**CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR**

Chhattisgarh State Power Generation Co. Ltd.	......	P. No. 10/2024 (T)
Chhattisgarh State Power Transmission Co. Ltd	......	P. No. 05/2024 (T)
Chhattisgarh State Load Despatch Centre	......	P. No. 06/2024 (T)
Chhattisgarh State Power Distribution Co. Ltd.	......	P. No. 09/2024 (T)

Present: **Hemant Verma, Chairperson**
Pramod Kumar Gupta, Member

In the matter of –

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) Petition for final True-Up of ARR of conventional thermal and hydro power plants for FY 2022-23;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2022-23 and determination of transmission tariff for FY 2024-25;
3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2022-23 and determination of SLDC charges for FY 2024-25;
4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) Petition for final true-up for FY 2022-23, Re-determination of ARR for FY 2024-25, and Retail Tariff for FY 2024-25.

ORDER
(Passed on 01/06/2024)

1. As per provisions of the Electricity Act, 2003 (hereinafter referred as 'the Act') and the Tariff Policy, the Commission has notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021 (hereinafter referred as 'MYT Regulations, 2021') for determination of tariff for the Generating Company, Licensees, and CSLDC, which is applicable for truing up for FY 2022-23 for the Generating Company, Licensees, and CSLDC and for determination of ARR and Tariff for CSPDCL for FY 2024-25.

2. The Commission had notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) (First Amendment) Regulations, 2023, for determination of tariff for the Generating Company, Licensees, and CSLDC, which is effective from April 01, 2023.

3. This Order is passed in respect of the Petitions filed by the (i) Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for approval of True-Up of ARR of conventional thermal and hydro power plants for FY 2022-23, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of true-up for FY 2022-23 and determination of transmission tariff for FY 2024-25 (iii) Chhattisgarh State Load Despatch Centre (CSLDC) for approval of true-up for FY 2022-23 and determination of SLDC charges for FY 2024-25, (iv) Chhattisgarh State Power Distribution Company Limited (CSPDCL) for true-up for FY 2022-23, and determination of ARR and retail tariff for FY 2024-25.

4. This Order is passed under the provisions of Section 32(3) and Section 62 read with Section 86(1) of the Act. The Commission, before passing the combined Order on the above Petitions, has considered the documents filed along with the Petitions, supplementary information obtained after Technical Validation, suggestions emerging from the applicant Companies, the consumers, their representatives and other stakeholders during the Public Hearing.

5. The Petitions were made available on the Commission's website. The Petitions were also made available at the offices of the Petitioners. A Public Notice along with the gist of the Petitions was also published in the newspapers to invite objections/suggestions as per the procedure laid down in the Regulations. The Commission also held a meeting with members of the State Advisory Committee on March 5, 2024 for seeking their valuable suggestions and comments. Further, the Commission conducted Public Hearings on the Petitions in its office at Raipur on March 11 and 12, 2024.

6. The Commission passed the Tariff Order for FY 2022-23 on April 13, 2022. The Commission has undertaken final true-up for FY 2022-23 for CSPGCL, CSPTCL, CSLDC, and CSPDCL, based on the audited accounts submitted by the Utilities and in accordance with the provisions of the CSERC MYT Regulations, 2021. Further, the

Commission has also undertaken true-up of capital cost of the Gare Palma (GP) III integrated mine of CSPGCL and input price of coal from GP III mine for FY 2022-23 in accordance with the provisions of the MYT Regulations, 2021.

7. While computing the cumulative revenue deficit/(surplus) to be allowed to CSPDCL for FY 2024-25, the revenue deficit/(surplus) of CSPGCL, CSPTCL and CSLDC arising out of true-up for FY 2022-23, along with corresponding carrying/holding cost and the impact of the review filed by CSPDCL on the Tariff Order for FY 2023-24, have been considered.

CSPGCL: Tariff for FY 2024-25

8. After applying the carrying cost on revenue deficit of Rs. 21.07 Crore of CSPGCL for FY 2022-23, the total revenue deficit up to FY 2024-25 has been approved as Rs. 24.28 Crore, as against the revised claim of CSPGCL for revenue deficit of Rs. 124.74 Crore. CSPGCL shall recover the revenue deficit of Rs. 24.28 Crore from CSPDCL in ten (10) equal instalments starting from June 2024.

9. In this order, the Commission has trued-up the capital cost and also determined the input price of coal from Gare Palma -III mines, for FY 2022-23 as given in the following Table:

Approved Capital Cost and Input Price of Coal from GP-III mines (Rs. Crore)

Particulars	**Unit**	**FY 2022-23**
Capital Cost as on 31.03.2023	Rs. Crore	826.39
Input Price	Rs./MT	1,505.95

10. The Annual fixed Cost (AFC) and Energy Charge Rate for CSPGCL stations approved by the Commission for FY 2024-25 in its tariff order dated 13.04.2022 are as under:

Thermal Power Stations

Sl. No.	**Particulars**	**Units**	**FY 2024-25**			
			HTPS	**DSPM**	**KWTPP**	**ABVTPP**
1	Annual Fixed Cost	Rs. Crore	694.59	443.60	563.23	1353.36
2	Energy Charge Rate (ex-bus power plant basis)	Rs./kWh	1.574	1.688	1.339	1.823
3	Contribution to P&G	Rs. Crore	162.10	60.14	36.00	98.45

Hydro Power Station (Hasdeo Bango)

Sl. No.	Particulars	Units	FY 2024-25
1	Approved Annual Fixed Cost	Rs. Crore	26.77
2	Approved Net Generation	MU	270.71
3	Approved Tariff	Rs./kWh	0.989
4	Contribution to P&G	Rs. Crore	5.13

The contribution to Pension and Gratuity approved by the Commission shall be separately billed by CSPGCL on monthly basis. CSPGCL shall do the billing for FY 2024-25 in accordance with the MYT Order.

CSPTCL: Tariff for FY 2024-25

11. After applying the holding cost on the revenue surplus of Rs. 41.65 Crore of CSPTCL for FY 2022-23, the total revenue surplus up to FY 2024-25 has been approved as Rs. 48.52 Crore, as against the claim of CSPTCL for revenue surplus of Rs. 44.83 Crore.

12. For CSPTCL, the transmission charge for FY 2024-25 shall be as under:

Sl. No.	Particulars	Units	FY 2024-25
A	ARR approved vide order dated 13.04.2022 for FY 2024-25	Rs. Crore	1,226.30
B	*Minus*: FY 2022-23 Surplus with holding cost till FY 2024-25	Rs. Crore	(48.52)
C	Adjusted ARR for FY 2024-25 (A – B)	Rs. Crore	1,177.78
D	Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers (C/12)	Rs. Crore/ month	98.15
E	Short-term Open Access Charges	Rs./kWh	0.3255

CSPTCL shall adjust the differential amount for the months of April and May 2024 in the bills of June and July 2024.

Further, transmission losses of 3% for the energy scheduled for transmission at the point or points of injection shall be recoverable from Open Access customers.

CSLDC: Charges for FY 2024-25

13. Similarly, after applying the holding cost on the revenue surplus of Rs. 3.53 Crore of CSLDC for FY 2022-23, the total revenue surplus up to FY 2024-25 has been approved as Rs. 4.11 Crore, as against the claim of CSLDC for revenue surplus of Rs. 1.75 Crore.

14. For CSLDC, the charges for FY 2024-25 shall be as under:

Sr. No.	Particulars	Approved (Rs. Crore)
1	ARR approved vide Order dated 13.04.2022 for FY 2024-25	22.21
2	*Less:* Adjustment of Surplus of FY 2022-23, with holding cost	(4.11)
3	**Adjusted ARR for FY 2024-25 (1+2)**	**18.10**
4	System Operation Charges	14.48
5	Intra-State Market Operation Charges	3.62
6	**Total SLDC Charges**	**18.10**

15. CSLDC shall adjust the differential amount for the months of April and May 2024 in the bills of June and July 2024.

16. The cumulative revenue surplus of CSPGCL, CSPTCL, and CSLDC for FY 2022-23 along with carrying/holding cost amounts to Rs. 28.35 Crore, as against the claim of Rs. 113.18 Crore by the Companies.

CSPDCL: Tariff for FY 2024-25

17. For FY 2024-25, CSPDCL has sought approval for stand-alone ARR of Rs. 17,990.46 Crore. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR at Rs. 20,799.11 Crore. The Commission has approved the net ARR of Rs. 20,770.76 Crore for FY 2024-25, which includes the approved revenue deficit/(surplus) of CSPGCL, CSPTCL, and CSLDC.

18. After considering the ARR and revenue from sale of electricity for FY 2024-25, the stand-alone revenue surplus for FY 2024-25 has been estimated as Rs. 976.14 Crore, as against the stand-alone revenue surplus of Rs. 3,626.31 Crore projected by CSPDCL for FY 2024-25.

19. CSPDCL has claimed a revenue deficit of Rs. 4,848.92 Crore, as against which the Commission has approved revenue deficit of Rs. 3,556.38 Crore after true-up for FY 2022-23. After applying the carrying cost on revenue deficit of FY 2022-23, CSPDCL has claimed revenue deficit of Rs. 5,122.14 Crore. After prudence check and due scrutiny, the Commission approves revenue deficit of Rs. 3,823.11 Crore, after considering the carrying cost.

20. The standalone ACOS for FY 2024-25 has been approved as Rs. 6.10/kWh. The adjusted Average Cost of Supply (ACoS) has been approved as Rs. 6.92/kWh for FY 2024-25.

21. CSPDCL has projected a cumulative net deficit of Rs. 4420.36 Crore for FY 2024-25. As against this, the Commission has approved cumulative revenue deficit of Rs. 2818.63 Crore for CSPDCL for FY 2024-25, which includes the approved cumulative revenue surplus of Rs. 28.35 Crore of CSPGCL, CSPTCL and CSLDC.

22. The Government of Chhattisgarh has provided financial assistance of Rs. 1000 Crore to partly compensate the cumulative revenue deficit of FY 2024-25 for CSPDCL approved by the Commission, in order to reduce the burden on the consumers of the State.

23. After considering the financial assistance of Rs. 1000 Crore from the Government of Chhattisgarh, the net cumulative revenue deficit for CSPDCL for FY 2024-25 works out to Rs. 1,818.63 Crore.

24. In order to recover the net cumulative Revenue deficit of Rs. 1818.63 Crore, the Commission has approved increase in the category-wise Tariff for FY 2024-25.

25. The primary objective of the Commission is to protect the interest of the consumers and at the same time ensuring recovery of reasonable and justified cost of the Utilities. The Commission in the previous orders as well as this order has taken various steps to balance the interest of consumers and utilities.

26. In its Petition, CSPDCL had requested the Commission for a rationalized tariff hike across all except domestic category, in order to meet the revenue gap. The average tariff increase effectively claimed by CSPDCL works out to 20.45% to meet the Revenue Gap, which corresponds to Rs. 1.30/kWh. The Commission has approved average tariff

increase across all consumer categories of 8.35%, which corresponds to 53 paise/kWh, with the adjusted ACoS of Rs. 6.92/kWh.

27. The Commission has increased the Energy Charges across different categories/slabs ranging from 10 paise/kWh to 70 paise/kWh, with no change being made in the Fixed/Demand Charges. The Energy Charges for the Domestic category and Agriculture category have been increased by 20 paise/kWh and 25 paise/kWh, respectively. The Commission has revised the category-wise tariffs in such a manner that the cross-subsidies are reduced and are brought within ±20% of ACoS as stipulated in the Tariff Policy, 2016, to the extent possible.

28. In addition to the increase in energy charges for different categories, the Commission has taken the following measures for FY 2024-25:

a) CSPDCL's proposal for discontinuation of the Load Factor rebate of 20% for HV-1: Railway Traction category has been accepted. Despite the discontinuation of the Load Factor rebate and the increase of Rs. 0.70/kWh for HV-1: Railway Traction, the Average Billing Rate for Railways is still marginally below the ACoS, with the cross-subsidy level at 98% of ACoS.

b) CSPDCL's proposal for rationalization of the Load Factor rebate for HV-4 Steel category has been partly accepted, keeping in view that the sales to this category have stabilized based on the incentivization through higher Load Factor rebate given in the earlier Tariff Orders. The Load Factor rebate for HV-4 Steel category will now commence from Load Factor of 65% and above, as proposed by CSPDCL in its Petition. However, in order to incentivize increase in load factor beyond 65%, the Commission has rationalized the Load Factor rebate for HV-4 category, such that the consumers will receive Load Factor rebate in energy charges for every 1% improvement in load factor above 65%, with the maximum Load Factor rebate capped at 10% of energy charges. After the rationalization of the Load Factor rebate and the increase of Rs. 0.25/kWh for HV-4 Steel, the Average Billing Rate for HV-4 is slightly higher than the ACoS, with the cross-subsidy level at 105% of ACoS.

c) CSPDCL's proposal to withdraw the rebate for HV-4 Steel category connections above 150 MVA in the areas covered under "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran" has not been accepted, as the Commission is of the view that the entire area needs to be developed, and discrimination in rebate to HV-4 Steel category consumers based on the load is not appropriate. Hence, the special rebate of 5% on energy charge being provided, to boost industrialization, to the HV-4 Steel category consumers starting production on or after April 1, 2017 in the areas covered under **"Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran"** (notified vide Order dated August 22, 2005) and "**Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran"** (notified vide Order dated August 22, 2005), has been retained.

d) The ToD tariffs have been rationalized in accordance with the Rules notified by the Ministry of Power and the proposal submitted by CSPDCL. The Solar Hours have been stipulated as the 8-hour period from 09:00 hours to 17:00 hours, considering the State-specific requirement, which are now identified as 'off-peak hours', with energy charges being levied at 80% of normal rate. The period from 17:00 hours to 23:00 hours has been stipulated as 'peak hours', with energy charges being levied at 120% of normal rate. The remaining period, i.e., from 23:00 hours to 09:00 hours has been stipulated as 'normal hours', with energy charges being levied at normal rate.

e) CSPDCL will require certain time for re-programming all the ToD meters in line with the revised ToD time-slots for normal, peak and off-peak hours. In order to avoid a discriminatory situation, wherein some consumers are charged the revised ToD tariffs based on the re-programmed ToD meters and balance consumers are charged the existing ToD tariffs till their ToD meters are re-programmed, the Commission has decided that the ToD tariff will be suspended for a maximum period of three (3) months after issue of this Tariff Order, i.e., for the months of June, July and August 2024, for enabling CSPDCL to complete the preparatory work. CSPDCL should ensure that 100% of the ToD meters are re-programmed during this period of three months. In case, CSPDCL is able to achieve re-programming of 100% of the ToD meters in two (2) months' time after the issue of this Tariff Order, then the revised ToD tariff shall be implemented from the month of August 2024, under intimation to the Commission. It is clarified that the revised ToD tariff shall be implemented only after 100% of the ToD meters are re-programmed.

f) The Commission has rationalized the tariff for EV Charging Stations, and the single-part Energy Charges has been equated to the ACoS of Rs. 6.92/kWh, in accordance with the Guidelines issued by the Ministry of Power in this regard.

g) In accordance with the Rules notified by the Ministry of Power, the Commission has determined the 'Green Energy Tariff' to be paid over and above the category-wise tariffs, by consumers desirous of procuring additional Renewable Energy through CSPDCL.

h) The dispensation that no additional charge will be levied for exceeding Contract Demand during off-peak hours up to a maximum limit of 20% has been discontinued, in view of the rationalization of the ToD usage of power.

i) The categorization of furniture manufacturing units has been changed from "LV-2: Non-Domestic Category" to "LV-5: Industry", while the laboratories of Engineering colleges, ITIs and Polytechnics have been removed from "LV-5: Industry", and they shall be categorized under "LV-2: Non-Domestic Category" as applicable for the parent Engineering college, ITIs and Polytechnics.

j) The discount on Energy Charges applicable for mobile towers set up after 1st April 2019 in Government notified left-wing extremism affected districts, under LV-2 category has been stipulated at 25%.

k) As the revised tariff for FY 2024-25 is being implemented with effect from 1st June 2024, the base rate for computation of FPPAS for the month of April 2024 shall be as approved in the Tariff Order for FY 2023-24, whereas the base rate for computation of FPPAS for the month of May 2024 shall be as approved in the Tariff Order for FY 2024-25.

29. The Commission has ensured that the entire Revenue Requirement approved for FY 2024-25, including the Revenue Deficit arising after true-up of FY 2022-23, shall be recovered through the revised tariffs applicable FY 2024-25.

30. The approved Tariff Schedule applicable is appended herewith as **Schedule**.

31. The Order will be applicable from June 01, 2024 and will remain in force till March 31, 2025 or till the issue of the next Tariff Order, whichever is later.

32. The Commission directs the Companies to take appropriate steps to implement the Tariff Order.

Sd/-	**Sd/-**
(PRAMOD KUMAR GUPTA)	**(HEMANT VERMA)**
MEMBER	**CHAIRPERSON**

Chhattisgarh State Electricity Regulatory Commission
Vidhyut Niyamak Bhawan
Irrigation Colony, Shanti Nagar, Raipur - 492 001 (C.G.)
Ph.0771-4048788, Fax: 4073553
www.cserc.gov.in, e-mail: cserc.sec.cg@nic.in

Petition No. 50 of 2024

In the Matter of:

"Seeking clarification of Electricity Tariff for HV-4 category applicable w.e.f. 01.06.2024."

Chhattisgarh State Power Distribution Company Limited,
Danganiya, Raipur (CSPDCL) ... **Respondent-1**

Chhattisgarh Mini Steel Plant Association (CMSPA) **Respondent-2**

PRESENT	:	**Hemant Verma, Chairperson**
	:	**Pramod Kumar Gupta, Member**
Appearance	:	Shri R. A. Pathak, ED and Shri Rajesh Sadashivan, SE for respondent CSPDCL Shri Shyam Kabra and Shri Manish Duppad for respondent CMSPA

ORDER

(Passed on 06/06/2024)

The Commission has determined retail tariff for FY 2024-25 vide order dated 01.06.2024 for all tariff categories.

2. CMSPA vide letter dated 03.06.2024, stated that the electricity tariff order issued on 01.06.2024 will have adverse effect on growth of steel industries in the State. CMSPA submitted that the Tariff Order for FY 2024-25 was made effective from 00:00 hrs of 01.06.2024. In this order, the Commission has suspended the ToD and changed the tariff during period of use of electricity for three months. The CMSPA submitted that as the new tariff order is issued on 1st June afternoon and the billing period has started from 31.05.2024 mid night, hence it is impossible for them to change their load pattern from backward timings.

3. The CMSPA further submitted that the permission to draw 20% extra demand over contract demand during off-peak hours is also withdrawn from 00:00 hours of 01.06.2024. This will cause huge penal charges for the consumers for billing month of June 2024. Due to technical requirement of software amendments in their load manager equipment which will be done by their supplier company, the consumers should be permitted to draw additional load at off-peak hours till 30.06.2024 and no penal charges be imposed on the billing month of June 2024.

4. The Commission took cognizance of this letter and registered suo-moto petition no. 50 of 2024 and impleaded CSPDCL and CMSPA as respondent. As the matter has huge commercial implication, the parties were noticed and hearing was conducted on 06.06.2024.

5. The parties put forth their views during the hearing. The CSPDCL was directed to submit their written reply on this issue based on the deliberations during hearing.

6. CSPDCL submitted the reply on 06.06.2024. CSPDCL agreed with the technical difficulties and operational issues raised by CMSPA. Relevant para of the reply of CSPDCL is reproduced below:

> *"However, CSPDCL prayed that only the timings of ToD and the provision of availing additional demand of 20%, during off-peak load period, as per clause 1.2.11 of the tariff order dated 28.03.2023, may be considered for extension, till mid night of 30th June 2024 and all other provisions of new tariff should be made applicable w.e.f. 01 June 2024 itself. Though the petition has been filed by the consumers availing power under the HV-4 "Steel Industry" category of the tariff, the other two categories of consumers, who are also covered under the ToD tariff, namely HV-2 & HV-3, may also be included for extension of ToD period, as otherwise, it may be treated as discriminatory."*

7. CMSPA has also further submitted its written submission dated 06.06.2024. Relevant para is reproduced below:

> *"9. Respondent CGMSPA hereby submits his consent as under:*
>
> *a. Suspension of ToD tariff may be delayed up to 24:00 hours of 30.06.2024.*
>
> *b. ToD tariff in accordance to previous Tariff Order FY 2023-24 may prevail till 24:00 hours of 30.06.2024, which includes permission to draw 120% of contract demand during off-peak hours (i.e. 11 pm to 5am next day) in order to facilitate consumes to make necessary arrangements.*

c. *Tariff & Charges and other conditions for FY24-25 shall prevail since 01.06.2024 as pronounced by Hon'ble CSERC.*

d. *CSPDCL shall be allowed a period of 2 months after 30.06.2024 to make necessary changes in the software of energy meter with respect to new ToD time slots.*

e. *After the completion of such change in the energy meters of all consumers availing ToD Tariff, new ToD tariff as pronounced by Hon'ble CSERC for FY24-25 shall be made applicable since 01.09.2024."*

Commission's view

8. The tariff order for the year FY 2024-25 was issued on 01.06.2024 in the afternoon and made effective from 00:00 hours of 01.06.2024. In the tariff order dated 01.06.2024, the tariff is revised and certain existing terms and conditions of tariff is also amended. The issues raised by CMSPA appears reasonable and needs to be addressed. Based on the replies submitted by the parties the main issues which need to be addressed and clarified is regarding the quantum of usage of power during different time slots of day.

