

Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok building,
36, Janpath, New Delhi – 110001

Dear Sir,

Subject: Comments on Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2020

This is in reference to public notice issued by Hon'ble CERC vide Notification no.L-1/236/2018/CERC dated 1.4.2020, wherein comments/ suggestions/ objections were invited by various stakeholders and interested individuals on the draft Regulations.

In this regard, please find below the comments/ suggestions on the said draft Regulations, which you may kindly consider while finalizing the said Regulations. The said comments have been furnished by Tata Power Delhi Distribution Limited (Tata Power-DDL) without prejudice to its rights and contentions under applicable laws.

Proposed in Draft	Tata Power-DDL Comment	Proposed Changes (marked in highlighted)
<p>9. Amendment of Regulation 21 of the Principal Regulations: “(6) For the purpose of Clauses (4) and (5) of this Regulation, IDC on actual loan and normative loan infused shall be considered.”</p>	<p>It is suggested that IDC on normative loans should be restricted to SBI MCLR rate as on 1st April of that respective year rather than calculating the interest in line with the tariff regulation or as mentioned under the actual loan portfolio.</p>	<p>“(6) For the purpose of Clauses (4) and (5) of this Regulation, IDC on actual loan and normative loan infused shall be considered.”</p> <p>Provided that Interest rate for normative loan shall be considered @ SBI MCLR rate as on 1st April of that respective year.</p>
<p>16. Amendment of Regulation 35 of the Principal Regulations “(7) The operation and maintenance expenses on account of emission control system in coal or lignite based thermal generating station shall be 2% of the admitted capital expenditure (excluding IDC & IEDC) as on the date of its operation, which shall be escalated annually at the rate of</p>	<p>Instead of Allowing 2% of capital expenditure + 3.5% inflation year on year. It is suggested that O&M expenses may restricted to actual basis since all these emission control system are new and are recently installed. Also the fact that during initial years FGD systems are being covered under warranty and very lower amount is required for doing away with O&M expenses specially in the initial years i.e. upto FY 2024.</p>	<p>16. Amendment of Regulation 35 of the Principal Regulations “(7) The operation and maintenance expenses on account of emission control system in coal or lignite based thermal generating station shall be lower of a) 2% of the admitted capital expenditure (excluding IDC & IEDC) as on the date of its operation, which shall be escalated annually at the rate of 3.5% or b) actual</p>

3.5% during the tariff period ending on 31st March 2024:	Further to safeguard/ avoid any burden on consumers, we suggest that the O&M expenses rates shall be lower of 2% of the admitted capital expenditure (excluding IDC & IEDC) as on the date of its operation, which shall be escalated annually at the rate of 3.5% or shall be considered on actual expenses incurred during the tariff period whichever is lower.	expenses during the tariff period ending on 31st March 2024:
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These comments may kindly be taken on record and consider while finalizing the draft Regulations. Further due to prevailing circumstances, the Hon'ble Commission is requested to allow Tata Power-DDL to submit the comments through e-mail. While we undertake to submit the hardcopy (3 hard copies) of the comments subsequently.

Hon'ble Commission may seek any clarification, explanation on the comments furnished by Tata Power-DDL, if so desires. Tata Power-DDL seeks liberty to file any supplementary, additional submissions, comments in the matter before finalization of the said Regulations.

We hope that you would find the above in order and we shall be pleased to furnish any other information/ clarification on the same as and when required.

Thanking You,

Yours Sincerely,

For **TATA POWER Delhi Distribution Limited**



Bharat Kumar Bhadawat
Head -Regulatory & Legal