

BSES-YAMUNA POWER LIMITED
SHAKTI KIRAN BUILDING, KARKARDOOMA, NEW DELHI – 110092
 Website: www.bsesselhi.com

PUBLIC NOTICE
REQUEST FOR PUBLIC RESPONSE
 Petition for approval of Aggregate Revenue Requirement for Distribution (Wheeling and Retail Supply) Business for FY 2010-11 and True up for FY 2008-09

1. BSES Yamuna Power Limited (hereinafter referred to as “BYPL”) had filed the Petition on December 15, 2009 before the Delhi Electricity Regulatory Commission (hereinafter referred to as “Commission”) for True-Up of FY 08-09, Revised Aggregate Revenue Requirement (ARR) and corresponding Tariff adjustment for FY 2010-11 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 Petition are provided below:

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

S.No.	PARTICULARS	UNIT	2008-09 [@]	2009-10 [@]	2010-11 [@]
A	Energy Input	MU	5283	6080	6390
B	Sales	MU	3964	4505	5010
C	Actual/Targeted AT&C Loss for the year [#]	%	24.02%	26.26%	22.00%
D	Average Power Purchase Rate ^{\$}	R./kWh	2.43	3.56	2.82
E	Power Purchase Cost at Average Power Purchase Rate ^{\$} (A x D/10)	Rs. Crores	1282	2166	1805
F	O&M Expenses	Rs. Crores	270	336	287
G	Depreciation	Rs. Crores	87	101	114
H	RoCE (Return + interest)	Rs. Crores	115	137	152
I	Supply Margin	Rs. Crores	5	7	8
J	Past Period Gap due to ATE Order	Rs. Crores	101		
K	Other Expenses	Rs. Crores	17	18	23
L	Less: Non-Tariff Income	Rs. Crores	140	47	50
M	Less: Interest expense capitalized	Rs. Crores	11	10	9
N	Aggregate Revenue Requirement (E+F+G+H+I+J+K-L-M)	Rs. Crores	1727	2707	2331
O	Opening Revenue Gap up to FY 2007-08	Rs. Crores	117		
P	Amount Billed (net of E Tax)	Rs. Crores	1,707	1,951	2,191
Q	Estimated Revenue Realization based on existing Retail Supply Tariff (net of E-Tax)	Rs. Crores	1,708	1,941	2,180
R	Revenue available for the purpose of ARR	Rs. Crores	1,554	1,941	2,180
S	Revenue Gap adjusted during the year from Contingency Reserve	Rs. Crores	77		
T	Revenue Gap for the year at existing Tariff (N+O-R-S)	Rs. Crores	213	766	151
U	Carrying Cost during the Year	Rs. Crores	23	55	101
V	Total Closing Revenue Gap (including Carrying Cost)*	Rs. Crores	236	1,056	1,309

Note:

- @ - Figures may not tally exactly due to rounding off.
- * - Gap is without prejudice to BRPL's appeal pending before the ATE
- # - While the petitioner will strive to over achieve its loss reduction target in the current and ensuing year, but, for the purpose of filing the ARR has limited the AT&C loss reduction target for FY 2009-10 and FY 2010-11 at the level as per the Regulatory Target set in the MYT Regulations subject to truing up. Any over achievement would be subsequently taken up during the truing up exercise
- \$ - The increase is largely on account of power purchase costs

Revenue gap up to FY 2010-11

Table 2: Breakup of the revenue gap

Breakup of the Revenue Gap (Rs. Crores)	2008-09	2009-10	2010-11
Opening Gap*	116.6	235.5	1,056.34
Gap during the Year	172.9	765.61	151.06
Carrying Cost @ 9%	22.8	55.24	101.46
Gap adjusted during the year	(76.7)	-	-
Closing Gap*	235.5	1,056.34	1,308.86

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

3. **Recovery of Revenue Gap up to FY 2010-11 – In order to recover this entire gap of Rs. 1308.86 crores, the average tariff (fixed and energy charges) will be required to be increased by 60.04% for 2010-11.**
4. Certain tariff rationalization measures are also proposed, as described in brief below:
 - a) **Proposal for implementation of Automatic 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 two years before the recovery of legitimate power purchase costs while discom has to make payments to power suppliers on an immediate 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 quarterly intervals).
 - b) **Tariff intervention to address under declaration of load:** The provision of charging fixed charges based on MDI reading for the Domestic category should be reintroduced in the tariff, since increase in demand by any consumer category more than the sanctioned amount leads to overloading in the system and increases losses in the network.
 - c) **Uniform fixed charges till the load of 5.0 kW:** Majority of Domestic consumers have a connected load greater than 2 kW although their sanctioned load is less than 2 kW. This gives undue advantage to consumers who have not increased their sanctioned load to the actual connected load. To avoid this, the Commission is requested to rationalize the slab-based fixed charges.
 - d) **kVAh billing for industrial and non-domestic consumers with MDI greater than 10 kW:** For industrial and non-domestic consumers with MDI greater than 10 kW, kVAh tariff should be charged since it encourages consumers to improve their power factor which eventually helps the system by less loading and reduction in losses.
 - e) **Public Hoardings/ display boards using electricity for lighting to be charged on separate tariff:** Hoardings/public display boards that use high energy consuming luminaires cause a significant wastage of energy. Such hoardings/public display boards may be considered for billing under separate category at a tariff higher than the Non-Domestic category. However, hoardings/public display boards using LED devices for lighting may be provided with appropriate incentive to encourage more efficient use of electricity.
 - f) **Introduction of time differential tariffs for Consumers with Load > 10 kW for demand side management:** Time differential tariffs would result in smoothening of demand curve which ultimately results in savings for the consumers by way of lower power purchase cost. The Commission may review the possibility of introduction of time differential tariffs for consumers, say for load > 10 kW to start with, through informed deliberations with stakeholders.

5. Performance of BYPL during FY 2008-09

a. AT&C Loss

Regulatory Target – 30.52%

Achieved – 24.02%

b. Distribution Loss

Regulatory Target – 33.42%

Achieved – 24.95%

c. **Average consumer added** to the billing fold – 0.7 lakh

d. **Non Tariff Income** earned – Rs. 139.5 cr. (Regulatory Estimate – Rs. 44.09 cr.)

e. **Peak demand** of 956 MW was met

f. Reliability Indices

SAIFI 2.68

SAIDI 3.10

MAIFI 0.01

g. Augmentation of Network

Sl. No.	Description	FY 2008- 09	FY2007-08
1	Number of power transformers	131	130
2	EHV capacity(MVA)	2658	2638
3	Shunt capacitors (MVar)	878	850
4	Number of distribution transformers	3223	3189
5	Distribution transformer capacity(MVA)	2272	2249
6	Number of 11kV feeders	673	673
7	11kv cables laid (km)	1735	1731
8	Total number of LT feeders	13224	13201
9	LT lines laid (km)	5512	5459

6. 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 **February 4, 2010**. 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

7. The Commission would hold public hearings with the responding stakeholders subsequently. The date of the public hearings shall be notified separately by the Commission.
8. A copy of the Petition can be purchased from the head-office of the BYPL located at Shakti Kiran Building, Kakardooma, New Delhi -110092 on any working day from 15/01/2010 to 4/02/2010, between 11 a.m. and 4 p.m. on payment of Rs. 100/-, either by cash or by Demand Draft/Pay Order in favour of "BSES-Yamuna Power Limited" payable at New Delhi.
9. The complete Petition is available at our website [<http://www.bsesdelhi.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 Prabha
H.O.D– Regulatory Affairs**