9. The ToD tariff has two components:

I. Period of use of electricity.

II. Tariff during the period of use of electricity.

10. According to the tariff order dated 28.03.2023 for the 2023-24, ToD time slots and respective tariffs are as under:

Period of Use	**Normal rate of Demand Charge Plus**
(i) Normal period (5:00 a.m. to 6:00 p.m.)	Normal rate of Energy Charges
(ii) Evening peak load period (6:00 p.m. to 11:00 p.m.)	120% of normal rate of Energy Charge
(iii) Off-peak load period (11:00 p.m. to 5:00 a.m. of next day)	80% of normal rate of Energy Charge

11. In the tariff order dated 01.06.2024, ToD time slots and respective tariffs is as under:

Period of Use	**Normal rate of Demand Charge Plus**
(i) Normal period (23:00 hours to 09:00 hours)	Normal rate of Energy Charges
(ii) Off-peak load period (Solar Hours) (09:00 hours to 17:00 hours)	80% of normal rate of Energy Charge
(iii) Peak load period (17:00 hours to 23:00 hours)	120% of normal rate of Energy Charge

12. The tariff order dated 01.06.2024 specifies that ToD tariff shall be suspended for the month of June, July and August 2024. The new ToD tariff can be implemented only after incorporating necessary changes in the meters of the consumers. Based on the submissions made by the parties, the Commission decides that for the billing month of Jun 2024, tariff and terms and conditions of tariff for HV-2, HV-3 & HV-4 consumers categories shall be as under;

    i. The applicable tariff for the respective consumer categories shall be in accordance with the tariff order for the year 2024-25 i.e., the normal rate of demand and normal rate of energy charges shall be applicable throughout the day.

    ii. Consumers shall not be required to pay additional charge on exceeding contract demand upto maximum limit of 20% during 11 pm to 5 am of the next day.

    iii. Beyond 120% of the contract demand, excess supply shall be billed as per formula prescribed in the tariff order for the year 2024-25.

    iv. The maximum recorded demand during the period 11 pm to 5 am of the next day will not be considered for the purpose of demand charges billing i.e., demand charges will be levied on maximum recorded demand during 5 am to 11 pm.

    v. CSPDCL is allowed to make the necessary changes in the software of tariff meters after 30.06.2024 within a period of two months i.e., by August 31, 2024 according to new ToD time slots as specified in the tariff order for the year 2024-25. After completing the aforesaid changes in the tariff meters of all consumers covered under ToD tariff structure, ToD tariff as approved in the tariff order dated 01.06.2024 for FY 2024-25 shall be made applicable from 01.09.2024.

vi. All other terms and conditions which are not specified in this order shall be in accordance with tariff order dated 01.06.2024 for the year 2024-25.

13. CSPDCL is directed to widely circulate this order among its consumers.

We order accordingly.

Sd/-	**Sd/-**
(Pramod Kumar Gupta)	**(Hemant Verma)**
Member	**Chairperson**

CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR

Chhattisgarh State Power Generation Co. Ltd.	……….P. No. 10/2024 (T)
Chhattisgarh State Power Transmission Co. Ltd.	……….P. No. 05/2024 (T)
Chhattisgarh State Load Despatch Centre	……….P. No. 06/2024 (T)
Chhattisgarh State Power Distribution Co. Ltd.	……….P. No. 09/2024 (T)

Present: **Hemant Verma, Chairperson**
Pramod Kumar Gupta, Member

In the matter of-

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) Petition for final True- Up of ARR of conventional thermal and hydro power plants for FY 2022-23;

2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2022-23 and determination of transmission tariff for FY 2024-25;

3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2022-23 and determination of SLDC charges for FY 2024-25;

4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) Petition for final true- up for FY 2022-23, Re-determination of ARR for FY 2024-25, and Retail Tariff for FY 2024-25.

Corrigendum Order

(Passed on 11/06/2024)

In the tariff schedule of tariff order passed on 01.06.2024 in respect of above-mentioned petitions, certain inadvertent typographical errors have been noticed. Therefore, following corrections are made in the aforesaid order:

1. Note (vii) of the para 1.1.1 of tariff schedule shall be read as, "If a portion of the dwelling is used for the conduct of any business other than those stipulated above, the billing shall be done as per provisions of Chhattisgarh State Electricity Supply Code (Third amendment), 2023."

2. In the para 1.1.9 (2) of the tariff schedule word "infraction" shall be read as "in fraction".

3. In the third proviso of the note of the para 1.2.4 of the tariff schedule, the word "FPPPA" shall be read as "FPPAS".

4. The para (ii) of Applicability and Terms and Conditions of TOD tariff in para 1.2.11 of tariff schedule, shall be read as "In case, the consumer exceeds the contract demand, the demand in excess and the corresponding energy shall be billed at one and half/two times (as per methodology specified in Para "Additional Charges for Exceeding Contract Demand" of the Terms and Conditions of HV Tariff) of the normal tariff applicable for normal period (i.e. 23:00 hours to 09:00 hours) irrespective of the time of use."

5. In the para 1.2.12 of the tariff schedule, words "Clause 7" shall be read as "Clause 10".

Sd/-	**Sd/-**
(Pramod Kumar Gupta)	**(Hemant Verma)**
Member	**Chairperson**

LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administrative and General
ABR	Average Billing Rate
ADMS	Automatic Demand Management System
AFC	Annual Fixed Charges
AMC	Annual Maintenance Contract
APTEL	Hon'ble Appellate Tribunal of Electricity
ARR	Annual Revenue Requirement
AT&C	Aggregate Technical and Commercial
BESS	Battery Energy Storage System
BSP	Bhilai Steel Plant
CAGR	Compounded Annual Growth Rates
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CIP	Capital Investment Plan
COD	Date of Commercial Operation
CPI	Consumer Price Index
CSD	Consumer Security Deposit
CSEB	Chhattisgarh State Electricity Board
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSLDC	Chhattisgarh State Load Despatch Centre
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSPDCL	Chhattisgarh State Power Distribution Company Ltd
CSPGCL	Chhattisgarh State Power Generation Company Limited
CSPGCL	Chhattisgarh State Power Generation Company Ltd.
CSPHCL	Chhattisgarh State Power Holding Company Limited
CSPTCL	Chhattisgarh State Power Transmission Company Limited
CSPTCL	Chhattisgarh State Power Transmission Company Ltd.
CSPTrCL	Chhattisgarh State Power Trading Company Limited
CTU	Central Transmission Utility
CWIP	Capital Work in Progress
DA	Dearness Allowances

Abbreviation	Description
DISCOM	Distribution Company
DPC	Delayed Payment Charges
DPS	Delayed Payment Surcharge
DS	Domestic Service
DSM	Deviation settlement mechanism
DT	Distribution Transformer
EHV	Extra High Voltage
FCA	Fuel Cost Adjustment
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoCG	Government of Chhattisgarh
GoI	Government of India
HP	Horse Power
HPO	Hydro Purchase Obligation
HR	Human Resource
HT	High Tension
HV	High Voltage
IDC	Interest During Construction
IoWC	Interest on Working Capital
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
kcal	kilocalorie
kg	kilogram
km	Kilometer
kV	kilo Volt
kVA	kilo Volt-Ampere
kW	Kilo Watt
kWh	kilo Watt-hour
LV	Low Voltage
M&G	Maintenance and General
MAT	Minimum Alternative Tax
MAT	Minimum Alternate Tax

Abbreviation	Description
MCLR	Marginal Cost of Fund based Lending Rate
MGR	Merry-Go-Round
ml	Millilitre
MMC	Monthly Minimum Charges
MT	Metric Tonnes
MU	Million Units
MYT	Multi Year Tariff
NTI	Non-Tariff Income
NTPC	National Thermal Power Corporation Ltd.
O&M	Operation and Maintenance
P&G	Pension & Gratuity
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PTC	Power Trading Corporation of India Limited
R&M	Repair and Maintenance
RBI	Reserve Bank of India
RDSS	Revamped Distribution Sector Scheme
RE	Renewable Energy
RoE	Return on Equity
RPO	Renewable Purchase Obligation
Rs.	Rupees
RSA	Revenue Sharing Agreement
SAIL	Steel Authority of India Ltd.
SAMAST	Scheduling, Accounting, Metering and Settlement of Transaction
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Centre
SLM	Straight Line Method
STPS	Super Thermal Power Station
STU	State Transmission Utility

Abbreviation	Description
T&D Loss	Transmission and Distribution Loss
ToD	Time of Day
TSAF	Transmission System Availability Factor
TSA	Transmission Service Agreement
TVS	Technical Validation Session
UDAY	Ujjwal DISCOM Assurance Yojana
UI	Unscheduled Interchange
VCA	Variable Cost Adjustment
WLDC	Western Regional Load Despatch Center
WPI	Wholesale Price Index
YoY	Year-on-Year
STPS	Super Thermal Power Station
STU	State Transmission Utility
T&D Loss	Transmission and Distribution Loss
ToD	Time of Day
TSAF	Transmission System Availability Factor
TSAF	Transmission Service Agreement
TVS	Technical Validation Session
UDAY	Ujjwal DISCOM Assurance Yojana
VCA	Variable Cost Adjustment
WLDC	Western Regional Load Despatch Centre
WPI	Wholesale Price Index
YoY	Year-on-Year

Table of Contents

List of Tables

1 BACKGROUND AND BRIEF HISTORY

1.1 Background

The Chhattisgarh State Electricity Board (CSEB) was restructured by the Government of Chhattisgarh (GoCG) in pursuance of the provisions of Part XIII of the Electricity Act, 2003. GoCG, vide notification No. 1-8/2008/13/1 dated December 19, 2008. The erstwhile CSEB was unbundled into five different Companies, viz., Chhattisgarh State Power Generation Company Limited (CSPGCL), Chhattisgarh State Power Transmission Company Limited (CSPTCL), Chhattisgarh State Power Distribution Company Limited (CSPDCL), Chhattisgarh State Power Trading Company Limited (CSPTrCL), and Chhattisgarh State Power Holding Company Limited (CSPHCL). The assets and liabilities of the erstwhile CSEB have been allocated to the successor Companies w.e.f. January 1, 2009 according to the provisions of the CSEB Transfer Scheme Rules, 2010.

1.2 The Electricity Act, 2003, Tariff Policy and Regulations

Section 61 of the Electricity Act, 2003 (herein after referred as 'the EA, 2003' or 'the Act') stipulates the guiding principles for determination of tariff by the Commission and mandates that the tariff should progressively reflect the cost of supply of electricity, reduce cross subsidy, safeguard consumers interest and recover the cost of electricity in a reasonable manner. This Section also stipulates that the Commission while framing the Tariff Regulations shall be guided by the principles and methodologies specified by the Central Electricity Regulatory Commission for determination of the tariff applicable to generating companies and transmission licensees.

Section 62 of the Act stipulates that the Commission shall determine the tariff for:

- Supply of electricity by a Generating Company to a Distribution Licensee;
- Transmission of electricity;
- Wheeling of electricity; and
- Retail sale of electricity.

The Tariff Policy notified by the Government of India in January 2006, as well as the amended Tariff Policy notified in January 2016, provides the framework to balance the conflicting objectives of attracting investments to ensure availability of quality power and protecting the interest of consumers by ensuring that the electricity tariffs are affordable.

1.3 Procedural History

The Commission notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021 (hereinafter referred as 'CSERC MYT Regulations, 2021') on November 14, 2021 for the Control Period from FY 2022-23 to FY 2024-25 for determination of tariff for the Generating Company, Licensees, and CSLDC.

The Commission has notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) (First Amendment) Regulations, 2023 on May 10, 2023, which shall be effective from April 01, 2023. In accordance with CSERC MYT Regulations, 2021, as amended, CSPGCL filed the Petition for approval of final true-up for FY 2022-23 on 15th January 2024, which was registered as Petition No. 10 of 2024. CSPTCL filed the Petition for approval of final true-up for FY 2022-23 and determination of transmission tariff for FY 2024-25 on 10th January 2024, which was registered as Petition No. 05 of 2024. CSLDC filed the Petition for approval of final true-up for FY 2022-23 and determination of SLDC charges for FY 2024-25 on 10th January 2024, which was registered as Petition No. 06 of 2024. CSPDCL filed the Petition for approval of final true-up for FY 2022-23, and determination of ARR and Retail Supply Tariff for FY 2024-25 on 15th January 2024, which was registered as Petition No. 09 of 2024.

In this instant Order, the Commission has undertaken the final true-up for FY 2022-23 in accordance with the provisions of the MYT Regulations, 2021 and determination of Tariff for FY 2024-25 for CSPTCL, CSLDC and CSPDCL in accordance with the provisions of the MYT Regulations, 2021 as amended.

1.4 Admission of the Petition and Hearing Process

The Petitions filed by CSPDCL, CSPTCL, CSLDC, and CSPGCL were registered on 16th January 2024, 11th January 2024, 11th January 2024, and 16th January 2024 respectively.

The Companies were directed to publish the abridged version of the Petition in Hindi and English newspapers for inviting comments/objections/suggestions from all the stakeholders. The Petitions were made available on the website of the Commission as well as on the Petitioners' websites. As required under Clause 21 of the CSERC (Details to be furnished by licensee etc.) Regulations, 2004, notices inviting comments/objections/suggestions from the stakeholders on the above proposals, were published by the Petitioners in the leading newspapers of the State.

A period of twenty-one (21) days was given for submission of written objections and suggestions by the public. The Companies were also directed to submit written replies to the Commission with copies endorsed to the objectors.

In order to have better clarity on the data submitted by the Petitioners and to remove inconsistency in the data, the Technical Validation Sessions (TVS) were held on 28th February 2024 and 29th February 2024 with the Petitioners. During the TVS, additional information required for processing of the Petitions was sought from the Petitioners. The Petitioners submitted the additional information sought during TVS.

The objections and suggestions from stakeholders were received on the Petitions filed by CSPGCL, CSPTCL, CSPDCL and CSLDC. The list of persons who filed the written submissions is annexed as **Annexure-I.**

The Public Hearing on the Petitions filed by CSPGCL, CSPTCL, CSPDCL and CSLDC was held on 11th March 2024 and 12th March 2024. The Commission has ensured that the due process as contemplated under the law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to all the persons to offer their views. The list of persons who submitted comments during the hearing is annexed as **Annexure-II.**

The issues raised by the stakeholders along with the response of the Petitioners' and views of the Commission are elaborated in Chapter 2 of this order.

1.5 State Advisory Committee Meeting

A copy of the abridged Hindi and English version of the Petitions were also sent to all the members of the State Advisory Committee of the Commission for their comments.

A meeting of the State Advisory Committee was convened on 5 March, 2024 to discuss the Petitions and seek inputs from the Committee. CSPGCL, CSPTCL, CSLDC and CSPDCL gave presentations in the meeting on the salient features of their Petitions. Various aspects of the Petitions were discussed by the Members of the Committee in the meeting. The list of the SAC Members who participated in the meeting is annexed as **Annexure III.**

The following suggestions and objections were submitted:

a) The request of CSPGCL to increase the Return on Equity (RoE) from 14% to 15.5% should be considered, but it should be linked to performance parameters.

b) Distribution cost in North Gujarat is low, so CSPDCL should make efforts to bring its distribution cost in line with that of North Gujarat.

c) A timeline for installation of FGD should be specified.

d) Seasonal variation in coal supply should be examined, and its availability should be ensured.

e) The cost overrun of capital works of CSPTCL should be analysed from the consumer's perspective.

f) CSLDC should provide details on its website regarding open access, especially those related to Green Energy Open Access (e.g., number of applications received, number of applications accepted, number of applications rejected, quantum, voltage level-wise details).

g) CSPDCL has estimated high sales growth in the Petition. This requires a realistic assessment.

h) The Commission should estimate power purchase projections on a monthly basis, considering seasonal variation, rather than using an average. The same should be mentioned in the Tariff Order.

i) The actual impact of banking should be studied and analysed.

j) The prevailing Time of Day (ToD) slabs need investigation so as to review the number of slabs and incentives.

k) Electricity subsidy on a per-unit basis should be recorded in the Tariff Order.

l) It should be ensured that the Green Tariff is consistent with the applicable Rules.

m) Reactive power disturbances - study to be conducted.

n) CSPDCL should endeavor to reduce distribution loss and electricity theft to bring them in line with national level.

2 HEARING PROCESS, INCLUDING THE COMMENTS MADE BY VARIOUS STAKEHOLDERS, THE PETITIONERS' RESPONSES AND VIEWS OF THE COMMISSION

2.1 Common Objections

2.1.1 Contribution to Pension and Gratuity Fund

The Objector submitted that there is huge difference between estimation of expenses towards Pension and Gratuity as approved in ARR and the actuals. Total corpus of the Gratuity and Pension Fund was around Rs. 5,000 Crore as on 31st March 2018, and after 5 years, it is still around Rs. 5,000 Crore as on 31st March 2023. As per actuarial analysis, the fund value should be Rs. 10,000 Crore in 2020 and this requirement increased to Rs. 17,000 Crore in 2023, making it only 30% of what it should be. This deliberate attempt of claiming less than actual in true-up and estimating lesser expenses than what it should be is causing undue benefit to present consumers, at the cost of reduction in corpus of Gratuity and Pension Fund and is creating uncertainty among employees of State Power Companies and will burden the future consumers.

Therefore, the Objector objected to the claims / estimation made by the Petitioner in the tariff determination/ true-up and sought the following relief from the Commission:

i) ARR for the coming years of all the Petitioners should be approved by considering appropriate estimation of the expenses and gap between actual expenses and allowed expenses, with due diligence so that actual yearly expenses towards payment of retirement benefits for Gratuity & Pension for all the retiree/pensioners of the State Power Companies are met from the respective year's ARR, and

ii) As per Regulations, some additional allocation of fund should also be made in the ARR every year to reasonably fill the gap/ deficit of the CSEB Gratuity and Pension Fund between actual available fund and requirement of fund as per actuarial analysis/ valuations. The ratio of at least 2018 should be maintained, i.e., actual fund corpus was above 50% of the fund corpus requirement, as per actuarial valuation.

Petitioner's Reply

CSPDCL has submitted that it has requested the Commission, through an additional submission dated 9th February 2024, to approve an additional or incremental amount towards Pension & Gratuity over and above the amount approved in MYT Order for recovery through tariff for FY 2024-25, keeping in view the interest of the consumers of the State as well as that of CSPDCL's current/retired employees. It has also been requested that the backlog of Rs. 6325.21 Crore in the corpus, arrived at after actuarial analysis, may be recovered through incremental addition in a phased manner.

Commission's Reply

The Commission has considered the contribution to Pension and Gratuity of Rs. 85.69 Crore for FY 2022-23 as claimed by CSPDCL, as the same are in accordance with the amount approved by the Commission in the Tariff Order dated 13th April 2022.

Therefore, request of objector for increasing contribution to Pension and Gratuity Fund has not been accepted.

Objections on CSLDC's Petition

2.1.2 SLDC Operating Charges

The Objector submitted that CSLDC is currently charging Operating Charges at Rs. 2,000 per transaction from all inter-State as well as intra-State Open Access consumers, which is very high. The Objector cited examples of States like Delhi, Madhya Pradesh, Haryana, Uttar Pradesh, Gujarat and Goa, wherein these charges are Rs. 1,000 per transaction per day. The Objector requested the Commission to reduce the Operating Charges and make it at par with other States.

Petitioner's Reply

CSLDC submitted that in the Western Region, SLDC Operating Charges in Maharashtra and Madhya Pradesh are Rs. 2,250 per day and Rs 3,000 per day, respectively. Thus, SLDC Operating Charges of Rs.2,000 per day levied by CSLDC is justifiable in comparison of SLDC operating charges levied in Maharashtra and Madhya Pradesh.

Commission's View

Existing SLDC Operating Charges for STOA consumers as approved by the Commission are reasonable, therefore, the same have been retained at existing levels.

2.2 Objections on CSPTCL's Petition

2.2.1 Transmission Charges for MTOA/LTOA for Renewable Energy from Solar Power resources

The Objector submitted that as Solar Power Generating Stations have a lower PLF/ CUF of 21% compared to that of conventional/ fossil fuel-based power generation, the impact of the long term/ medium term Transmission Charges on renewable generation/ consumption from solar power impacts exponentially on solar power generation/ consumption. The Objector stated that the Transmission Charges per MW equated on renewable energy open access on MTOA / LTOA is Rs. 1.089/kWh for solar power, whereas for conventional power it is Rs. 0.269/kWh.

The Objector requested the Commission to reduce the Transmission Charges for the MTOA/LTOA for Renewable Energy from Solar Power resources to 20% of the Transmission Charges for the conventional power.

