ Crores	62.71	49.76	49.76
Q	<b>Aggregate Revenue Requirement (G+H+I+J+K+M+N+O-P)</b>	<b>₹ Crores</b>	<b>2744.64</b>	<b>3230.68</b>	<b>4140.81</b>
R	Revenue Gap claimed up to FY 2008-09 \$\$	₹ Crores	235.50	1187.80	2553.02
S	Amount Billed (net of E Tax)	₹ Crores	1861.90	2026.46	2258.97
T	Estimated Revenue Realization based on existing Retail Supply Tariff (net of E-Tax)	₹ Crores	1887.72	2077.20	2247.17
U	<b>Revenue available for the purpose of ARR</b>	<b>₹ Crores</b>	<b>1806.97</b>	<b>2058.65</b>	<b>2247.17</b>
V	Revenue Gap adjusted during the year from Contingency Reserve	₹ Crores	40.38	18.55	-
W	<b>Revenue Gap for the year at existing Tariff (Q+R-U-V)</b>	<b>₹ Crores</b>	<b>1132.79</b>	<b>2341.28</b>	<b>4446.66</b>
X	Carrying Cost during the Year	₹ Crores	55.00	211.74	419.98
Y	<b>Total Revenue Gap (including Carrying Cost)*</b>	<b>₹ Crores</b>	<b>1187.80</b>	<b>2553.02</b>	<b>4866.64</b>

**Note:**

@ Figures may not tally exactly due to rounding off

\* Gap is without prejudice to BYPL's appeal pending before the ATE

\$ Current Average Billing Rate being charged to consumers was worked out by the Hon'ble DERC assuming average Power purchase cost at ₹ 2.45 per unit whereas actual cost has been ₹ 3.19 per unit and ₹ 4.16@@ per unit in FY 2009-10 and FY 2010-11 respectively.

@@ ₹ 4.16 per unit for FY 2010-11 was provisionally worked out on the basis of actuals for April'10 to Dec'10.

\$\$ Figures as claimed is subjudice

3 **To immediately stop further accumulation of Revenue Gap, a tariff correction is required primarily to cover the difference between Average Power Purchase Cost of ₹ 2.45 per unit assumed and factored in the current Tariffs as against projected Average Power Purchase Rate ₹ 5.10 per unit for FY 2011-12.**

4 **Regarding the recovery of accumulated Revenue Gap of ₹ 2553.02 crores upto 31.03.2011, a suitable amortization plan may have to be worked out.**

5 **Comparison of Actual Power Purchase Cost incurred by BYPL vis-a-vis assumed in the current tariffs by the Commission:**

Particulars	UoM	2009-10	2010-11	2011-12
Current Tariff charged by BYPL is based on assumed Average Power purchase cost	₹/unit	2.45	2.45	2.45
Actual Power Purchase cost incurred by BYPL	₹/unit	3.19	4.16	5.10
Under-recovery per unit of input	₹/unit	0.74	1.71	2.65
Value of Shortfall	₹ Cr	420.4	1031.9	1742.5

6 **Proposal for implementation of periodic Power Purchase Price Adjustment mechanism:**

At present, due to the methodology of true up of power purchase costs on the basis of actual audit accounts, it takes almost two years before the recovery of legitimate power purchase costs while DISCOMs has to make payments to power suppliers on a monthly basis. The Commission is requested to institute a mechanism for pass-through of variations in power purchase cost to consumers on a regular basis (at monthly/quarterly intervals).

7 **Certain tariff rationalization measures are also proposed, as described in brief below:**

- Enhancement of limit for cash payment of energy bills by consumers
- Applicability of Tariff with load > 100 kW for Residential uses.
- kVah billing for Non-Domestic consumers having load < 10 kW.
- Introduction of time differential tariffs for consumers with load > 10 kW for Demand side management
- Uniform Fixed Charges upto sanctioned load of 5kW

8 **Performance of BYPL during FY 2009-10**

a. **AT&C Loss**

Regulatory Target - 26.26%

Achieved - 23.11%

The overachievement has led to additional revenue of ₹ 80.75 crores in FY 2009-10.

b. **Distribution Loss**

Regulatory Target - 25.89%

Achieved - 24.12%

c. **Average consumer added** to the billing fold - 70,000

d. **Peak demand** 1118 MW was met during FY 09-10

e. **Reliability Indices**

SAIFI	SAIDI	MAIFI
2.8	3.10	0.0371

9 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 28-05-2011. 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

10 The Commission would hold public hearings with the responding stakeholders subsequently. The date of the public hearings shall be notified separately by the Commission.

11 A copy of the Petition can be purchased from the head-office of the BYPL located at SHAKTI KIRAN BUILDING, KARKARDOOMA, DELHI - 110092 on any working day from 09-05-2011 to 24-05-2011, between 11a.m. and 4 p.m. on payment of ₹ 100/-, either by cash or by Demand Draft/Pay Order in favour of "BSES-Yamuna Power Limited" payable at New Delhi.

12 The complete Petition is available at our website [http://www.bsedelhi.com] as well as the web-site of the Commission [http://www.derc.gov.in]. Copy of the Petition is available for inspection at our Head Office as well as the Commission's office at the addresses provided herewith, on any working day between 11 a.m. to 4 p.m.

**For BSES Yamuna Power Limited**

Sd/-

Sai Krishna  
H.O.D - Regulatory Affairs