

Delhi Electricity Regulatory Commission
Notification
Dated 12/08/2016

No.F.3 (470)/Tariff-Engg./DERC/2016-17/5435 - In exercise of powers under Section 41 and 51 read with Section 181 of the Electricity Act, 2003 (36 of 2003), and all powers enabling it in that behalf, the Delhi Electricity Regulatory Commission hereby proposes the following Amendment in the Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005:

Existing Provision

2.0 Amendment of Regulation 5 (5) of the Principal Regulations

“5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business. As a general principle, the Licensee shall retain 20% of the revenues arising on account of Other Business and pass on the remaining 80% of the revenues to the regulated business.

Provided that in case a change in the above provision regarding sharing of revenues is considered by the licensee, he may approach the Commission for change of the aforesaid sharing formula, with proper justification, for approval of the Commission.”

Proposed Provision

“5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:

- a) In case the Licensee utilizes the capital asset for other business, 40% of the net revenue from such business shall be retained by the Licensee and pass on the remaining 60% of the net revenue in the ARR.
- b) In case the Licensee does not utilize the capital asset for other business, 60% of the net revenue from such business shall be retained by the Licensee and pass on the remaining 40% of the net revenue in the ARR.

Provided that in case a change in the above provision regarding sharing of revenues is considered by the licensee, he may approach the Commission for change of the aforesaid sharing formula, with proper justification, for approval of the Commission.”