Petitioner's Reply

The Petitioner submitted that the proposed STOA charges for FY 2024-25 were worked out in accordance with the established principles specified under the MYT Regulations, 2021. The Commission has already stipulated NIL Transmission Charges for the complete useful life of Solar Plants synchronized up to 27th December 2023 (limited up to first 500 MW) following the notification of the CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations and its amendments.

Furthermore, grid infrastructure is developed based on the maximum power (MW) to be handled at any given time block (say 15 minutes block), and the associated expenses are then shared by users in proportion to their MW capacity. Therefore, the Objector's comment regarding consideration of transmission charges on the basis of availability in terms of MWh is thus, not appropriate.

Commission's View

In CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019, the Commission has already stipulated NIL Transmission Charges for the complete useful life of Solar Plants synchronized up to 27th December 2023 (limited up to first 500 MW).

In view of the above, in the present Tariff Order, the Commission has done away with the concessional Open Access charges for Open Access from Renewable Energy sources, and the Open Access charges for Renewable Energy have been stipulated at the same level as other Open Access transactions.

2.3 Objections on CSPDCL's petition

2.3.1 Discount on Energy Charges for Mobile Towers in Left-Wing Extremism Affected Districts

The Objector submitted that since most of the mobile towers in Left-Wing Extremism affected sites set up by them under Chhattisgarh Circle are prior to the year 2021, they are not getting the benefit of discount of 50% on Energy Charges. The Objector requested the Commission to pass appropriate orders so that they can also avail benefit of the discount of 50% on energy charges applicable for mobile towers set up in Left-Wing Extremism affected sites in Chhattisgarh State w.e.f. 01.04.2021.

Petitioner's Reply

CSPDCL submitted that the provision of subsidy/rebate in electricity bills of consumers, is a subject matter of the jurisdiction of the State Government under Section 65 of the Electricity Act, 2003. However, in the instant case, CSPDCL is not being compensated for the "discount" being given, hence, it is prayed that no further concessions may be considered.

CSPDCL requested the Commission that if the request of objector is considered to any extent, then the same may be subject to protection of approved ARR of CSPDCL for the FY 2024-25.

Commission's View

The Commission has rationalized the rebate in energy charges for mobile towers, to be set up in remote left-wing extremism affected districts after April 1, 2019, and reduced the rebate from 50% to 25%.

2.3.2 Categorisation of Telecom Services

The Objector submitted that the telecom industry, which works round the clock like any other industry, is being unfairly burdened by commercial electricity rates rather than industrial rates. The Government of Chhattisgarh vide its scheduled Tariff for FY 2023-24 (Annexure-1), has allowed the IT Companies operating in Chhattisgarh to pay industrial tariff for their power consumption. Since 24×7 Telecom Connectivity is essential for seamless IT operations, the telecom network is an integral part of the IT ecosystem. Early deployment of 5G services in the States will not only generate new revenue streams for local bodies, State Governments, Startups, and existing businesses, but also bring significant benefits to citizens. However, high electricity tariffs remain a major challenge for the rapidly growing telecom tower industry in India.

The Objector requested the Commission to categorize the Telecom Industry under industrial rates instead of commercial rates. This will facilitate affordability of telecom services and the rollout of 5G services.

The Objector has also submitted the following legal, policy and commercial considerations that form the basis for this request:

a) Pursuant to the decision of the Cabinet Committee on Infrastructure on 01.03.2012, Telecommunication industry has been endorsed with the status of "Infrastructure Industry" vide GoI Gazette Notification No. 81 dated 28.03.2012 (Annexure-2);

b) Furthermore, in the Gazette Notification F. No. 13/6/2009-INF., dated 07.10.2013 (Annexure-4), the telecom towers are included in the 'Updated Harmonized Master List of Infrastructure Sub-Sectors';

c) Classification of Telecom under the "Industrial Category" for the purposes of electricity tariff in Maharashtra;

d) Judicial Classification of Telecom as an 'Industry';

e) The Government is promoting Telecom Infrastructure to ensure the expansion of Telecom services and facilitate 5G roll out throughout the country

f) Benefits of cross-sector collaboration in light of 5G deployment.

Petitioner's Reply

CSPDCL has submitted that no activity of manufacturing is being carried-out in the telecom towers, and telecom towers are not Information Technology industries, thus present classification in the non-domestic category is appropriate and same should be continued.

CSPDCL has submitted that designing and re-structuring of retail supply tariff is a statutory function of the Commission under Electricity Act. Hence, applicant's request can only be considered subject to protection of CSPDCL's approved ARR for FY 2024-25.

Further, CSPDCL has submitted that COAI (Cellular Operator Association of India) has filed an Appeal before the Hon'ble APTEL bearing DFR No. 15/2024, challenging the inclusion of Telecom Towers under LV-2 category by the Commission, in the tariff Order for FY 2023-24. Hence, the matter may be treated as sub-judice.

Commission's View

The Commission found that the present tariff categorisation of the objector is appropriate, thus, the tariff category of the objector is kept unchanged.

2.3.3 Load Factor Rebate

The objector submitted that by giving load factor relaxation to Steel Industries, CSPDCL is incurring a loss of about Rs 1,000 Crore every year. The Objector also submitted that Load Factor rebate is not being implemented in a transparent manner in the State. Further, the Objector submitted that if the State Government wants to give any discount to the Steel Industry, then its tariff should be set high and the money for this discount should be made available from the State Government. While the actual tariff for this category may be higher than Rs. 7/kWh, the Steel Industry appears to be only paying Rs. 5/kWh.

Other Objectors submitted that Load Factor rebate is currently applicable pointwise from 50% Load Factor @ 1% for every percentage increase in Load Factor up to a maximum of 25% on achieving a Load Factor of 74%. CSPDCL has sought to reduce the rebate to flat 5% on achieving a Load Factor of 65%. The Objectors requested the Commission to reject the proposal of CSPDCL.

Some Objectors submitted that tariff for Steel Industry has already gone up from Rs. 5.24/kWh in 2021 to Rs. 6.15/kWh currently in just a matter of 3 years. The proposed reduction in Load Factor Rebate will further push up tariff by Rs. 1.50/kWh to about Rs. 7.65/kWh, which will have an adverse effect on Steel Industry.

Another Objector submitted that for traction sub-stations of Indian Railways, if Load Factor for a month is above 20%, then a rebate of 20% is allowed on Energy Charge calculated on the entire energy consumption for that month. CSPDCL, in its Retail Tariff Proposal for FY 2024-25, has proposed to withdraw presently applicable rebate of 20% on Energy Charge to Railway Traction. The Objector requested the Commission to reject CSPDCL's proposal.

Petitioner's Reply

As regards the loss incurred due to Load Factor rebate given to HV-4: Steel Industries, CSPDCL submitted that it has proposed to reduce Load Factor Rebate to flat 5% on achieving a load factor of 65% in its Retail Supply Tariff for FY 2024-25.

CSPDCL submitted that the load factor rebate is usually offered to promote consumption when surplus power is available during any time of the day. In the current scenario, power is not always surplus, hence the cost of power procurement goes up. In addition, as per the current Tariff Order, the Average Billing Rate (ABR) of Steel Industry is 94% of the ACoS, and over this Load factor rebate of approximately 20% is being provided. These rebates have considerably affected the financial health of CSPDCL. Hence, the proposal of CSPDCL for reduction of Load factor rebate is appropriate.

As regards withdrawal of 20% rebate on Energy Charges for Railway Traction, CSPDCL submitted that as per the tariff approved by the Commission for FY 2023-24, Railway Traction connections are being billed at 80% of the average cost of supply (ACoS). Hence, CSPDCL's request for withdrawal of load factor rebate for Railway Traction is reasonable and may kindly be considered by the Commission.

Commission's View

The Commission has rationalized the Load Factor rebate for HV-1: Railway Traction category and HV-4: Steel Category, as elaborated in the Tariff Philosophy Chapter of this Order.

2.3.4 Power Purchase Cost

The Objector submitted that for FY 2022-23, the Commission approved an average power purchase cost of Rs. 3.79 per unit. CSPDCL, however, ended up with an average power purchase cost of Rs. 4.63 per unit, which is 22% higher than the approved rate, and translates to a loss of Rs. 2444 Crore. This should be corrected and not allowed to be passed on to the consumers.

Petitioner's Reply

CSPDCL submitted that power from all sources has been purchased at the rate approved by the Commission. The Fuel and Power Purchase Adjustment Surcharge (FPPAS) is a variable entity (an adjustment), which has also been computed as per the modalities laid down by the Commission. The actual power purchase cost includes FPPAS also, hence, the contention of the Objector that this power purchase cost may not be passed on to the consumer is misleading and incorrect.

Commission's View

The Commission has verified the details provided by CSPDCL and has accordingly approved the cost of power purchased in the final true-up for FY 2022-23, as elaborated in the respective Chapter of this Order. It may also be appreciated that the power purchase rate for the ensuing year approved in the Tariff Order is an estimation based on available data at that point of time. While best efforts are always made to estimate the power purchase rate correctly, there is always the chance that the actual power purchase rate will be different (higher/lower) than that considered in the Tariff Order. The EA 2003, MoP Rules, and the CSERC MYT Regulations, 2021, as amended, specify the mechanism for recovery/adjustment of the variation in power purchase rates.

2.3.5 Stand-alone Profit

The Objector submitted that for FY 2022-23, stand-alone profit as projected and approved by the Commission was Rs. 1446 Crore. CSPDCL, however, ended up with a loss of Rs. 1788 Crore. The difference adds to Rs. 3234 Crore in a single year of operation. This needs to be looked into and corrected.

Petitioner's Reply

CSPDCL submitted that at the time of determination of ARR, category-wise sales, power purchase cost, etc., are all projected based on past data. The actual figure can be arrived at only after the true-up based on audited accounts. Hence, the true-up figures are final.

Commission's View

The Commission has verified the details provided by CSPDCL and has accordingly approved the ARR and Revenue Gap in the final true-up for FY 2022-23, as elaborated in the respective Chapter of this Order.

2.3.6 Provision of Extra Load

The Objector submitted that CSPDCL has proposed that extra load drawal permitted @ 20% during off peak hours should be reduced to NIL, which should not be accepted, and extra load drawal should continue to be allowed at 20%.

Petitioner's Reply

CSPDCL has submitted that the relaxation of allowing 20% excess demand to consumers having TOD tariff was based on the premise that during off-peak load period, there is surplus power available hence, the industries could be motivated for utilizing the same. However, analysis of power purchase during the period April 2022 to March 2023 indicates that additional power had to be purchased from Power Exchange to meet off-peak demand. Therefore, the provision of allowing additional demand is proposed to be withdrawn, and may kindly be considered by the Commission.

Commission's View

The Commission has accepted CSPDCL's proposal for discontinuing the relaxation of up to 20% excess demand drawal during off-peak hours, in view of the revised ToD timings approved in this Order.

2.3.7 Tariff Hike for Steel Industry

The Objector submitted that Steel Industry is one of the largest contributors to the State exchequer. It employs lakhs of people directly and indirectly. Due to favourable tariff fixation by the Commission, Steel Industry has seen growth over the years. For the past 10 years, there has been a gradual increase in tariff from Rs. 4.76/kWh in 2014 to Rs. 6.09/kWh in 2023. The Objector requested the Commission to make a sympathetic decision keeping in mind the mutual interests of the Steel Industry as this decision will prove to be a milestone in increasing the revenue and employment of the State.

Another Objector submitted that due to very high Average Billing Rate of Stand-alone Steel Re-Rolling Mills (ranging between Rs. 8.50 to Rs. 9.50 per unit) when compared with Combined Steel Rolling Mills with Mini Steel Plants and Sponge Iron Plants (Average Billing Rate of Rs. 5.76 per unit), such Stand-alone Steel Rolling Mills are becoming sick. The Objector requested the Commission to take immediate steps to bring down Average Billing Rate of Stand-alone Rolling Mills, closer to Rs. 7.00 per unit.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers at the time of tariff determination, is the prerogative of the Commission under section 62(3). CSPDCL requested the Commission to consider the objector's request subject to protection of CSPDCL's ARR for FY 2024-25.

Commission's View

The tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 has been elaborated in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.8 Rationalisation of Transmission Loss

The Objector submitted that the Inter-State and Intra-State Transmission Losses proposed by CSPDCL are 3.57% and 3.00%, respectively, which are on the higher side as compared to the other States. The Objector cited the examples of Himachal Pradesh, Uttarakhand, Jharkhand, and Madhya Pradesh, wherein Transmission Losses are much lower as compared to Chhattisgarh. The Objector requested the Commission to rationalize the Transmission Losses of CSPDCL at least at par with Transmission Losses of Madhya Pradesh, which is 2.53%.

Petitioner's Reply

CSPDCL submitted that based on transmission losses achieved for FY 2022-23 (3.00%), the Commission has set target as 3.00% of every year of the Control Period from FY 2022-23 to FY 2024-25. CSPDCL has considered Intra-State transmission losses as determined by the Commission in its MYT Order dated 13th April 2022. As regards inter-State transmission losses, CSPDCL has considered actual weighted average transmission losses of past 12 months (April 2022 till March 2023) of Western Region.

Commission's View

The Commission has considered the intra-State transmission loss for FY 2024-25 as 3%, as approved in the MYT Order dated 13th April 2022. The inter-State transmission losses have been considered as submitted by CSPDCL, as they are based on the actual transmission losses in the last 12 months.

2.3.9 Demand Charges and Energy Charges

The Objector submitted that stand-alone Steel Rolling Mills are known as Low Load Factor Industries and their load factor remains in the range of 8-30% averaging only 20-21%. The Objector requested the Commission to reduce the Demand Charges for stand-alone Rolling Mills having load factor up to 35% from present level of Rs. 190/kVA/month to Rs. 100/kVA/month.

The Objector submitted that due to very high ABR of stand-alone Steel Rolling Mills (ranging between Rs. 8.50 to Rs. 9.50 per unit) when compared with combined Steel Rolling Mills with Mini Steel Plants and Sponge Iron Plants (Average Billing Rate of Rs. 5.76 per unit), such stand-alone Steel Rolling Mills are becoming sick. Considering the above fact, Government of Chhattisgarh has provided subsidy support of 24% on energy charges to such Stand-alone Rolling Mills only up to 31.03.2023, after which many such Mills are finding it hard to survive. The Objector requested the Commission to reduce Energy Charges to about Rs. 6.00 per unit from present level of Rs. 6.45 per unit.

Petitioner's Reply

CSPDCL submitted that for the period 1st July 2022 to 31st March 2023, subsidy of 24% on energy charges was provided to stand-alone Rolling mills covered under HV-4 tariff category. The subsidy was provided Government of Chhattisgarh Order dated 27.07.2022.

CSPDCL submitted that the demand charges have been fixed considering the load factor and the voltage of supply in the Tariff Order.

The objector's request for reduction in demand charges and energy charges is the prerogative of the Commission under the Electricity Act, 2003. Hence, in the capacity of distribution licensee, CSPDCL submitted that the Commission may consider the aforesaid request subject to protection of ARR of CSPDCL for FY 2024-25.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25, is given in the relevant Chapter of this Order. The Commission has retained the Fixed/Demand Charges for all categories at the same level, as approved in the Tariff Order for FY 2023-24. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.10 Separate Category for Low Load Factor Industries

The Objector submitted that earlier, Steel Rolling Mills were classified as Low Load Factor Industries category but later on, such category has been merged with HV-4: Steel Industry. In this way, two industries namely, Mini Steel Plants (Load Factor of about 75-85%) and Rolling Mills (Load Factor of only 15-35%), having extremely different consumption pattern are merged together. The Objector requested the Commission to reinstate a separate category for Low Load Factor Industries for load factor up to 35% so that their Average Billing Rate (ABR) can be monitored correctly, and Tariff may be decided efficiently.

Petitioner's Reply

CSPDCL submitted that that creation of separate category for Low Load Factor industries would be against the earlier decision of the Commission in FY 2005-06, wherein merger of several HT categories were made with the intention to reduce the excessive consumer categories prevailing in the structure prior to regulatory regime, and subsequently in FY 2017-18, wherein load factor of the consumer has been considered as a basis to differentiate on the basis of energy charges for supply of electricity at different voltages. It is pertinent that separate low load factor tariff existed in the tariff design prior to FY 2017-18. In addition, the Demand Charges have been fixed considering the load factor and the voltage of supply in the prevalent Tariff Order under prevalence.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25, is given in the relevant Chapter of this Order. The Commission has retained the consumer categorisation, as approved in the Tariff Order for FY 2023-24. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.11 Railway Tariff

The Objector submitted that the Railways are a public utility and a bulk customer. Therefore, Railways should be provided with favourable tariff formulation so that CSPDCL and Railways can serve the Nation as well as the State together. The Objector requested the Commission to reduce the tariff for non-traction load of Railways in

HV-3 category. Further, all non-traction load should be considered under LV-6 (Public utilities) tariff category.

The reasons provided by the Objector are as follows:

a) It is a base load consumer with average load factor of 30 to 40%;

b) Railways, being a Deemed Licensee, should be provided power at Average Power Purchase Cost;

c) Article 287 of the Constitution of India forbids States from imposing any kind of tax on the consumption or sale of electricity, which is consumed by Railways;

d) Railways are playing a very important role in sustainable development of the State utilising energy efficient measures. By further rationalising tariff, it would help Railways justify the expenditure.

Petitioner's Reply

The Petitioner submitted that few requests made by the Objector are not related to the subject matter of the present Tariff Petition and hence, no comments are necessary. As regards the request of the Objector to reduce tariff of HV-3 category, CSPDCL submitted that applicable tariff is fair and in order. CSPDCL submitted that the Commission may consider the aforesaid request, subject to protection of CSPDCL's ARR for FY 2024-25.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.12 Change in Time of Day (ToD) Structure

The Objector submitted that any change in ToD tariff structure should be implemented in a revenue-neutral manner. The Objector submitted that the net effect of CSPDCL's proposed ToD structure would result in a 2% tariff increase. To achieve revenue neutrality, the Objector requested the Commission to consider applicable tariff during solar hours as 70% of Normal Rate, rather than the proposed 80% of Normal Rate.

Another Objector submitted that the revised ToD tariff structure proposed by CSPDCL will result in a 2% hike in tariff, because of higher number of hours considered as peak period. The Objector requested that if CSPDCL has surplus power in day time then they need to provide tariff relief to the consumers. The Objector requested the Commission to direct CSPDCL for conducting a proper study to ascertain the effects of the proposed change.

Another Objector submitted that CSPDCL has proposed change in ToD tariff for the specific category of consumers in the State without any rationale and with the sole objective of deterring the generation and consumption of renewable energy using Solar PV under Open Access/ Captive mode. CSPDCL has proposed change in the ToD tariff for HV-2, HV-3 and HV-4 categories. However, CSPDCL, while selling their own Renewable Energy to the consumer under Green Energy Tariff mechanism, has proposed that the proposed change in ToD Tariff shall not be applicable to consumers availing Green Energy Tariff. The Objector further submitted that before taking a decision on the change in ToD tariff, it is important to see the peak demand pattern of the State. The Objector submitted the peak demand pattern as shown below:

	Peak Demand Average (MW)		
Month	**23:00 to 05:00 Hours**	**05:00 to 18:00 Hours**	**18:00 to 23:00 Hours**
Nov-22	3351	3749	3655
Dec-22	3714	4488	4062
Jan-23	4178	4775	4389
Feb-23	4749	5111	4886
Mar-23	4927	5148	5000

From the above, it can be seen that the peak demand is highest in the time slot between 05:00 to 18:00 hours and least is between 23:00 to 05:00 hours. Therefore, it is illogical to propose ToD tariff with peak demand period to be declared as off-Peak period. On the contrary, the time period of 05:00 hours to 18:00 hours should be elevated from Normal to Peak ToD and 18:00 hours to 23:00 hours should be declared as Normal period.

The Objector drew attention to the similar request made by the Discoms of the State of Karnataka in their Tariff Petition. On that occasion, the Karnataka Discoms sought a change in the ToD structure, but their request was rejected by the Karnataka Electricity Regulatory Commission, which ruled that "*In the absence of any justifiable data and the opinion submitted by SLDC on the revised ToD tariff proposal of ESCOMs and by considering the surplus power situation in the State, the Commission decided to continue with the existing approved ToD Tariff*."

The Objector requested the Commission to not consider the prayer of CSPDCL to alter the ToD time-slots to make solar generating hours as Off-Peak period.

Another Objector requested the Commission to continue with the existing provisions and not change the ToD time-slots.

Petitioner's Reply

CSPDCL has submitted that the prayer by CSPDCL for change in ToD timings is clear and hence, does not require any further submission.

CSPDCL submitted that it has submitted the information/data as required by the Commission with the Petition and subsequently also, to justify the proposed revision in ToD time-slots and tariff.

The objection that CSPDCL has proposed change in ToD timing to deter the generation and consumption of renewable energy using solar PV under open access/captive mode, is completely baseless and unfounded.

CSPDCL prayed for change in ToD timings due to the changed "Demand and Supply" scenario because of availability of Solar Power in large quantum during the daytime period. CSPDCL is an obligated entity and is required to purchase RE Power mandatorily, therefore, there is no question of deterring generation and consumption of RE Power.

It has been proposed that ToD tariff shall not be applicable to consumer availing Green Energy Tariff, because RE Power will not be available round the clock and hence, will have to be procured from open market.

The Objector has conveniently chosen the winter months to put forth his argument. Demand and Supply for the whole year should have been considered by the Objector before arriving at any conclusion. In addition to the above, contentions raised by Objector that are not specifically admitted, are denied.

Commission's View

The ToD tariffs have been rationalized in accordance with the Rules notified by the Ministry of Power and the proposal submitted by CSPDCL. The Solar Hours have been stipulated as the 8-hour period from 09:00 hours to 17:00 hours, considering the State-specific requirement, which are now identified as 'off-peak hours', with energy charges being levied at 80% of normal rate. The period from 17:00 hours to 23:00 hours has been stipulated as 'peak hours', with energy charges being levied at 120% of normal rate. The remaining period, i.e., from 23:00 hours to 09:00 hours of next day has been stipulated as 'normal hours', with energy charges being levied at normal rate.

The detailed Tariff Schedule applicable for FY 2024-25, along with the applicable ToD tariff, is given in the Tariff Schedule Chapter of this Order. The Green Energy Tariff has been determined as per the principle mentioned in Tariff Philosophy Chapter of this Order and the same is given in Tariff Schedule Chapter of this Order.

2.3.13 Provision of 'Power Off' Hours

The Objector requested the Commission that 'power off' hours, which were reduced to 30 hours from 36 hours, be reinstated as 36 hours. The same may also be applicable for 132 kV consumers, which have currently been given Nil 'power off' hours, as some time is required for plant maintenance every month.

Petitioner's Reply

CSPDCL submitted that CSPTCL, in its Tariff Petition 5/2024, has submitted that the Transmission System Availability Factor (TSAF) for above 33 kV line (i.e., 400 kV, 220 kV and 132 kV) is 99.79% for FY 2022-23. Industries availing supply at 33 kV and 11 kV are being provided 30 hours 'power off' period, which works out to approximately 7 hours a week, which is a fair provision. Hence, request of the Objector for increasing the 'power off' hours may not be accepted by the Commission.

Commission's View

The Commission has retained the dispensation of Nil 'power off' hours for industries availing supply at 132 kV and above voltages, and 30 hours 'power off' for industries availing supply at 33 kV and 11 kV.

2.3.14 Reactive Energy Charges

The Objector submitted that CSPDCL's reactive energy charge is 27 paisa/kWh, which is on the higher side and requested the Commission to approve the reactive energy charges as 20 paisa/kWh.

Petition's Reply

CSPDCL submitted that Reactive Energy Charge has been considered by the Commission @ 27 paise per unit in its earlier Tariff Order. CSPDCL submitted that the same Reactive Charges may be continued.

Commission's View

The Commission has retained the Reactive Energy Charges as 27 paise/kWh, as determined in its earlier Orders, as the same are found to be appropriate, and no justification to the contrary has been submitted by the Objector.

2.3.15 Retail Tariff of Mini Steel Plants (HV-4: Steel Industry)

The Objector submitted that due to COVID-19 pandemic, the Central and State Governments imposed various lock-downs since March 23, 2020 and permitted restricted operations after that. The procurement-production-marketing-monetary cycle of Steel Industries of the State was very badly affected.

Steel Industries, especially Mini Steel Plants, had suffered very badly due to Covid-19 pandemic and had performed even lower than the level two years before. Looking at the seriousness of the situation, the State Government had announced Tariff Subsidy up to Rs.1.22 per unit for Steel Industries having load of 2,500 kVA or above till July 2021 and later Retail Tariff was also reduced by the Commission, which is a highly welcome initiative taken by the Commission.

The Objector submitted that in the post-COVID-19 period, the State Government is trying hard to attract fresh investment in the State by providing booster under State Industrial Policy 2019-24. Hence, to achieve above objective, it is essential to secure the growth of existing industries, who are finding it difficult to survive in the present scenario.

Presently, Steel Industries of the State are passing through an adverse phase due to market conditions and rising input cost of raw materials and electricity and power subsidy given into other States. Therefore, they are forced to find another cheaper source of electricity for their survival.

Unfortunately, CSPDCL's supply is becoming costlier every year and has reached unsustainable level for Steel Industries.

Due to this, a sharp growth in the electricity supply to Steel Industries by CSPDCL (because tariff and conditions prescribed by the Commission acted as a booster) is now facing a downward/ declining trend instead of growth.

Considering the hard-hitting and unreasonable tariff proposals made by CSPDCL for FY 2024-25 for Steel Industries, the proposed targets shall remain unachievable and shall be extremely detrimental for Steel Industries of the State and shall prove to be suicidal for CSPDCL itself.

Therefore, the Objector prayed that the Retail Tariff and Incentives should be designed in such a manner that they not only help in survival but also encourage the consumption of electricity. To achieve above objective, following measures are suggested:

a) ABR from Bulk Consumers to CSPDCL should be nearly equal to Voltage-wise Cost of Supply (Rs. 5.13 per unit for 33 kV supply determined by the Commission for FY 2023-24, excluding past Revenue Gap);

b) Load Factor Incentive should be kept at existing level, i.e., starting from 1% incentive for 50% Load Factor, with incentive increasing by 1% for every 1% increase in Load Factor, up to a maximum of 74% Load Factor;

c) 'Power-off' hours should be increased to average 72 hours per month, considering shutdowns and weekly-off days;

d) Additional 'Power Off' hours against Load Shedding should be provided based on actual load shedding period, apart from normal 'Power-off' hours every month;

e) Suitable Bulk Consumption incentive be given over and above Load Factor Incentive (Orissa Pattern);

f) Re-arranging the ToD Period in view of solar hours is acceptable but CSPDCL's proposal to consider period from 4 pm to 11 pm as Peak hours is not justified;

g) FPPAS should be reset to "Zero" as it has gone up as high as 7-10% of Energy Charges;

h) Mechanism for independent checking of computation of FCA and FPPAS should be introduced as a good and transparent practice;

i) No additional charge should be levied on exceeding Contract Demand up to a maximum limit of 20% during Solar Hours;

j) Clear interpretation of Clause 9(iii) of Terms & Conditions of HV Supply be made to consider excess demand over 120% of Contract Demand during off-peak hours as excess billing demand (example - Contract Demand of 1000 kVA is permitted to draw 1200 kVA during off-peak hours and if suppose, during off-peak hours, recorded demand is 1210 kVA, then excess demand charges be applied only on 10 kVA);

k) Advance Payment Rebate equivalent to Delayed Payment Surcharge (presently 1.5% of the bill per month or part) may be given to encourage advance payment of energy bills, which will improve cash-flow of CSPDCL. Option of installation of Smart Energy Meter be given to industries.

l) Mechanism for 15-day Billing Cycle be fairly devised in the benefit of Discom and consumers.

The Objector requested the Commission that the Retail Tariff for Mini Steel Plants during FY 2024-25 should be designed considering the following: the previous growth history, future growth potential, problems being faced by such Industries, sincere efforts of State Government to attract fresh investment, and employment avenues, and revenue contribution by Mini Steel Plants over the years, etc.

Petitioner's Reply

CSPDCL submitted the point-wise reply to the measures suggested by the Objector as under:

a. As regards ABR from Bulk Consumers being near to Voltage-wise Cost of Supply, it would be against Clause 8.3(2) of the Tariff Policy, wherein consumer retail tariff is required to be determined within the limits of ± 20% of ACoS. Further, CSPDCL has computed the ACoS of Rs. 6.65 per unit for FY 2024-25, which is merely 7 paise higher than the ACoS approved by the Commission in previous Tariff Order.

b. Steel Industries are being billed at 94% to the ACoS, as per the Tariff Order issued by the Commission for FY 2023-24. Further, they are entitled to rebate of 5% on energy charges, if the industries are located in Bastar or Sarguja areas. In addition, Steel Industries connected to 33 kV and 11 kV Voltages are entitled to 30 Hours 'power off' per month for calculation of Load Factor. As per the consumption data, the HV-4 Steel Industries category consumers are getting an average of approximately 20% rebate on Energy Charges as Load Factor rebate. Considering this quantum of rebate, the ABR of Steel Industry works out to less than the ABR approved by the Commission for FY 2023-24. As the Steel Industries are already being provided many such benefits and since the huge rebate on Load Factor is adversely affecting the financial health of CSPDCL, therefore, in order to maintain the balance between the Industry and CSPDCL, the reduction in Load Factor has been proposed. CSPDCL requested the Commission to consider all the facets of the issue, including the huge rebate, that steel industries are getting at present. The Commission had given a favourable tariff for the steel sector during COVID period and post COVID period also. Due to such rebates, financial health of CSPDCL has suffered and therefore, there is a need to strike a balance between profitability of the steel industry and sustainability of the Licensee. Keeping this in view, reduction of load factor incentive has been requested.

c. The intention of 'power off' hours is to compensate power intensive industries for interruptions. The Commission has already revised 'power off' hours duration to 30 hours from 36 hours in the Tariff Order dated 28th March 2023. The aforesaid revision is based on average interruptions caused to industrial feeders across the area of supply in the State. The Objector has not submitted any justification for revision. Therefore, the aforesaid prayer is liable to be dismissed.

d. Load Factor rebate is a prerogative of the Commission under the Electricity Act, 2003. CSPDCL, in the capacity of Distribution Licensee, requested the Commission to protect its approved ARR for FY 2024-25 in case it considers the aforesaid suggestion.

e. In the scenario of rising solar power input, during day time period of 10:00 hours to 16:00 hours (Peak production period of solar power), surplus power is available and therefore, the same is considered as off-peak hours and thereafter, when the solar power production reduces but the power demand starts going up, hence, the same is considered under peak hours and normal hours.

f. FPPAS is a prerogative of the Commission and is consistent with the Electricity (Amendment) Rules, 2022, notified by the Central Government.

g. As per the Electricity (Timely Recovery of Costs due to change in Law) Rules, 2021, the appropriate Commission shall verify the calculation of FPPAS and adjust the amount of the impact in the monthly tariff or charges within sixty days from the date of receipt of the relevant documents. The same is a prerogative of the Commission.

FPPAS is levied on the basis of actual variation in cost of fuel and power purchase and transmission charges for the power procured in the n^{th} month. It is an “adjustment surcharge”, which is market dependent, and hence, the prayer for making it “zero” is incorrect.

h. Availing 20% additional demand is not a right of the consumer. The facility was provided by the Commission in order to promote consumption during off-peak hours.

i. The advance payment rebate already exists in the Tariff Design.

j. CSPDCL is carrying out billing in accordance with the provisions approved by the Commission and there is no need for changes in the same.

Commission’s View

The Commission has addressed the issue of Load Factor Rebate for HV4-Steel Industry Category along with the tariff philosophy and other terms and conditions of tariff in the relevant Chapter of this Order. The 'power off’ hours have been retained at the existing levels, as approved in the Tariff Order for FY 2023-24. The ToD tariffs have been rationalized in accordance with the Rules notified by the Ministry of Power and the proposal submitted by CSPDCL, as elaborated earlier. As elaborated earlier, the FPPAS mechanism has been specified in the Amendment to the CSERC MYT Regulations, 2021 in accordance with the EA 2003 and MoP Rules, for recovery/adjustment of the variation in power purchase rates. The Commission has accepted CSPDCL’s proposal for discontinuing the relaxation of up to 20% excess demand drawal during off-peak hours, in view of the revised ToD timings approved in this Order. The advance payment rebate has been retained at the existing levels, as approved in the Tariff Order for FY 2023-24. The Commission has not approved any change in the billing cycle for HV-4: Steel Category, as there does not appear to be any justification for the same.

The category-wise tariffs have been determined based on Average Cost of Supply and considering the prevalent cross-subsidy levels.

2.3.16 Multiplicity and non-reconciliation of data submitted by CSPDCL

The Objector submitted that CSPDCL has submitted Audited Balance Sheet for FY 2022-23 along with the True-up Petition and no reconciliation has been provided in support of submission made under True-up Petition and additional submission/s, and there remain several discrepancies/multiplicity of data.

The Objector submitted that due to such different sets of data for FY 2022-23 and unknown reasons for large variations, it is impossible for stakeholders/ consumers to make any legitimate objection on the present Tariff/ True-up Petition filed by CSPDCL. Therefore, the Commission should direct CSPDCL to amend the Tariff Petition and to submit reconciled data and justification/reasons behind large variations against approved projections/targets in order to enable stakeholders/consumers to make legitimate suggestions/ objections.

Petitioner's Reply

As regards the objection on variation in data between the Tariff Petition and Additional Submission, CSPDCL submitted that the contention of the Objector that the data is un-reconciled is incorrect.

Pursuant to the directions of the Commission, the Petitioner has submitted the item-wise reconciliation of the data submitted with the Audited Balance Sheet.

Commission's View

The CSPDCL was asked to clarify the discrepancies in data submitted with the Petition and the same has been submitted by CSPDCL, based on which the Commission has done the true-up of ARR for FY 2022-23.

2.3.17 Agriculture Consumption and Energy Sales

The Objector submitted that the estimated ABR for Agriculture under Retail Tariff Order for FY 2022-23 was Rs. 5.43 per unit whereas, CSPDCL has reported revenue realization at Rs. 4.87 per unit only.

The Objector submitted that the consumption of agriculture pumps is theoretically estimated and has increased from 247 units/HP/month in FY 2023-24 to 260 units/HP/month in FY 2024-25 without any realistic data or study. Similarly, CSPDCL has issued only about 16,645 new pump connections during 9 months of FY 2023-24 (up to December 2023), hence, issuance of 30-35,000 new connections during FY 2024-25 does not look realistic.

The Objector submitted that Energy meters for agricultural pumps are not read regularly and lakhs of such connections are served without any meter in violation of EA 2003, hence, it has become quite difficult to determine their actual consumption.

The Objector submitted that the report of the study on Agricultural Consumption as decided under Tariff Order for FY 2017-18, 2018-19 and 2019-20 should be made available along with Tariff Order for FY 2024-25. Status report on metering of Agriculture Connections should also be made available along with Tariff Order for FY 2024-25.

The Objector submitted that time-bound action plan to phase out defective meters and assessment billing submitted by CSPDCL under directive in Tariff Order for FY2022-23 and FY 2023-24 should be made available along with Tariff Order for FY 2024-25**.**

The Objector submitted that detailed plan for separation of Agriculture Feeders submitted by CSPDCL under directive in Tariff Order for FY 2022-23 and FY 2023-24 should be made available along with Tariff Order for FY 2024-25.

The Objector submitted that the action plan submitted by CSPDCL to complete the Distribution Transformer (DT) metering (especially for agricultural connections) within the next 2 years under directive in Tariff Order for FY 2022-23 should be made available along with Tariff Order for FY 2024-25.

The Objector submitted that a Suo-Motu Petition should be registered in matters relating to Agriculture Category, viz., their actual consumption, issue of defective meters, un-metered supply, assessment of consumption, etc. The Objector requested the Commission to approve actual sales during FY 2022-23 and sales forecast for FY 2024-25 on the basis of realistic data.

Petitioner's Reply

CSPDCL submitted that it has submitted the justification for consumption of LV-3 category in revenue statement for FY 2022-23, in reply to data gaps dated February 23, 2024. Further, basis of projections of consumption for FY 2024-25 is detailed at Para 7.4 to 7.12 of the Tariff Petition.

CSPDCL submitted that the sales considered under agricultural category is taken from its revenue statement (R-15) for FY 2022-23. The sales considered in true-up part are extracts of revenue statement, which is based on meter readings/assessments as per the provisions of Supply Code. The difficulties in replacement of stopped and defective meters such as diversity in locations of agriculture pump and BPL consumers, and prolonged locked premises are key reasons for existing status.

All other issues such as Suo-Moto Petition in the matters of agriculture category, etc., with regard to LV-3 category are not connected to CSPDCL's Tariff Petition, hence, no comments are offered.

Commission's View

The Commission has verified the sales to the agricultural category for FY 2022-23, based on the R-15 submitted by CSPDCL, and the same has been considered in the true-up for FY 2022-23. The Commission has already issued directions to CSPDCL for improvement of its agricultural metering. Further, in line with the approach adopted in the previous Order, the Commission has considered notional revenue from sale to agricultural category for FY 2022-23, based on the approved ABR and the sales reported by CSPDCL.

2.3.18 Distribution Loss and Applicability of UDAY and RDSS

The Objector submitted that during FY 2022-23, CSPDCL has reported Distribution Loss of 16.14% including EHV sales, surprisingly, even not attaining prescribed target of 14.64% (including EHV sales) for FY 2018-19. Further, the share of loss of Rs. 252.48 Crore computed by CSPDCL is erroneous.

The Objector submitted that for FY 2024-25, CSPDCL has proposed Distribution Loss of 11.00% including EHV Sales, which is totally unreliable looking into its past performance, but if CSPDCL is sure, such target for better performance may be accepted by the Commission.

The Objector submitted that Energy Balance produced by CSPDCL in True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 is erroneous since quantum of Net Power Purchase is not matched/reconciled in such Energy Balance/s.

The Objector further submitted that CSPDCL is well aware of the fact that Ministry of Power, Government of India has directed for reduction of AT&C losses to the level of 12-15% by 2024-25 in Revamped Distribution Sector Scheme (RDSS) under which CSPDCL has spent huge amount. Although CSPDCL has not spelt out its commitment under RDSS, it seems obvious that the Distribution Loss trajectory under RDSS must be somewhat lower to that prescribed by the Commission.

Considering all above reasons and provisions of MYT Regulations, 2021, UDAY Scheme and RDSS, the Objector requested the Commission:

a) to consider the Distribution Loss including EHV Sale at 13.97% as approved by the Commission for FY 2022-23;

b) to compute the share of loss against non-achievement of Distribution Loss during FY 2022-23 in accordance with MYT Regulations;

c) to direct CSPDCL for reconciliation of quantum of Net Power Purchase with quantum of Energy available at Distribution Periphery;

d) to consider the distribution loss trajectory committed by CSPDCL under RDSS in the True-up and Tariff Order.

Another Objector submitted that CSPDCL has not been able to reduce its distribution losses to the national level. Therefore, intervention by the Commission is required in this matter.

Petitioner's Reply

CSPDCL submitted that the request of the Objector to substitute 33 kV distribution loss with AT&C losses is strongly objected as it considers collection efficiency too. As the collection efficiency is not included as a performance parameter for distribution licensee, consideration of AT&C losses at 33 kV level would be against the MYT Regulations, 2021.

CSPDCL further submitted that it has already shared the loss against non-achievement of target loss for FY 2022-23 in accordance with the MYT Regulations, 2021 along with the Tariff Petition. CSPDCL has also provided the details of quantum of net power purchase with the energy available while showing the statement of Energy Balance along with the Tariff Petition and its reconciliation along with the reply to data gaps.

CSPDCL also submitted that distribution loss trajectory projected for FY 2024-25 is in accordance with the Distribution loss trajectory approved by the Commission in the MYT Order dated 13th April 2022 and the same is also in accordance with Clause 98 of the MYT Regulations, 2021.

Commission's View

For true-up for FY 2022-23, the Commission has considered the Distribution Losses based on actual energy sales and purchase with respect to the Distribution Losses approved in the Tariff Order for FY 2022-23. Further, the efficiency losses on account of non-achievement of the distribution loss trajectory approved in the Tariff Order, despite inclusion of assessed sales, has been computed and shared between CSPDCL and the consumers, in accordance with the MYT Regulations, 2021. For FY 2024-25, the Commission has considered the Distribution Loss as approved in the MYT Order dated 13th April 2022, as detailed in the relevant Chapter of this Order. The power purchase quantum has been matched with the energy requirement as per the approved Energy Balance. The detailed approach of the Commission is discussed in the relevant Chapter of this Order.

2.3.19 Higher Cost of Renewable Energy and Concessional Power Purchase

The Objector submitted that CSPDCL has purchased Renewable Energy (RE) at higher cost and much lower quantum of concessional power than approved, which indicates effort to inflate over-all power purchase cost. CSPDCL has not explained the reasons for such variations, which are causing additional burden to the consumers of around Rs. 662 Crore for FY 2022-23.

The Objector submitted that CSPDCL is proposing not to draw any power from RE generated from Biomass sources during FY 2024-25 and on the other hand, CSPDCL is drawing less power from some Central Generating Stations of NTPC against the allocated capacity and the resultant cost of power from such plants is very high. This is a contradictory proposal.

Therefore, not drawing power from State biomass RE generators and buying from outside the State at higher rates is not a justifiable and wise proposal as State biomass RE generators also contribute towards employment, utilization of waste biomass, support to agriculture and agro-based industries, environment protection, Electricity Duty and other taxes, etc. Notably, such proposal was turned down by the Commission in previous Tariff Orders.

The Objector submitted that CSPDCL's proposal to buy Hydel and other RE Power at Rs. 3.41 per unit in FY 2024-25 against actual purchase at Rs. 7.03 during FY 2022-23 seems to be impractical.

Hence, the Objector is requesting the Commission to:

a) prudently examine the inconsistent data supplied by CSPDCL in Tariff Petition, Additional Submission/s and VCA calculations.

b) prudently examine the cost of RE and Concessional Power during FY 2022-23 and FY 2024-25.

c) continue buying power from State Biomass Renewable Generators during FY 2024-25.

d) seriously examine the ways to come out of unnecessary, un-required and costly power purchase agreement/ allocation from CGS.

Petitioner's Reply

CSPDCL submitted that the procurement of RE power is to meet the RPO target. Further, the power purchase is made in accordance with the long-term Power Purchase Agreement (PPA) at tariff determined/approved by the Commission. Hence, the objection that RE purchase has been done at higher cost is denied.

The Objector has not taken into consideration the additional billing of DSM and statutory taxes and duties applicable to biomass sources. Further, the reduced rates in respect of solar purchase is due to availability of cheaper power during FY 2022-23, thereby, reducing the effective average weighted rate. The procurement of hydel/other RE contains sources with less than installed capacity 25 MW. The per unit rates approved for small hydel plants varies between Rs. 6.15 to Rs. 7.74 per unit (levelized tariff) plus taxes, duties and water charges for FY 2022-23. CSPDCL has submitted source-wise power procurement details in MS Excel format along with the Petition as well as in reply to additional points under prudence check.

In view of the above, CSPDCL requested the Commission to dismiss the prayers made by the Objector.

Commission's View

The Commission has considered the quantum and rate of purchase from RE sources and Concessional Power sources for FY 2022-23, as elaborated in the relevant Chapter of this Order. The Commission has considered the quantum and rate of purchase from RE sources, including biomass sources, and Concessional Power sources for FY 2024-25, as elaborated in the relevant Chapter of this Order.

2.3.20 Banking of Power

The Objector submitted that the "Banking of Power" is a recent development in the field of Distribution Business. Banking of energy does not involve any purchase of electricity. It is a cashless transaction and is a facility available to Distribution Licensee like storing energy with other Discoms for subsequent own consumption. The Banking is done between two Discoms on mutually agreed terms and conditions. This methodology is mutually beneficial as one Discom can bank its costly surplus power with other Discom, without surrendering at quite low UI Rates in the Grid, and can avail back such power in the hours of shortage, avoiding emergency purchase of costly power. This methodology facilitates discipline in operation of the Grid, Distribution network and Power Purchase Cost.

In the present True-up Petition for FY 2022-23, CSPDCL has not shown any reason for not returning 77.4 MU of power banked with it in totality although it had surplus availability of power. In spite of a returnable quantum of 437.94 MU in Power Banking during FY 2021-22, CSPDCL had reported receivable quantum of 328.92 MU at the end of FY 2021-22. Such data needs to be examined prudently. It is quite clear that the quantum of such Banked Power is quite high and is purchased in one year and used/sold in later years or vice-versa. Amount of such power may be as high as Rs. 200 Crore to Rs.500 Crore evaluated at Average Power Purchase Cost (APPC).

The Objector submitted that the Judgment of Hon'ble APTEL dated July 1, 2014 in Appeal No. 220 of 2013 (Himalaya Power Producers Association Vs. HPERC, etc.) is related to the determination of APPC under REC mechanism, hence, the directives of Hon'ble APTEL should not be taken in other context.

If the quantum and cost of such Banked Power is not accounted in the same Financial Year, it may create several problems relating to accounting and statutory lapses, viz:

a) Banked Power is Stock in Hand (positive or negative, as the case may be) and it should be accounted in the Balance Sheet and Profit/Loss Account of CSPDCL.

b) By not accounting the quantum and cost of such Banked Power in the same financial year, Revenue Surplus or Deficit may be siphoned off to the coming years, which will create artificial stand-alone Profit/Loss for that particular Financial Year.

c) It is against the basic principles of accounting and Accounting Standards being followed.

d) It is against the statutory provisions of Income Tax.

CSPDCL has failed to comply with the above directives of the Commission while filing True-up Petition for FY 2022-23. In view of the above, the Objector submitted as under:

a) Such quantum of Banked Power should be treated as Stock in Hand (positive or negative, as the case may be) and Cost of such Banked Power should be accounted in the same Financial Year. Further, CSPDCL should be directed to comply with the directive already issued to maintain a 'Power Banking Passbook' having details like Banking Partner/s, Banked Quantum, date and time of such Banked Quantity, effective UI Rates at such time, agreed date and time for reverse banking, etc.

b) Necessary Regulations be made at the earliest with respect to Banking of Power as announced in Tariff Order for FY 2019-20.

Petitioner's Reply

CSPDCL submitted that it is complying with the directions issued by the Commission as regards banking of power. Further, CSPDCL has also submitted the details showing reconciliation of banking transactions during FY 2022-23 with respect to corresponding banking agreements showing energy units received and unit returned in replies to the data gaps issued by the Commission. The aforesaid replies were also placed in public domain.

The contentions of banking about previous many years are not a subject matter of present Petition when the Commission has already settled the transactions in terms of true-up Orders for each of the previous years. The Commission has approved final true-up for FY 2021-22.

Further, the Petitioner has provided all the details towards banking and its provision towards banking arrangement and the Commission may appropriately address the issue. In view of the above, the Objector's prayers may be dismissed.

Commission's View

While undertaking the final true-up for FY 2022-23, the Commission sought all relevant details of banking of power and has approved the quantum of banked power after due prudence check, as elaborated in the relevant Chapter of this Order.

2.3.21 Review of Final True-up of FY 2018-19

The Objector submitted that in the previous Tariff Petition for FY 2023-24, CSPDCL has sought review of reviewed final true-up order related to FY 2018-19. The Objector submitted that a reviewed matter cannot further be reviewed several times under the law as it may go indefinitely. Further, a delay of 21 days and again 231 days above the prescribed period of 60 days under the CSERC (Conduct of Business) Regulations' 2009 should not be condoned and even an application for such condonation of delay is not filed.

The Objector further submitted that the Commission has already decided in Review Petition No. 65/2018 (Chhattisgarh Mini Steel Plant Association vs CSPDCL) that it has no powers to relax the prescribed period of 60 days for filing a Review Petition against a Tariff Order since it is a regulatory process and not an adjudicatory process under Section 86(1).

Public Notice issued by the Commission and CSPDCL in the newspaper/s inviting comments, suggestions and objections from the public do not mention about the Re-Review of True-up Order for FY 2018-19 as scope of present Petition. Since comments/ objections are not called on re-review of True-up Order for FY 2022-23 pertaining to specific issue/s of already Reviewed True-up for FY 2018-19, it would neither be legitimate for the public/ stakeholders to raise any objection/s on the merits of a huge claim nor for the Commission to address this issue without having followed proper procedure.

Therefore, the Objector requested the Commission for the following:

a) Not to Review the matters of FY 2018-19 on the grounds of time-bar, seeking review multiple times, seeking relief under wrong Section of the EA 2003 and seeking relief of new issues having nature of appeal;

b) Disallow any claim under ARR for FY 2023-24 against Re-Review of the matters of FY 2018-19; and

c) Issue separate public notice to stakeholders to hold public hearing, if the Commission wishes to allow argument on merits of above issue.

Petitioner's Reply

CSPDCL has submitted that the prayer made by the Objector does not hold good in light of the directions of the Commission to include the points of review of Tariff Order dated March 28, 2023 in ensuing Tariff Petition for FY 2024-25. Accordingly, inclusion of Chapter 5 under present Petition is in pursuance to the Order dated July 20, 2023 in Petition No. 53 of 2023 read with provisions of Order 47 Rule 1 of Civil Procedure Code.

Commission's View

The reply of the Petitioner is self-explanatory. The Commission has considered the issues on merit and allowed due relief, as appropriate, as elaborated in the relevant Chapter of this Order.

2.3.22 Difference in Energy Sold and Actual Revenue Receipts from Retail Sale

The Objector submitted that revenue receipts claimed in the True-up Petition for FY 2022-23 is less than revenue reported in R-15 format by CSPDCL, amounting to Rs. 1,218.20 Crore.

Similarly, CSPDCL has shown lower revenue from retail sale to LV3-Agriculture category, amounting to Rs. 676.97 Crore.

The Objector submitted that in accordance with Section 45 of the EA 2003, CSPDCL is bound to recover energy charge as prescribed by the Commission under prevailing Tariff Order and it cannot show any undue preference to a consumer or class of consumers.

While truing-up for earlier years, the Commission has considered 'additional revenue for Agriculture metered category'. Therefore, the Objector requested the Commission to:

a) prudently check shortage of revenue of Rs. 1,347.27 Crore received from retail sale of power to HT Consumers during FY 2022-23 in light of R-15 data provided by CSPDCL;

b) consider additional revenue of Rs. 676.97 Crore from sale of power to LV-3 and LV-8 Agriculture Consumers during FY 2022-23 in accordance with prescribed Energy Charges under prevailing Tariff Order and the approach followed by the Commission in previous Tariff Order/s.

Petitioner's Reply

CSPDCL submitted that the contentions about difference of Rs. 1,347.27 Crore are baseless. CSPDCL has considered revenue reported in the audited accounts, under "Revenue from sale of power" and "Non-Tariff Income" in Tariff Petition as per the practice adopted by the Commission. Billing of Parallel Operation Charges, meter rent, cross subsidy surcharge, etc., forms miscellaneous part of revenue and is included under Non-Tariff Income. Therefore, comparing R-15 with figures of audited balance sheet is superfluous.

The other contention is also incorrect as Objector has not taken into consideration the billing of VCA to this category of consumers. The Petitioner has reconciled sales and revenue from R-15 vide replies to the data gap issued by the Commission. Therefore, the Commission is requested to dismiss the objector's prayer.

Commission's View

The Commission has done prudence check on the revenue recovered from consumers and has considered the revenue reflected in Audited Accounts. Further, in line with previous Tariff Orders, the Commission has addressed the issue of additional notional revenue from Agriculture category in the relevant Chapter of this Order.

2.3.23 Non-compliance of Regulations in the matter of Recovery of VCA Charges

The Objector submitted that CSPDCL is not showing VCA Charges billed/recovered to the consumers separately in the books of Accounts. This is non-compliance of MYT Regulations, 2021.

VCA Charges have gone as high as Rs. 1.10/kWh increasing the tariff substantially beyond tariff estimation because of which power intensive consumers like Mini Steel Plants are highly affected. Hence, resetting of VCA Charges to "Zero" in the Tariff Order is necessary so that Retail Tariff may become stable and predictable as desired under the Tariff Policy.

The Objector further submitted that there are several computational and data errors while calculating FCA/ VCA Charges/ FPPAS, which are left unmonitored, which is a serious issue.

VCA Charges pertaining to the months of February and March 2022 were recovered in billing months of May and June 2022 whereas VCA Charges pertaining to the months of April and May 2022 were recovered in the billing months of August and September 2022, hence, for the month of July 2022, there is no provision in the Regulations and Tariff Order for recovery of VCA Charges from the consumers, being an intermediary period between MYT Regulations 2015 and MYT Regulations 2021.

In spite of clear provisions under MYT Regulations 2015 and MYT Regulations 2021 and Tariff Order for FY 2022-23 for the sales/ billing of July 2022 for non-applicability of VCA Charges and also in-spite of non-computation of VCA Charges for the same and without giving information to the Commission and consumers, VCA Charges of Rs. 19 paisa/kWh have been recovered from the consumers, for the sales/ billing month of July 2022.

Government of India has notified Electricity (Amendment) Rules 2022 on 29th December 2022, providing for speedy recovery of variation of power purchase costs of Distribution Licensee through VCA Charges and to carry separate True-up for such

VCA Charges for any financial year to be completed by 30th June of the next financial year.

Therefore, the Objector requested the Commission to:

a) Set VCA Charges (FPPAS) to “Zero” at the start of FY 2024-25 for a stable and predictable Retail Tariff;

b) Institute separate True-up mechanism for VCA (FPPAS) and FCA Charges;

c) Ensure refunds of VCA Charges for July 2022 to the consumers individually which were recovered unlawfully at the time of True-up for FY 2022-23 under the provision of Section 62(6) of the Electricity Act,2003.

Petitioner’s Reply

CSPDCL has submitted that the contentions and prayers made by the Objector are absurd. It is because the Objector has compared unlike with likes. The expenditure taken as difference of power purchase cost (CHPP) on bi-monthly basis under the FCA and VCA mechanism observes separate annual cycle specified at Regulation 93 of the MYT Regulations, 2021. Further, the expenditure taken as cost of power purchase observes annual cycle of financial year. This different billing cycles give rise to aforesaid difference. Hence, the contention of excess recovery through VCA is incorrect.

Commission’s View

The Commission has verified the details provided by CSPDCL and has accordingly approved the quantum and cost of power purchased from various sources in the final true-up for FY 2022-23.

The approach adopted by the Commission for projecting quantum and cost of power purchase from various sources for FY 2024-25 is detailed in the relevant Chapter of this Order. Further, the Commission has considered the rates of power purchase based on latest actual rates for FY 2023-24.

2.3.24 Discrepancy in Quantum and Cost of Power Purchased from CSPGCL

The Objector submitted that during FY 2022-23, net generation by CSPGCL differs from quantum of power purchased by CSPDCL although entire power is purchased by CSPDCL. There is a discrepancy in cost of power purchased from CSPGCL during FY 2022-23.

Therefore, the Objector requested the Commission to:

a) Prudently examine quantum and cost of power purchase from CSPGCL against such power claimed by CSPDCL during FY 2022-23 as there is multiplicity in data.

b) Prudently examine quantum and cost of power purchase from Hasdeo Bango Hydel Power Station of 233.90 MU as there appears to be no provision under True-up Petition for FY 2022-23.

Petitioner's Reply

CSPDCL has submitted that the Power Purchase claimed by CSPDCL has been reconciled with CSPGCL. Therefore, the contentions of Objector may be dismissed as they are baseless.

Commission's View

The Commission has verified the details provided by CSPDCL and reconciled the same with the quantum and cost of power sale as claimed by CSPGCL, and has accordingly approved the quantum and cost of power purchased from CSPGCL in the true-up for FY 2022-23.

2.3.25 Preparation of R-15 and Status of Defective Meters and Assessed Billing Cases

The Objector submitted that there is no uniformity in the submission of CSPDCL with respect to R-15 report, and it is very difficult to have a 'Bird's Eye View' to have an overall picture of distribution system. There are also several data-based and calculation errors due to which, the very purpose of preparing R-15 report has been lost.

The data submitted in R-15 for FY 2015-16 to FY 2022-23 (8 months) shows that the number of defective meters and assessed billing cases are quite high.

Thus, it is quite evident that CSPDCL is not sure about actual energy consumption and in large number of cases, billing is done on assessment basis. Hence, it is obvious that meter reading is not done on regular basis. The number of defective meters are increasing in spite of several directives and Orders from the Commission.

CSPDCL has spent a hefty sum of Rs. 139.57 Crore for meter reading and other merchandizing services during FY 2022-23, in spite of which meter readings are not done on regular basis. The Commission should disallow such huge expenditure on out-sourcing of meter reading when 20-30% of meters are not being read.

The Objector submitted that the Commission had directed CSPDCL to prepare a time-bound action plan and take corrective measures to bring down percentage of defective meters and assessment-based billing within prescribed ceiling under Tariff Order for FY 2019-20 and again under Tariff Order for FY 2022-23 and again under Tariff Order for FY 2023-24 but nothing significant has been done. Hence, disallowance should be treated as punishment for non-compliance of directives.

It is observed that R-15 format is being prepared by CSPDCL using SAP Software and the Commission is now authorized to look directly into the data fed into SAP system. Therefore, the Commission should inspect SAP data directly and regularly for better feedback and control.

In absence of authenticated, reliable and reconciled data and information like R-15 format, True-up Petition, Additional Submission and Audited Balance Sheet and Auditors' Report for FY 2022-23, the True-up exercise for FY 2022-24 should be carried only after submission of uniform data and information by CSPDCL.

Petitioner's Reply

CSPDCL submitted that the Commission after perusing the details of submissions made by respondent on each of the tariff directive contained in the Tariff Order dated February 28, 2019, appreciated the efforts taken by CSPDCL with specific observation to accelerate the efforts. The directives include preparation of action plan and corrective measures to bring down percentage of stopped/defective meter and assessment based billings.

Further, the status of stopped and defective meters and cases of assessed billing are demonstrated in revenue statement and the same are in pursuance to provisions of the Supply Code. The difficulties in replacement of stopped and defective meters such as diversity in locations of agriculture and BPL pumps, prolonged locked premises, and resistance of consumers towards meter replacement are prominent reasons for existing status.

As regards preparation of R-15, the contentions of the Objector may be dismissed as the Petitioner is following the directions of the Commission from time to time.

In addition, CSPDCL is implementing the RDSS project under which installation of Smart Meters have started. After installation of Smart Meters, old meters which are in good working condition shall be used for replacement of existing stopped/defective meters.

Commission's View

The Commission has done prudence check on R-15 data submitted by CSPDCL and accordingly estimated the sales of CSPDCL. Further, the Commission observed that the number of defective meters and billing based on assessment is still on the higher side despite various directives given by the Commission in previous Tariff Orders.

2.3.26 Submission of Compliance Report under Directives issued by the Commission in previous Tariff Order for FY 2022-23 and FY 2023-24

The Objector submitted that CSPDCL has not submitted any "Compliance Report" along with Tariff Petition for FY 2024-25 in spite of repeated directives from the Commission. It is further observed that CSPDCL has not complied with most of the directives issued by the Commission, which were issued in order to facilitate improvement in operational efficiency. In many cases, operational efficiency has further deteriorated. Hence, the Objector requested the Commission to take strict action against such lapses of non-compliance and non-submission of "Compliance Report".

Petitioner's Reply

CSPDCL has submitted that it has submitted the compliance of the Commission's Directives for the quarter ending June 2023 vide Letter dated 29th December 2023, and the compliance of the directives for the quarter ending September 2023 and December 2023 has been submitted vide letter dated 1st April 2024. CSPDCL is taking all the measures to comply with the directives issued by the Commission.

Commission's View

CSPDCL has submitted compliance report to the directives vide letter dated 29th December 2023 for the quarter ending June 2023, and vide letter dated 1st April 2024 for the quarter ending September 2023. The Commission has gone through the compliance reports and accordingly, issued subsequent directives in this Order.

2.3.27 Discrepancy in CSPDCL's Employee Cost, A&G, R&M Expenses

The Objector submitted that a discrepancy in the claim of employee cost has been observed in the True-up Petition for FY 2022-23 when compared with Audited Balance Sheet.

The Objector requested the Commission to:

a) Disallow excess Employee Cost of Rs. 1,370.05 Crore claimed in ARR over the Audited amount of Rs. 1,158.77 Crore.

b) Disallow claimed A&G expenses and R&M expenses of Rs. 471.78 Crore claimed in ARR over the audited amount of Rs. 430.50 Crore.

c) Disallow claimed contribution to Pension & Gratuity Fund of Rs. 785.69 Crore above actual contribution of Rs. 526.70 Crore along with carrying cost.

d) Prudent checking of all such expenses and to ensure justification behind such abnormal increase.

Petitioner's Reply

CSPDCL has submitted that there is no deviation between the Petitioner's claim and audited accounts as regards the employee expenses. The Objectors claim regarding addition of the outsourced manpower expenses in the employee expenses head, is contrary to the Regulations. Hence, the objection is baseless and has been made contrary to the Regulations. Also, CSPDCL has already submitted the reconciliation of the expenses claimed by the Petitioner with the Audited Balance sheet.

Further, the R&M expenses as per the Accounts are Rs. 394 Crore, which has been claimed as R&M expenses. Further, the expenses of Rs. 74.41 Crore towards manpower expenses at 33/11 kV substations has been deducted while claiming the sharing of gain and losses on account of O&M expenses. As per the MYT Regulations, 2021, all the expenses on contractual employees are part of HR expense and therefore added as Employee Expenses. The R&M expenses have been claimed strictly as per the audited accounts and there is no multiplicity of the data as contended by the Objector.

Similarly, Rs.117.88 Crore has been claimed under the head A&G expenses after adjustment of the capitalization of expenses, strictly as per the audited accounts and there is no deviation. Further, the expenses of Rs. 132.60 Crore towards manpower expenses at 33/11 kV substations has been deducted while claiming the sharing of gain and losses on account of O&M expenses. As per the MYT Regulations, 2021, all the contractual employees are part of HR expense and therefore added as Employee Expenses. The Objector has wrongly adjusted the capitalization from R&M expenses, which is resulting in confusion. The Commission is requested to consider the submission of the Petitioner, which are as per the audited accounts.

Commission's View

The Commission has approved the Employee Cost, R&M Expenses and A&G Expenses in accordance with the MYT Regulations, 2021 for true-up of FY 2022-23, and has accordingly considered the expenses towards contract services, viz., operations of 33/11 kV Substations, meter reading, bill distribution and revenue collection, secretarial assistance in offices, housekeeping, and security guards under employee expenses and as uncontrollable. The same is detailed at the relevant chapter of the Order.

2.3.28 Ballast Stone Crusher Industry to HV-3 Category

The Objectors submitted that Ballast Stone Crusher Industry is a local, low-margin MSME industry. For last 15-20 years, Stone Crusher Industry was in HV-3 category. However, last year's unannounced shift to HV-2 category with a significantly higher rate of Rs.500/kVA compared to Rs. 190/kVA in HV-3 category has caused financial burden resulting in crusher closures and unpaid bills due to the inability to absorb such a steep increase. The Objectors further submitted that HV-3 tariff, which is around Rs. 10 per unit is already near the maximum sustainable level for the industry.

The Objectors requested the Commission to reconsider the classification and shift all Ballast Stone Crushers, regardless of location, back to the HV-3 Tariff category to ensure the industry's survival.

Petitioner's Reply

CSPDCL has submitted that the determination of retail supply tariff and differentiating among consumers while determining the tariff, is a prerogative of the Commission under Section 62(3) of the EA 2003. CSPDCL also submitted that under the Tariff Policy, there is a guiding principle of keeping the electricity rate of a consumer within the limit of ±20% of ACoS. CSPDCL requested the Commission that the Petitioner's ARR proposal for FY 2024-25 may be protected.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The Commission has retained the categorisation of Stone Crushers, as approved in the Tariff Order for FY 2023-24. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.29 False Recovery from LT Industrial Consumers in the name of Tariff Classification

The Objector submitted that since last one year or more, vigilance checking is being carried in the premises of LT Industrial Consumers, especially in City Circle II, and false recovery has been imposed on the basis of Inspection Reports made at the time of such checking.

The Objector submitted that several of the manufacturers of Wooden Doors, Other (UPVC) Doors & Windows, Tyre Remoulding/Rethreading Industries, Furniture Industry, and Fertilizer Booster Manufacturers who were sanctioned the LV-5: LT Industrial tariff by CSPDCL itself were penalized by the Vigilance Department to pay a penalty based on their consumption for the previous two years, considering them under LV-2 category.

The Objector further submitted that the Commission in its Suo-Moto Petition No. 48/2023 decided that all such Wooden Door Manufacturers are covered under LV-5 category only. After such order from the Commission, penal bills have been revoked and current bills are now issued under LV-5 Tariff category but previous recovery under LV-2 Tariff category is yet to be refunded/ adjusted.

Therefore, the Objector requested the Commission to review the Vigilance Department's practices regarding the aforementioned penalties levied on manufacturers and ensure equitable treatment for the affected consumers.

Petitioner's Reply

CSPDCL submitted that in the prevailing Tariff Order, above manufacturing units (Other (UPVC) Doors & Windows Manufacturers, Tyre Remoulding/ Retreating Industries, Fertilizer Booster Manufacturers and Furniture Manufacturers) come under LV-2: Non-Domestic category. Further, CSPDCL submitted that the determination of retail supply tariff and differentiating among consumers while determining the tariff, is a prerogative of the Commission under Section 62(3) of the EA 2003. CSPDCL requested the Commission that Petitioner's ARR proposal for FY 2024-25 may be protected.

As regards the request of refund/adjustment of previous recovery of energy charges paid by Wooden Door Manufacturers under LV-2 category, the same is not part of present Tariff Petition and hence, may not be considered.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The Commission has rectified the discrepancy in categorisation of furniture manufacturing units, as such units were classified under "LV-2: Non-Domestic" as well as "LV-5: Industry", by deleting the categorisation of such units under "LV-2: Non-Domestic" category. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

As regards the issue of refund/adjustment of previous recovery of energy charges paid by Wooden Door Manufacturers under LV-2 category, it is clarified that the consumers may utilise the Grievance Redressal mechanism for redressal of such billing related grievances.

2.3.30 Voltage-wise Cost of Supply

The Objector submitted that Voltage-wise Cost of Supply is a major component for determining the tariff for consumers at different voltage levels. Guidelines for cost of supply calculation, and further, the framework prescribed by the Hon'ble APTEL is the philosophy behind ongoing practice for determination of voltage-wise cost of supply. This should not be the basis of justification to avoid the computation of actual loss. In the Retail Supply Tariff Order dated 12th July 2013 for FY 2013-14, considering the importance of voltage-wise cost of supply and the directions issued by the Hon'ble APTEL, the Commission directed CSPDCL to submit a detailed report on voltage-wise cost of supply and its impact on the tariff design within twelve months from the date of that Order. The Objector has further referred to various past Tariff Orders where the Commission has stated that ***"at present, the voltage-wise losses available are based on certain assumptions. The actual voltage wise losses would be available only after the studies carried out by CSPDCL".*** Thus, there is a lack of seriousness from CSPDCL for the computation of actual voltage-wise losses, and in every Tariff Order, the same rationale is repeated. Due to this, the consumers who are having connectivity at 220 kV voltage are compelled to bear both the transmission losses as well as distribution loss.

The Objector requested the Commission to direct CSPDCL to complete the exercise of determination of voltage-wise actual cost of supply in a time-bound manner, considering the extraordinary delay of more than 10 years, and to ensure that in the future Tariff Orders, cross-subsidies/tariff for different categories of customers should be determined according to actual voltage-wise cost of supply.

Further, the Objector requested the Commission to take a conclusive action for the extraordinary delay for detailed study on the part of CSPDCL over 10 years.

Petitioner's Reply

CSPDCL submitted that the Objector's request to consider Voltage-wise cost of supply in tariff determination is misplaced in light of the fact that the Commission has already differentiated the energy charges for HV-4 tariff category on the basis of voltage of supply. It is pertinent to add that energy charges for 220 kV and 132 kV are substantially less than energy charges for 33 kV and 11 kV voltage.

Accordingly, the present tariff structure in respect of HV-4 tariff category wherein different energy charges are notified for different supply voltages, is consistent to the legal principle settled by the Hon'ble Supreme Court.

Further, retail supply tariff is statutory function of the Commission and while discharging this function, it is guided by the Tariff Policy. According to Clause 8.3(2) under 'tariff design' of Tariff Policy notified on 28^{th} January 2016, the retail supply tariff of a consumer category has to be within the limits of ± 20% of ACoS .

Commission's View

The approach of the Commission regarding determination of Voltage-wise Cost of Supply is given in the relevant Chapter of this Order. The Commission has already implemented differential tariffs within a consumer category based on the supply voltage, and consumers taking supply at higher voltages are required to pay lower tariff, as compared to consumers taking supply at lower voltages. These principles have been retained in this Tariff Order also.

2.3.31 Formulation of Green Tariff

The Objector submitted that CSPDCL has proposed "Green Power Tariff" for supplying RE to consumers. This tariff allows consumers to meet their entire demand with 100% green energy for a premium of Rs. 1.64/kWh over the existing retail tariff. However, as stated by CSPDCL in its current Petition for ToD modification, there is surplus solar energy available during the day. CSPDCL should not only remove the additional charges associated with the Green Tariff but also reduce the current tariff for consumers. This is because surplus RE power availability suggests CSPDCL can provide renewable energy at a lower cost.

Petitioner's Reply

CSPDCL has submitted that normally solar power is available for maximum period of eight hours in a day and rest of the period of the day, RE power has to be purchased from other sources, which adds to the cost.

Further, due to availability of solar power during the day hours, conventional sources may have to be backed down. This too adds to the cost of green power. Similarly, there are other charges, which needs to be taken care of. Therefore, the proposal has been made considering all the aspects of cost that may be incurred to make available green power.

Commission's View

The Green Energy Tariff has been determined in this Order in accordance with the formulation prescribed under the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 and further amendments thereon. The ToD time-slots and ToD tariffs have also been approved in accordance with the applicable MoP Rules, and the period from 09:00 hours to 17:00 hours have been denoted as "Solar Hours" and "off-peak period", with tariff being fixed at 80% of normal tariff.

2.3.32 Projected revenue, Energy Balance, Parallel Operation Charges and Power Purchase Cost

The Objector submitted that ARR of CSPDCL for FY 2024-25 has been projected as Rs. 17,999.46 Crore, whereas projected revenue at existing tariff and charges is Rs. 21,616.77 Crore, which shows surplus of Rs. 3,626.31 Crore, and the Petitioner wants to recover entire previous gap through the existing tariff, which is already over estimated.

The Objector submitted that in the projected Energy Balance for FY 2024-25, projected sales for all categories is increasing every year, but unfortunately the energy losses for below 33 kV (in %) is projected almost same without any positive corrections. The Objector requested the Commission to reduce the losses as it impacts the tariff specially for EHV consumers.

The Objector submitted that in the previous Tariff Order, Parallel Operation Charges were increased up to 300% only on the basis of request made by CSPDCL to fulfil the Revenue Gap, without considering any exercise before hike. Hence, it is requested to revisit the POC charges and reduce the existing parallel operation charges up to 50% from existing tariff.

Power Purchase cost is also a major component of tariff. The voltage-wise power purchase cost of CSPDCL needs to be considered to assess the actual cost of purchase for different category of consumers instead of considering uniform rate of purchase.

Petitioner's Reply

CSPDCL submitted that the Objector's contention on projected revenue at existing tariff charges for FY 2024-25, Energy balance for FY 2022-23 and FY 2024-25 and Power Purchase cost need not require any comments as the same have been dealt in the Tariff Petition in detail. Furthermore, the Objector has also not objected to any specific aspect about the Tariff Petition.

Further, CSPDCL submitted that the revenue earned through Parallel Operation Charges is among the constituents of Non-Tariff Income. Any rationalization among such constituents would have a bearing on tariff of normal electricity consumers. As CSPDCL has requested to continue the existing tariff design in present tariff proposal, hence, any consideration to applicant's present request may cause additional burden on other consumers. CSPDCL requested the Commission that if the request of objector is considered to any extent, then the same may be subject to protection of approved ARR of CSPDCL for FY 2024-25.

Commission's View

As stated earlier, the Commission has considered the Distribution Loss for FY 2024-25 as approved in the MYT Order dated 13th April 2022, while computing the Energy Balance and power purchase requirement, as elaborated in the relevant Chapter of this Order.

The Parallel Operation Charges have been retained as approved in the Tariff Order for FY 2023-24, as there is no basis for revising the same.

The rate of power purchase has been considered the same for all voltages, while computing the Voltage-wise Cost of Supply, as elaborated in the relevant Chapter of this Order, as there is no merit in the suggestion of considering differential voltage-wise rates for power purchase cost.

The Commission has approved recovery of the entire cumulative Revenue Deficit for FY 2024-25 through the revised tariffs approved for FY 2024-25, as elaborated in the relevant Chapter of this Order.

2.3.33 Tariff Rationalization

The Objector submitted that CSPDCL has proposed a rationalized tariff across all consumer categories, except domestic, to meet its cumulative revenue demand. However, in the previous Tariff Order, only HV-4 (220 kV and 132 kV) consumers were singled out for a tariff increase without proper justification. The Objector requested the Commission to treat all consumer categories equally. Any increase in the tariff should be shared by all categories without any discrimination.

Petitioner's Reply

CSPDCL submitted that under Section 62(3) of the Act, the Commission has powers to determine retail tariff of different consumer categories and differentiate among the consumers on grounds of consumers' load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The Commission has revised the Energy Charges applicable for all categories, with the objective of realising additional revenue for meeting the approved Revenue Requirement, while at the same time ensuring that the tariff of all categories is within ±20% of ACoS, to the extent possible. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.34 Capacity Enhancement of LT Category

The Objector requested the Commission to enhance the maximum capacity of LT connection from 150 HP to 250 HP.

Petitioner's Reply

CSPDCL has submitted that the Objector's request is not the subject matter of the present Petition. Therefore, no comment is being made on this point.

Commission's View

The issue raised by the Objector is not related to the Petitions filed by the Utilities for true-up for FY 2022-23 and Tariff determination for FY 2024-25, and has not been considered by the Commission in the present exercise.

2.3.35 Levy of Additional Charges on Energy Charge for HV Consumers

The Objector submitted that CSPDCL has imposed a 5% additional charge on Energy Charges, effective from 20th July, 2023, in accordance with Clause 10 of the Tariff Schedule for FY 2023-24 as Contract Demand for 220 kV is more than 150 MVA. However, Clause 3.4 of Chapter 3 of Chhattisgarh State Electricity Supply Code, 2011 provides for relaxation of these provisions due to technical reasons, subject to approval from the Commission.

The Objector requested the Commission to waive off 5% additional charges for HV consumers having Contract Demand in excess of the maximum limit as prescribed in Chhattisgarh State Electricity Supply Code, 2011 for the following reasons:

a) The conductor size for the 220 kV line between CSPTCL's 400/220 kV sub-station and the 220 kV Main Receiving Station is upgraded to single Moose Type conductor in places of single Zebra conductor to accommodate the plant's total requirement of 268 MVA in a single circuit.

b) NMDC has been a significant contributor to the economic as well as overall development of Chhattisgarh.

c) NSL has invested Rs. 25,000 Crore in the Bastar region for its steel plant, contributing significantly to industrialization in the area.

d) To ensure the long-term viability, competitiveness and sustainability of the steel plant, NSL needs to optimize its operations with cost effective measures, so as to reduce the cost of production of steel.

e) The establishment of the steel plant is expected to generate approximately 50,000 employment opportunities, both directly and indirectly, fostering economic development in the Bastar region.

f) NMDC has undertaken several initiatives for the development of Bastar District in Chhattisgarh under its Corporate Social Responsibility (CSR) programme. NMDC has earnestly worked hand-in-hand with State Government authorities for the development of educational infrastructure, supporting local communities through philanthropy, healthcare, and many other social programs.

Petitioner's Reply

CSPDCL submitted that the Commission had taken up this issue of levy of 5% additional charges, if the Contract Demand of any consumer exceeds the maximum limit for any particular voltage level, as a Suo-Moto Petition No. 79 of 2023, and passed an order that levy of additional charge by CSPDCL is as per the provisions in the Tariff Order.

It is also appropriate to add that this provision of additional charges acts as deterrent in case any consumer does not comply with the requirement of Clause 10 of the Tariff Order (read with clause 3.4 of the Chhattisgarh State Electricity Supply Code, 2011, as amended).

Commission's View

The Commission has already ruled in the Order on Suo-Moto Petition No. 79 of 2023 that 5% additional charges can be levied in accordance with the Tariff Schedule, if the Contract Demand of any consumer exceeds the maximum limit for any particular voltage level.

2.3.36 Levy of VCA Charges

The Objector submitted that there is a lot of confusion in the VCA charges levied on LV-5 category consumers. Incorporating VCA charges into per-unit rate would improve clarity. It is to be observed that even though CSPDCL has linked the VCA charges to fluctuating raw material costs, CSPDCL procures electricity from CSPGCL at a fixed rate.

The Objector further submitted that apart from the tariff fixed in the Tariff Order, no additional charges should be added to the monthly bill without the approval of the Commission.

The Objector requested the Commission to disallow the VCA Charges levied on LV-5 consumers by CSPDCL, deeming it unjustified.

Petitioner's Reply

CSPDCL submitted that levy of VCA (FPPAS) Charges is as per Regulation 93 of the MYT Regulations (First Amendment), 2023.

Commission's View

As stated earlier, the power purchase rate for the ensuing year approved in the Tariff Order is an estimation based on available data at that point of time. While best efforts are always made to estimate the power purchase rate correctly, there is always the chance that the actual power purchase rate will be different (higher/lower) than that considered in the Tariff Order. The EA 2003, MoP Rules, and the CSERC MYT Regulations, 2021, as amended, specify the FPPAS mechanism for recovery/adjustment of the variation in power purchase rates.

2.3.37 Revenue Gap/ Surplus for FY 2022-23

The Objector submitted that CSPDCL has not revealed the under-recovery/over-recovery of revenue from the consumers (category-wise) with reference to the estimation/ approval in the Tariff Order. The Objector objected to the ARR submitted by CSPDCL and sought relief on the following:

a) Under-recovery (i.e., difference between actual ABR and ABR approved in the Tariff Order multiplied by units sold to such category of consumers) from Steel

Industry (HV-4) and Railway (HV-1) to be worked out for FY 2019-20 and previous years and financial impact should be borne by the same category of consumers.

b) Calculation of ABR for each consumer category should be done with appropriate due diligence and all components of tariff such as demand charges, energy charges, load factor rebate (allowed if any), TOD tariff, etc. must be considered appropriately, on the basis of past data.

c) In order to maintain transparency, the calculation details of ABR and expected revenue from tariff should be mentioned in detail, at least in the Tariff Order.

d) To maintain transparency, CSPDCL should be instructed to share the details of the aforementioned calculations considering load factor rebate and share them with the public.

e) To keep Steel Industry as a subsidizing category, the Load Factor rebate needs to be withdrawn/ abolished.

Petitioner's Reply

CSPDCL has submitted that the contentions raised by the Objector regarding retail tariff determination are connected to previous Tariff Orders and the proposal for ensuing year. As regards the contentions on retail tariff determination for the previous years, CSPDCL submitted that the Tariff Orders of all previous years except FY 2023-24 (Tariff Order dated April 28, 2023) have attained finality as each of these have completed the term after issuance of subsequent Tariff Orders. Under the accepted practice, every change in existing tariff design is supported by justification and reasons in respective Tariff Order by the Commission. Facts demonstrate that the Objector has not exercised remedies available under the EA 2003, in terms of examining the legality, propriety and correctness of these Orders.

Under such circumstances, raising issues with regard to previous Tariff Orders before the Commission again would be inappropriate and abuse of regulatory process. In light of the above, the Petitioner submitted that it would not like to comment on contentions raised by the Objector on tariff determination in previous Tariff Orders.

CSPDCL submitted that it has proposed reduction of the Load Factor rebate, by provision of rebate of 5% above Load Factor of 65%.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2022-23, with the stand-alone Revenue Gap/(Surplus) of FY 2024-25, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders.

The issues related to previous Tariff Orders are not the subject matter of the present Petition, and have not been considered by the Commission. The Load Factor rebate for "HV-1: Railway Traction" and "HV-4: Steel Category" have been rationalised, as elaborated in the relevant Chapter of this Order.

2.3.38 Retail Tariff Proposal

The Objector submitted that CSPDCL has submitted a proposal to reduce the Load Factor rebate to "HV-4: Steel Industry" at 5% on normal energy charge calculated on entire energy consumption when the monthly load factor is 65% and above. CSPDCL has not given any justification for this proposal.

After allowing huge Load Factor Rebate, the actual average billing rate to such Steel industries is less than Rs. 5.41/kWh, i.e., almost Rs. 1 lower than ACoS of Rs. 6.41/kWh and thus it will become a subsidized category. The Commission has allowed Load Factor Rebate so that these category consumers are encouraged to consume higher quantum of power and thus, the revenue of CSPDCL will improve, but the condition is just reverse as this does not remain subsidizing category when huge Load Factor rebate is availed. Therefore, to keep steel factory as subsidizing category, the Load Factor Rebate needs to be withdrawn/abolished.

If Load Factor rebate has to be given, then it should be planned after detailed technical and financial analysis/ study for all categories of consumers. In the Tariff Order for FY 2022-23, no justification/financial calculation was given why the cut-off load for rebate was shifted upward from 63% to 50%, which is totally baseless and giving undue benefit to particular class/ section of steel industry consumers. Similarly, there is no technical/ financial justification on giving higher Load Factor rebate on energy charges of entire consumption.

The Objector requested the Commission that if Load Factor rebate has to be allowed, then it should be applicable for the energy charges corresponding to the electricity consumed beyond cut-off Load Factor rather than the entire energy consumption.

The criteria and quantum of Load Factor rebate allowed to Railway Traction and Steel Industries are different, which is not appropriate as per economic considerations, therefore, the Commission is requested that if Load Factor rebate has to be allowed, then the criteria and quantum of load for rebate must be same for all class of consumers but should be limited to Steel Industry and Railway Traction like power factor improvement penalty/incentives are being allowed.

The quantum of load factor (30%) rebate being allowed to Railway Traction is huge and resulting in very 1ow realization as ABR, therefore the Commission is requested to reconsider the basis of such huge Load Factor rebate and tariff for Railway Traction, based on comparison of the same with neighbouring States.

Petitioner's Reply

CSPDCL submitted that the contentions are suggestive in nature. CSPDCL submitted that under Section 62(3) of the EA 2003, the Commission has powers to determine retail tariff of different consumer categories and differentiate among the consumers on grounds of consumer load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2022-23, with the stand-alone Revenue Gap/(Surplus) of FY 2024-25, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders. The Load Factor rebate for "HV-1: Railway Traction" and "HV-4: Steel Category" have been rationalised, as elaborated in the relevant Chapter of this Order.

2.3.39 Prepaid Smart Meter

The Objector submitted that CSPDCL is daily publishing news related to pre-paid Smart Meters in local newspapers and spreading panic among consumers but not said anything specific in this Petition. CSPDCL should be asked to clarify following issues related to the scheme: -

i) In RDSS scheme, when there is only one compulsion of installing pre-paid Smart Meters in Government connections, then what is the necessity for CSPDCL to install pre-paid Smart Meters for more than 50 Lakh consumers?

ii) Is there any success story for similar case, in any part of India?

iii) Who is going to bear the residual cost of more than 50 lakh electronic old meters and infrastructure of reading, billing, collection?

iv) Has CSPDCL done activity-based costing for reading, billing, and collection, activities, and if yes, then the same may be published in the public domain.

v) What are the charges to be paid to the contractor for his services for pre-paid meters?

vi) In case of BPL consumers, the energy charges are being subsidized by the Government of Chhattisgarh and if Smart Meters are placed in their premises, then who will bear the O&M changes including depreciation charges, etc., of prepaid Smart Meters?

Petitioner's Reply

CSPDCL submitted that pre-paid smart meter is not connected to CSPDCL's Tariff Petition, hence, no comments are offered. CSPDCL has already submitted the details of the RDSS Scheme under Petition No. 04/2022 in the Capital Investment Plan for FY 2022-23 to 2024-25. Accordingly, Capital Investment Plan for FY 2022-23 to 2024-25 was approved by the Commission.

Commission's View

The issues raised by the Objector are not related to the present Petition and are hence, not considered.

2.3.40 Electricity Tariff for LV-3 Agricultural Consumers

The Objector submitted that the existing Retail Tariff for agriculture consumers is comparably one of the highest in the country and near to the level of agriculturally rich States. Farmers of Chhattisgarh are poor and any tariff increase from the existing level shall prove to be detrimental to the farmers. Therefore, there should be no increase in tariff for agriculture consumers.

Another Objector requested to double the electricity rate for the agricultural sector.

Petitioner's Reply

CSPDCL submitted that the suggestion is related to determination of tariff, which is the prerogative of the Commission and the proposal by the Petitioner may be suitably considered while fixing the tariff, subject to protection of CSPDCL's approved ARR for FY 2024-25, and the principles stipulated in the Tariff Policy related to fixing tariff within the permissible range of +20% of the ACoS.

Commission's View

The Commission, in the Tariff Order, has increased the tariff applicable to agriculture category by Rs. 0.25/kWh, in order to reduce the cross-subsidies to the extent possible. The philosophy and rationale adopted by the Commission is detailed in the relevant Chapter of this Order.

2.3.41 Metering and Billing related to LV-3 and LV-8 Agriculture Consumers

The Objector submitted that:-

i) Most of the connections in agriculture and Domestic BPL category do not have any meters, since many years and assessed billing is being done.

ii) Wherever meter is provided, it is not being read since several years and assessed billing is being done.

iii) Wherever meters are burnt/defective, they have not been replaced since several years although CSPDCL is bound to replace such meters within 1 month time in rural area as per provisions of Supply Code, 2011.

iv) Majority of billing is being done on assessment basis without any basis and agriculture consumers are not aware of fairness of such assessments.

v) Different Feeders have exactly same average assessed consumption.

vi) Different months have exactly same assessed consumption, even off-season consumption is assessed on higher side.

vii) 3 HP pump in one feeder has been assessed to have very high consumption while 3 HP pump in another nearby feeder has been assessed to have very low consumption.

viii) Unauthorized and illegal consumption is being loaded on legal consumers while making assessment on the basis of feeder consumption.

ix) Meter rent is being charged even in those cases where meters are not installed.

The Objector requested the Commission as under:-

a) Instruct CSPDCL to provide meters in 100% connections immediately and meter rent must not be charged where meter is not provided;

b) Instruct CSPDCL to take meter reading at least once in 3 months as ordered by the Commission in Petition No.19/2011;

c) Practice of en-masse assessed billing be curbed, distribution loss be deduced while assessing consumption of agriculture consumers on the basis of feeder reading.

Petitioner's Reply

CSPDCL submitted that the sales considered under agricultural category is taken from its revenue statement (R-15) for FY 2022-23. The sales considered in true-up Petition are extracts of revenue statement, which is based on meter readings/assessments as per the provisions of Supply Code. The status of stopped and defective meters and cases of assessed billing are demonstrated in revenue statement and the same are in pursuance to provisions of the Supply Code. The difficulties in replacement of stopped and defective meters such as diversity in locations of agriculture pumps and BPL consumers, prolonged locked premises and resistance of consumers towards meter replacement, are key reasons for existing status**.**

Commission's View

The status of metering and billing, and incidence of assessed billing, has not yet achieved the desired levels, despite several directives issued by the Commission in the previous Tariff Orders. The Commission has issued further directives in this Order.

2.3.42 Delayed Replacement of Burnt/ Damaged Transformers

The Objector submitted that a wrong and extremely excessive billing practice is being imposed on consumers and they are forced to pay, by making mass disconnection of supply irrespective of the fact that several consumers have already paid their electricity bills.

If distribution transformer gets damaged, consumers are pressurized en-masse to clear dues as a pre-condition for replacement of such transformers irrespective of the fact that several such consumers have already paid their electricity bills.

The Objectors submitted that the Commission has expressed the following view in Tariff Order for FY 2022-23:

"The Commission has noted the objection on delayed replacement of burnt/ damaged transformers by CSPDCL. CSPDCL is directed to replace such transformers as per the timelines specified in the Standard of Performance Regulations. However, the consumers also have the obligation to clear their dues as per the bills raised by CSPDCL."

However, the situation in the field remains the same in spite of above direction. Hence, the Objectors requested the Commission to instruct for immediate replacement of all burnt/ damaged transformers relating to supply to Agriculture Consumers.

Petitioner's Reply

CSPDCL submitted that it is consistently trying to replace all burnt/damaged transformers relating to supply to Agriculture consumers within the time limits specified in the SoP Regulations.

Commission's View

The Commission has noted the objection regarding delayed replacement of burnt/ damaged transformers by CSPDCL. CSPDCL is directed to replace such transformers as per the timelines specified in the Standard of Performance Regulations. However, the consumers also have the obligation to clear their dues as per the bills raised by CSPDCL.

2.3.43 Temporary Connections to Agriculture Consumers

The Objector submitted that large number of consumers are waiting since long to get the permanent connection from CSPDCL and have no choice other than to avail Temporary Supply. Hence, CSPDCL should be directed to prepare time-bound plan for release of pending Agriculture connections to farmers.

Petitioner's Reply

CSPDCL submitted that it has been directed by the Commission to release the new connections as per the timelines specified in the Standard of Performance Regulations. CSPDCL is consistently striving to provide permanent connections to farmers.

Commission's View

The Commission has noted the objection on delay in releasing new connections to Agriculture consumers by CSPDCL. CSPDCL is directed to release the new connections as per the timelines specified in the Standard of Performance Regulations.

2.3.44 Formation of High-Power State Level Committee for Resolution of Problems of Large Number of Agriculture Consumers

The Objector submitted that problems/ issues/ complaints relating to farmers/ LV-3 Agriculture Consumers are so vast, multi-faceted and serious, and are affecting thousands of people since FY 2013-14 who cannot approach authorities for relief. Hence, it is requested to form a High-Power State Level Committee to report and advice the Commission on field reality of issues relating to farmers of the State pending since FY 2013-14 under Regulation 19 and 31(iii) of CSERC (Conduct of Business) Regulations, 2009, constituting following members:

a) Representative of the Commission - Chairperson;

b) Representative of Farmers;

c) Representative of CSPDCL not below the rank of Chief Engineer; and

d) A person well known for consumer advocacy having knowledge of legal, technical and financial issues.

Petitioner's Reply

CSPDCL submitted that the Commission may take an appropriate view as regards creation of a State-Level Committee to report and advise the Commission on field reality of issues relating to farmers of the State.

Commission's View

The issue is not related to the subject matter of True-up Petitions for FY 2022-23 and Tariff Petitions for FY 2024-25 filed by the Utilities, and it will be dealt separately.

2.3.45 Tariff of LT Industries

The Objector submitted that the rural incentive of 5% on energy Charges, existing Adivasi area incentive for Bastar and Sarguja, and 10% rebate on energy charges to Women Self-help Groups should be continued. Food Processing Units should be given 5% rebate on energy charges in line with 5% rebate to HT Rice Mills. Applicability of

LV-5 category should be redefined to incorporate all manufacturing industries removing all ambiguities.

Load Factor incentive may be introduced in similar way as given to HT industries and as made available to LT Industries in MP so that more electricity consumption will be encouraged using the same infrastructure. Further, Power Factor (PF) penalty below 0.90 PF made applicable since 1st August 2021 should be rolled back to earlier level of 0.85 PF. PF incentive may be given step-wise on each point improvement above 0.85.

The Objector further submitted that the existing Supply Affording Charges are found to be on higher side and should be reviewed. Possibility of bearing Supply Affording Charges by Discom should be explored by allowing such expenses under Capital Expenditure Plan and subsequent interest.

If any LT industrial Consumer is willing to opt for HT supply, Supply Affording Charges should be liberally derived by adjusting such charges paid by the consumer to avail LT Supply.

Security Deposit (SD) of 1.5 times the average monthly consumption should be held instead of existing 2.0 times.

Petitioner's Reply

CSPDCL submitted that the Commission has already clearly defined the applicability of industrial tariff and if any inconsistency is observed then the same is taken up as and when required. Hence, there is no need to redefine each and every industry.

Regarding the 5% rebate on LT industries located in rural areas, CSPDCL submitted that it has not made any prayer for withdrawal of these rebates in its Tariff Petition. Similarly, CSPDCL has not made any prayer for withdrawal of 5% incentive being given to LV industries located in "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran". The prayer is for withdrawal of rebate to consumers having contract demand above 150 MVA.

As regards the request for continuation of rebate of 10% being given to women self-help groups, CSPDCL submitted that it has not made any prayer for withdrawal of such rebate in its Tariff Petition.

CSPDCL submitted that blanket extension of rebates to food processing industries will defeat the very purpose of rebates, which is provided in order to support an industry, which is in need.

CSPDCL submitted that the request of the applicant that Load Factor incentive may be provided to LT industries also as is being done in another State may not be considered as in the referred State "demand-based tariff" is applicable unlike in CSPDCL. In addition, demand charges are considerably high in case of "demand-based tariff", whereas in CSPDCL, it is much less.

Regarding PF surcharge, CSPDCL submitted that the present provision has been made by the Commission in order to ensure an efficient system and to reduce the losses. Therefore, there appears to be no need for changes in the provision. Similarly, the Commission has already made provisions for incentive of 1% on every 0.01% increase in PF, if it is above 0.95. Hence, the provision for giving incentive already exists, therefore, it requires no modification.

Regarding the request made by the Objector for incorporating three other measures, which pertain to Supply Affording Charges and Security Deposit, CSPDCL submitted that these three matters relate to the provision in the Supply Code or Miscellaneous and General Expenses, and are hence, beyond the purview of the present Petition.

Finally, CSPDCL submitted that if the request of objector is being considered to any extent, then the same may be subject to protection of approved ARR of CSPDCL for FY 2024-25.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, including the philosophy for rebates and penalties, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

2.3.46 Sale/Consumption of Surplus Power within State

The Objector submitted that the Commission in Tariff Order for FY 2019-20, has directed CSPDCL to examine the possibility of optimum utilisation of surplus power within the State through appropriate incentive mechanism and to come up with a proposal for same by November 30, 2019. However, CSPDCL has not submitted any such proposal.

In the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25, CSPDCL has reported surplus availability of power of 3,379.06 MU and 455.72 MU, respectively [excluding sale to Telangana in spite of much lower drawal against Central Allocation of power from Central Generating Stations (CGS)], which is sold at Rs. 3.69/kWh and 4.54/kWh as against average power purchase cost of Rs. 4.55/kWh and Rs. 3.73/kWh for FY 2022-23 and FY 2024-25, respectively.

It is observed that CSPDCL is paying Capacity Charges to about 5 CGS of NTPC, without drawing any power from them due to surplus availability. Also, about 12% of the Retail Sale is disposed-off by CSPDCL to other States at very low realization (below average procurement cost) and the burden of such disposal of power to other States is borne by the consumers of Chhattisgarh by way of higher tariff. Hence, if such power can be utilised within the State at relatively higher realization, it shall prove to be beneficial to CSPDCL and consumers as well.

Further, the Commission had registered a Suo-moto Petition (P.No.59/2020) on representation of industries to find ways to utilize surplus power within the State. In the Order dated December 10, 2020, the Commission had directed industries to take up the matter during discharge of Tariff Petition for FY 2021-22 and also directed CSPDCL to submit detailed data and proposal to achieve above objective.

Therefore, a mechanism has to be devised so that:

i. consumers may get benefit of surplus power, at cheaper rates, (which is otherwise sold/ surrendered to other States at loss-making rate) over and above their existing consumption.

ii. Having slight better realization from Retail Consumers comparing to Rs. 3.73 (gross average power purchase cost proposed for FY 2024-25 by CSPDCL), Revenue of CSPDCL will be bettered.

iii. State Government will be benefited by way of additional taxes and revenue on any possible increase in production of industries.

iv. Public may be benefited by way of more employment due to increased production.

Petitioner's Reply

No reply has been submitted by CSPDCL to this objection.

Commission's View

In the present Order, based on the Commission's assessment, there appears to be a very small quantum of surplus power to be sold in the Power Exchanges for FY 2024-25. However, during actual grid operations, there are bound to be mismatches between demand and supply, and CSPDCL should strive to maximize the revenue from such sale of surplus power.

2.3.47 Constraint of Transmission Corridor

The Objector submitted that the Available Transfer Capacity of Chhattisgarh in the Western Grid is only 2549 MW, which is less than total allocation/PPA from outside the State. CSPDCL, despite having sufficient PPA/allocation could not avail power while paying charges of fixed nature. Such huge burden is then passed on to the consumers of the State and consumers are also suffering from load shedding.

Petitioner's Reply

No reply has been submitted by CSPDCL to this objection.

Commission's View

CSPDCL should take up this issue with the concerned agencies.

2.3.48 Meter Rent

The Objector submitted that CSPDCL is charging a fixed monthly fee of Rs. 2000 from all HT connections and has already recovered Rs. 3 lakh. Despite this, CSPDCL is even recovering meter rent. The Objector requested the Commission to revise the Rs. 2000 fee and eliminate the meter rent charge for old customers.

Petitioner's Reply

CSPDCL has submitted that in case of faulty meter/metering system, the meter is replaced by the Licensee free of cost and only in the case of burnt meter, the meter cost is payable by the consumer. Therefore, the rent payable on metering system is justified.

Commission's View

The contention raised by the objector is not the subject matter of this petition. The objector is given the liberty to raise this issues when miscellaneous and general charges are determined.

2.3.49 Distribution Loss excluding EHV Sales

The Objector submitted that CSPDCL is unable to meet its commitment in "UDAY Scheme (distribution losses 15% by 2018-19)" and "RDSS (distribution losses to be 12-15% by 2024-25)" in the matter of Distribution Losses in spite of huge capital expenditure, resulting in burden on Retail Tariff of consumers. Distribution loss is being manipulated at lower level by accounting such lost electricity into the unmetered consumption of Agriculture Pumps.

Petitioner's Reply

No reply has been submitted by CSPDCL to this objection.

Commission's View

CSPDCL has been directed to ensure proper metering of the agriculture connections and billing be based on realistic assessment.

2.3.50 Issue Related to Electricity Theft

The Objector submitted that in the last 14 years, there has been no improvement in the situation of electricity theft. Hence, the Commission should take cognizance of the matter and give strict instructions to CSPDCL to improve the situation of theft.

Another Objector submitted that lineman who have been stationed at the same location for extended periods should be periodically transferred. This measure could help deter theft and contribute to controlling electricity rates.

Petitioner's Reply

CSPDCL submitted that the issues are not the subject matter of the present Tariff Petition. Therefore, no comment is being made on these points.

Commission's View

CSPDCL should take rigorous efforts to reduce the billing loss and improve the collection efficiency.

2.3.51 Separate Meters for all the farmers

The Objector submitted that CSPDCL is calculating the electricity bills of the farmers on the basis of feeder meter readings, while electricity is also being stolen from these feeders. The Objector requested the Commission to direct CSPDCL to install separate meters for all the farmers and calculate the electricity bill only on the basis of their meter readings.

Petitioner's Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this point.

Commission's View

CSPDCL has been directed to ensure proper metering of the agriculture connections and billing be based on realistic assessment.

2.3.52 Issue Related to Atal Jyoti Yojana

The Objector submitted that despite the official discontinuation of the Atal Jyoti Yojana, the scheme continues to operate in five districts. The Objector requested the Commission to direct CSPDCL to discontinue the scheme State-wide.

Petitioner's Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this point.

Commission's View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.53 Quality of Power Supply

The Objector submitted that CSPDCL is not providing quality power supply or maintenance. During power outages, farmers have to change D.O. fuses themselves. A timeline for maintenance should be included in Standards of Performance to ensure that power outages are rectified promptly.

Petitioner's Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this point.

Commission's View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.54 Atal Jyoti Feeder

The Objector submitted that when the Atal Jyoti feeder is energized at 11 pm, all connected pumps start simultaneously. This could potentially affect the security of the grid.

Petitioner's Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this point.

Commission's View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.55 Capacitor Installations

The Objector submitted that CSPDCL should be responsible for installing the capacitors used in farmers' pumps.

Petitioner’s Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this point.

Commission’s View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.56 Meetings with Farmers

The Objector submitted that CSPDCL officials should hold periodic meetings with farmers to address electricity-related concerns.

Petitioner’s Reply

CSPDCL submitted that the issue is not the subject matter of the present Tariff Petition. Therefore, no comment is being made on this aspect.

Commission’s View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.57 Recruitment of Employees

The Objector submitted that there is a shift in CSPDCL's workforce composition. Previously, there were fewer officers and more regular employees, but now outsourced employees are performing much of the work. The Objector suggested that if CSPDCL were to recruit more regular employees and reduce its reliance on outsourcing, it could potentially reduce the Company's losses.

The Objector further submitted that the Petition does not provide information on the number of officers or employees currently being outsourced.

Petitioner’s Reply

CSPDCL submitted that these issues are not the subject matter of the present Tariff Petition. Therefore, no comment is being made on these points.

Commission’s View

This issue does not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

2.3.58 Claim of Security Service Expenses under R&M Expenses

The Objector submitted that CSPDCL has incorrectly claimed the expenses of security services under the R&M expenses.

Petitioner’s Reply

CSPDCL submitted that the claim is as per the MYT Regulations, 2021.

Commission's View

The Commission has trued-up the R&M expenses for FY 2022-23 in accordance with the provisions of the MYT Regulations, 2021 and the Audited Accounts for FY 2022-23.

2.3.59 Other Issues Related to Farmers

The Objector submitted the following:

1. CSPDCL supplied 3 HP pumps under the Krishak Jyoti Yojana using 5 HP connections, leading to increased electricity bills for farmers.
2. CSPDCL has given multiple connections to the same farmer under Krishak Jyoti Yojana, which should be rectified.
3. CSPDCL's long-standing assertion of having installed meters on all agricultural connections in the Saraipali area is false. Therefore, it is requested to direct CSPDCL to install meters on all agricultural connections and issue accurate electricity bills.
4. Despite many farmers not applying for the flat electricity bill scheme, their connections have been included in it. Therefore, it is requested that the connections of farmers who did not apply for the flat electricity bill scheme be converted to the Krishak Jyoti Scheme.
5. CSPDCL should establish a fixed timeframe for replacing damaged transformers that serve agricultural connections. This would help prevent crop damage due to lack of irrigation caused by power outages.
6. CSPDCL's request to increase electricity rates for categories other than domestic is unjust. It is requested that instead of increasing agricultural tariffs, they should be reduced.
7. When farmers take two temporary connections within the same year, CSPDCL charges for two separate BP numbers. This practice raises concerns that the total subsidy amount received by CSPDCL might be doubled.
8. Shortage of staff at CSPDCL has led to delays in removing temporary connections, which in turn has resulted in numerous accidents.

Petitioner's Reply

CSPDCL submitted that these issues are not the subject matter of the present Tariff Petition. Therefore, no comment is being made on these points.

Regarding the request to reduce the agriculture tariff, CSPDCL submitted that the Commission has powers to determine retail tariff of different consumer categories.

CSPDCL requested the Commission that if the request of objector is to be considered to any extent, then the same may be subject to protection of approved ARR of CSPDCL for FY 2024-25.

Commission's View

Most of the issues raised do not pertain to the True-up Petition for FY 2022-23 and Tariff Petition for FY 2024-25 filed by the Utilities.

The details of the tariff approved for LV-3: Agriculture category has been elaborated in the relevant Chapters of this Order.

2.3.60 Discriminatory Tariff Hike

The Objector submitted that CSPDCL's proposal to increase tariffs for non-domestic categories while keeping domestic tariffs unchanged is discriminatory. This contradicts the EA 2003, which prohibits discrimination among consumers. Hence, the Petition should be rejected.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of the State Commission under Section 62(3) of the EA 2003. CSPDCL submitted that the Commission may consider the Objector's request subject to protection of CSPDCL's ARR for FY 2024-25.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2024-25 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2024-25 is given in the Tariff Schedule Chapter of this Order.

3 DETERMINATION OF INPUT COAL PRICE AT GARE PALMA-III MINE END FOR ABVTPS

3.1 Background

CSPGCL has submitted the Petition for True up of the Capital Cost as well as determination of the input price of coal from Gare Palma-III (GP-III) mine for FY 2022-23.

The Commission vide its Order dated 28.03.2023 in Petition No. 102/2022 considered the Commercial Operation Date (COD) as 01.04.2021. Further, in the said Order, in accordance with the provisions of Regulation 55 of the MYT Regulations, 2021, the Commission also carried out the true up of the Capital Cost of the GP-III mine.

The brief description of the GP-III Coal block is tabulated below:

Table 3-1: Brief Description of GP-III Coal Block

Name of Coal Mine	Gare Palma Sector III
Latitude	22^{0}10’24.36” N to 22^{0}11’15.84” N
Longitude	83^{0}27’26.62” E to 83^{0}31’56.85” E
Coalfield	Mand Raigarh
Villages	Bajarmuda, Dholnara
District	Raigarh
State	Chhattisgarh
Lease hold land for mining (Private) (Hectares)	444.58
Lease hold land for compensatory afforestation (Government) (Hectares)	400

During FY 2020-21, the production from the mine crossed 1.6 MTPA. As the peak rated capacity of the mine as per the approved Mining Plan is 5 MTPA, hence, the first conditionality of Regulation 3.19 (iii) of the MYT Regulations, 2021 was met in FY 2020-21. Accordingly, as per the MYT Regulations, 2021, the Date of Commercial Operation (COD) of the mine is April 1, 2021. The Commission has approved the same in the Order on the Petition 01/2022. Thus, FY 2021-22 was the first full year of operation of the mine after the achievement of COD.

In the above backdrop, CSPGCL has submitted the Petition for True up of the additional capital expenditure as well as true-up of the input cost of coal for FY 22-23.

CSPGCL submitted that it has prepared the Petition in accordance with Chapter 5 of the MYT Regulations, 2021. The true-up components are as per Regulation 51 of the MYT Regulations, 2021.

Further, the excess/short recovery due to difference between the input price of coal as allowed in the Tariff Order and the true-up, has been dealt in the manner settled by the Commission in the previous Order dated March 28, 2023 in Petition No. 102/2022.

Commission's View

Regulation 49.2 to Regulation 49.5 of the MYT Regulations, 2021 are reproduced below:

> *"49.2. The generating company shall, after the date of commercial operation of the integrated mine(s) till the input price of coal is determined by the Commission under these regulations, adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal for the generating station:*
> *49.3. Provided, if Commercial operation date of any integrated mine occurred before the notification of these regulations, input price of the coal supplied from such mine shall also be determined by the Commission as per provisions of these regulations.*
> *49.4. Provided further that the difference between the input price of coal determined under these regulations and the input price of coal so adopted prior to such determination, for the quantity of coal billed, shall be adjusted in accordance with Regulation 46.3.*
> *49.5. In case of excess or short recovery of input price under regulations 46.2 of this Regulation, the generating company shall refund the excess amount or recover the shortfall amount, as the case may be, with simple rate of interest, equal to the rate equal to the rate as allowed for computation of Interest on Working Capital Loan for the said year in installment as may be decided by the Commission."*

As per Regulation 49.3 of the MYT Regulations 2021, the input price of coal from GP-III mine shall be determined by the Commission. The Commission has determined the input price of coal from GP-III mine for the first time in the MYT Order dated April 13, 2022 in Petition No. 1/2022 for the period from FY 2022-23 to FY 2024-25. In this Order, the Commission has carried out True up of input price of coal from GP-III mine along with approval of additional capital expenditure of GP-III mine for FY 2022-23. The trued-up input price of coal from GP-III mine for FY 2022-23 has been considered as the cost of coal for CSPGCL plants consuming coal from GP-III mine for the purpose of truing up of FY 2022-23.

3.2 Base Data and Methodology followed in the Petition

CSPGCL's Submission

CSPGCL submitted that it has relied on the Capital Cost approved in the Tariff Order of FY 2022-23 along with the expenses appearing in the audited accounts. CSPGCL submitted that additional capitalisation during the year, subject to adjustment is as per audited accounts.

CSPGCL has computed Input Price of Coal from GP-III Mine with the following references:

a) ***Excavation quantity***

As per the statutory requirement, a Fixed Reserve Price (FRP) of Rs. 100/- per tonne with GST @ 18% needs to be paid on monthly basis. The same is generally paid by 20th of the next month. For the purpose of this Petition, the statement of production certified by mine manager and payment details submitted to the concerned Authority have been relied for the excavation quantity. As per the MYT Regulations, 2021, though the FRP is part of Input Price of Coal, it is not part of Annual Extraction Cost (AEC).

Though the actual FRP paid is higher (as it is paid on the excavated quantity), for the purpose of this Petition, CSPGCL has limited its claim to only the quantity dispatched from the mine.

b) ***Dispatch from Mine***

As per the Government policy/procedure, whenever coal is dispatched from the mine, a transit pass is issued from the online portal maintained by Mineral Resource Department of Government of Chhattisgarh (GoCG). The transit pass contains the vehicle number, tare and gross weight of vehicle and the grade of coal. For the purpose of this Petition, the dispatch quantity has been compiled from the daily transit passes issue through the portal. The month-wise, grade-wise summary of coal dispatch is submitted with the Petition. During the year there was severe bottlenecks in road transportation of coal from Mine to the Railway sidings. As the road network and traffic movement are maintained by Government authorities, which are not in control of CSPGCL, the reasons for transport of lower than intended quantity qualifies as an uncontrollable parameter.

c) ***Statutory Charges***

As per the Government policy/procedure, a revolving advance is maintained with Khanij Vikas Nigam. At present, there is no express notification regarding the rate of coal from the captive mine allocated through Government dispensation route, hence, as per the prevailing practice and the only mechanism available on the online portal, base rate of equivalent grade of coal as notified by SECL is considered for royalty. As per the rule, royalty is payable @ 14% of base price. Payments towards District Mineral Fund (DMF) and National Mineral Exploration Trust (NMET) are chargeable @ 10% and 2% of Royalty, respectively. On all of the above three statutory charges, GST @ 18% is applicable. The three other charges, viz., Environment Cess (@ Rs 11.25/- per tonne), Infrastructure development cess (@ Rs 11.25/- per tonne), Forest Tax (26.225% of Rs 15/ per tonne, i.e., Rs 3.93 per tonne for the period from April to June, 2022 and 26.225% of Rs 57 per tonne, i.e., Rs 14.95 per tonne for the period from July 2022 to March 2023) are paid separately. As theses taxes are fixed liability of CSPGCL, hence, the liability on account of statutory charges have been directly worked out based on the quantity, grade and base rate of equivalent grade of coal from SECL.

d) ***Annual Target Quantity***

As regards the Annual Target Quantity (ATQ), in the previous Petition No. 102/2022 decided by the Commission vide Order dt. March 28, 2023, after going through various aspects, it was settled that at the time of true up, ATQ shall be considered as the Actual Quantity dispatched from the mine.

CSPGCL further submitted that on the issue of what should be considered as the "actual quantity" from mine, it was submitted that it may be proper and prudent to consider the quantity of coal dispatched from the mine end commensurate to the net quantity received at the plant end. In other words, it was the quantity received at plant end grossed up with computed transit loss. The Commission approved the same.

In the instant Petition, based on the factual matrix, CSPGCL has submitted a minor modification. Previous submission was the first one after COD, at that time, there were new sidings and CSPGCL had to deal with the carry forward transactions also (coal dispatch on last day of year and received on first day of next year without compensating entries from previous year). Thus, at that time the issues of coal stock at new sidings and coal in transit had to be addressed hence, reverse computation by way of grossing up of the coal received at plant was resorted. However, now there is no new siding, and transit is also on continued basis.

CSPGCL has adopted the principle that anything that can be computed should not be estimated and anything that can be measured should not be computed. Hence, for computation of input price at mine end, CSPGCL has relied on the actual measured quantity of coal dispatched from mine (without any reverse computation / grossing up). At the same time, for the purpose of computation of transit loss and coal balance, settled methodology has been considered without any modification. The stock difference at railway sidings and the coal in transit at the beginning / end of the year has been taken into account and in overall accounting, nothing has been omitted. The minor deviation in derivation of the per tonne cost at mine end is without any change in the overall cost to beneficiary. Rather, the improvisation provides more factual representation and will be helpful in cost computation in case of diversion to other stations.

CSPGCL submitted that the first proviso of Regulation 54.1 indicates that transportation charge implies transportation up to the loading point associated with the integrated mine. Hence, in order to avoid duplication, no separate loading of transportation charge is included.

The cost of transportation of coal from mine to the power plant (as is applicable in case of other plants too), and transit loss, cost of sampling, etc., is covered in the Chapter related to true-up for CSPGCL.

As over-ground mining is more cost effective and major coal stock is over ground, as per standard industry practice, during FY 2022-23 only over ground mining was undertaken, hence, the Petition is for coal excavated from over ground mines only.

Commission's View

a) ***Excavation quantity***

The Commission has accepted the submission of CSPGCL and has considered FRP for the quantity dispatched from the mine.

b) ***Dispatch from Mine***

The Commission has accepted the submission of CSPGCL and has considered the dispatch quantity compiled from the daily transit passes issued through the portal. The Commission also has taken note of the claimed bottleneck in Road Transportation of Coal from the Mine to the Railway sidings.

e) ***Statutory Charges***

The Commission has verified all the relevant Government Notifications for levy of statutory charges as claimed in the true-up petition.

Regulation 52.2 of the MYT Regulations, 2021 specifies that the Statutory charges, as applicable shall be allowed in Input Price of coal.

The Commission notes that CSPGCL has worked out the liability on account of statutory charges by directly working out the charges based on the quantity, grade and base rate of equivalent grade of coal from SECL. The Commission agrees with the methodology adopted by CSPGCL.

Thus, the Commission has considered the rates of statutory charges as claimed by CSPGCL.

f) ***Annual Target Quantity***

As regards the ATQ to be considered for true up, the Commission in the Tariff Order dated March 28, 2023 had considered the ATQ as the quantity of coal dispatched from the mine end commensurate to the net quantity received at the plant end for the purpose of True up for input price of coal from GP-III mine.

CSPGCL has now relied on the actual measured quantity of coal dispatched from mine without any reverse computation / grossing up in this year. The Commission agrees with the same. Thus, the Commission approves the methodology proposed by CSPGCL.

3.3 Capital Cost

CSPGCL's submission

CSPGCL submitted that the Commission, in the Tariff Order dated March 28, 2023 in Petition No. 102 of 2022 had approved the Capital Cost of GP-III mine on provisional basis, as shown in the Table below:

Table 3-2: Approved Capital Cost in the MYT Order and the actual GFA as on March 31, 2022 and as on March 31, 2023 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved for FY 2021-22	Addition during FY 2022-23	Total for FY 2022-23
1	Upfront amount paid to Ministry of Coal	39.94	39.94		39.94
2	Fixed cost (Consents Cost+ Cost of Geological Report)	30.99	31.00		31.00
3	Incremental cost of Geological Report	1.96	1.96		1.96
4	Mining Lease agreement	21.48	21.48		21.48
5	Compensation for obtaining surface right of Private land	190.14	190.16		190.16
6	Addl. Compensation for private and forest land due to land diversion and having Van Adhikar Patta	3.44	3.02		3.02
7	Afforestation Charges for diversion of forest land.	2.05	2.05		2.05
8	Reimbursement of GIDC Claim for tree felling	1.20	1.20		1.20
9	Dead rent	0.09	0.09		0.09
10	IEDC including consultancy fee, BG charges to Bank, hiring of vehicles, office rent, deployment of manpower, watch & ward and other such expenses	9.03	20.30		20.30
11	Salaries Coal project (Rs. 1.27 Crore in FY 2016-17 & Rs. 3.52 Crore in FY 2017-18)	4.79	4.79		4.79
12	FDR Expenses	110.20	110.20		110.20
13	Adjustment	-30.92	-41.98		-41.98
14	IDC Capitalised	111.91	111.21		111.21
	Net GFA on COD	**496.30**	**495.42**		**495.42**
15	Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda	415.03	387.28	28.42	415.70
16	Balance for Van Adhikar Patta (Sr. No. 6 above)	0.00	0.41	0.00	0.41
17	Rerouting of Spur line (Railway Line) passing through GP-III coal mine	53.45	0.00		0.00
18	One Time Settlement payment to PAPs in lieu of employment	0.00	5.78		5.78
19	Prior Period salary Capitalisation	0.00	5.56		5.56

Sr. No.	Particulars	Approved in MYT Order	Approved for FY 2021-22	Addition during FY 2022-23	Total for FY 2022-23
20	Construction of Approach Road from Gharghoda – Chhal Main Road to Ghargoda Railway Siding	2.65	1.33		1.33
21	Payment of compensation of land adjacent to main road of village Dholnara and Milupara	5.99		6.41	6.41
22	Land acquisition of village Bhalumar for Rehabilitation and Resettlement (R&R) of project affected families of village Bajarmuda	12.64			
23	Drilling of boreholes and preparation of GR for proving coal reserve in mining lease area and unexplored 59.431 Ha on western part of GP III coal mine.	25.60			
24	Construction of Rest house, office building and other works	4.39			
25	Other Miscellaneous / contingent expenses	0.00	0.45	0.02	0.47
	Sub Total	**519.75**	**400.81**	**34.85**	**435.66**
26	Regulatory Expenses (Savings in FDR amount with new BG arrangement)			-104.69	-104.69
	Sub-Total	**519.75**	**400.81**	**-69.84**	**330.97**
	Closing GFA	**1016.05**	**896.23**	**826.39**	**826.39**

In the above Table, Rs. 25.60 Crore appearing at Sr. No. 23 towards drilling of boreholes and preparation of GR for proving coal reserve in mining lease area and unexplored 59.431 Hectare on western part of GP-III coal mine was not considered as a part of the capital cost for GP-III mine, as these expenses relate to unexplored area. Hence, the approved capital cost for the project stands at Rs. 880.25 Crore along with contingency reserve of 5% (about Rs. 44 Crore).

CSPGCL further submitted that:

a. In accordance with the previous directives of the Commission vide letter no. 13-GH30/ 2020/186 dated January 27, 2020 and in line with the principle adopted in the true up Order on Petition No. 01/2022, the land compensation is being paid as per the Government directive. During FY 2022-23, the actual expenditure incurred towards the same amounts to Rs. 28.42 Crore.

b. It has incurred an amount of Rs. 6.41 crore towards the payment of compensation of land (in accordance to the directives) adjacent to main road of village Dholnara and Milupara.

c. Further, as per Clause 6 of the Allotment Agreement, CSPGCL was required to submit the Bank Guarantee (BG) of Rs. 110.20 Crore against performance security. It is a statutory requirement and without such investment, coal mine possession cannot materialize. Against this BG, a Fixed Deposit Receipt (FDR) was created with SBI. The cost of FDR and income from FDR both have been adjusted in the capital structure in the Order dated 28.03.2023 in Petition No. 102/2022. Further, BG has to be maintained till the peak rated capacity is achieved as per the terms of the Allotment Agreement. Considering the ATQ as per the Mining Plan, the peak rated capacity would be achieved in FY 2024-25. Therefore, the amount of FDR was considered as decapitalization in FY 2024-25. However, during FY 2022-23, CSPGCL was able to enter into a new BG arrangement, which requires maintaining only 5% FDR. CSPGCL has passed on the benefit to end consumers by decapitalization of an amount of Rs. 104.69 Crore during the year from the capital cost.

In response to queries raised during TVS, vide additional submission dated February 21, 2024, CSPGCL submitted the following:

a. As regards expense of Rs. 28.42 Crore towards land compensation for obtaining surface right of remaining one village of Bajarmuda, CSPGCL submitted the revised demand note of Sub-Divisional Officer (Revenue) dt. September 09, 2021 with total demand of Rs. 415.70 Crore from earlier award of Rs. 457.78 Crore dated January 22, 2021. The Commission has already approved a capitalisation of Rs. 387.28 Crore in FY 2021-22 on this account. Hence, the balance amount of Rs. 28.42 Crore has been paid in FY 2022-23.

b. As regards expense of Rs. 6.41 Crore towards compensation of land adjacent to main road of the village Dholnara and Milupara as against the approved expense of Rs. 5.99 Crore, CSPGCL further submitted that, initially based on the estimated value of the compensation, i.e., Rs. 5.99 Crore approval of BOD was taken and based on the same Capital Cost got approved in MYT Order dated April 13, 2022. Subsequently, vide letter dated October 21, 2021 and March 16, 2022 revenue authorities raised the actual demand towards payment of compensation. As rate of compensation to be paid for land acquisition does not come under the preview of the Commission, CSPGCL has requested the Commission to consider the expense as uncontrollable and approve the same as additional capitalisation.

CSPGCL also submitted that there exist some unsettled contingent contractual / legal issues, which may have commercial implications. Some disputes are already before arbitration and some others are at discussion stage. Details of such issues were submitted during the proceedings on Petition no. 01 of 2022 and Petition No. 102 of 2022.

CSPGCL submitted that as directed by the Commission in the earlier Order, no claim against such issues has been included in the Petition and claim shall be filed when these expenses are actually incurred.

Commission's View

Additional Capitalisation in FY 2022-23

Regulation 56.1 of the MYT Regulations, 2021 specifies the conditions whereby the expenditure incurred shall be considered as Additional Capital Expenditure, as reproduced below:

> *"56.1 The expenditure, in respect of the integrated mine(s), incurred or projected to be incurred after the date of commercial operation and up to the date of achieving the Peak Rated Capacity may be admitted by the Commission, subject to prudence check and shall be capitalized in the respective year of the tariff period as additional capital expenditure corresponding to the Annual Target Quantity of the year as specified in the Mining Plan or actual extraction in that year, whichever is higher, on following counts:*
>
> > *(a) expenditure incurred on activities as per the Mining Plan;*
> >
> > *(b) expenditure for works deferred for execution and un-discharged liabilities recognized for works executed prior to date of commercial operation;*
> >
> > *(c) expenditure for works required to be carried out for complying with directions or orders of any statutory authorities;*
> >
> > *(d) liabilities arising out of compliance of order or decree of any court of law or award of arbitration;*
> >
> > *(e) expenditure for procurement and development of land (including but not limited to expenditure incurred on R&R of land oustees) as per the Mining Plan;*
> >
> > *(f) expenditure for procurement of additional heavy earth moving machineries for replacement, on completion of their useful life; and*
> >
> > *(g) liabilities due to Change in Law or Force Majeure events in order to mitigate threat to life and property;*
>
> *Provided that in case of replacement of any assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization:*
> *Provided further that the generating company shall prepare guidelines for procurement and replacement of heavy mining equipment such as Healy Earth Moving Machineries and share the same with the beneficiaries and submit it to the Commission along with its petition."*

The Commission has carried out prudence check of Additional Capitalisation made in FY 2022-23 as per the above principles.

Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda

The Commission notes that project expenses include compensation for land. The land acquisition has been made and compensation has been paid in accordance with the Orders of the revenue authorities. The Government of Chhattisgarh, Energy Department vide its letter no. 2647/ R-124/2019/13/2 dated 18.11.2019 had directed CSPGCL to obtain approval of the Commission for the compensation to be paid for land before making such payment. Accordingly, CSPGCL approached the Commission vide letter no. 03-09/Reg-2/49 dated 20/10/2020 to grant in-principle approval for the compensation to be paid towards land. In response, the Commission vide letter no. 13-GH30/ 2020/186 dated 27.01.2020 replied that the matter of approval of rate of compensation to be paid to the land owners does not come under the jurisdiction of the Commission. The relevant extract of the communication received from the Commission is reproduced below:

> *"……The said provisions do not contain any reference to approval of the rate of compensation to be paid for land acquisition by the generating company. Thus, the matter of approval of the rate of compensation to the landowners for operating/ commissioning the coal mines sanctioned in Gare Palma- 3 does not come under the purview of Section 86 of the Electricity Act, 2003"*
>
> *"…… In the light of the aforesaid, the Commission is of the view that the matter does not require approval of the Commission."*

Accordingly, the land compensation has been paid as per the Government directive. The Commission had provisionally approved Rs. 415.03 Crore towards Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda in the MYT Order dated April 13, 2022 in Petition No. 1/2022. The Commission has approved Rs. 387.28 Crore towards the same in the True up of FY 2021-22 as per actual expense claimed by CSPGCL. As per Regulation 56.1(e) above, expenditure for procurement and development of land (including but not limited to expenditure incurred on R&R of land oustees) is allowable as Additional Capital Expenditure. The demand has been revised to Rs. 415.70 Crore by the Sub-Divisional Officer (Revenue) dt. September 09, 2021. CSPGCL has now claimed balance expense of Rs. 28.42 Crore on this account, which has been paid in FY 2022-23. Hence, the Commission approves the additional Capitalisation of Rs. 28.42 Crore in FY 2022-23 on this account.

Payment of compensation of land adjacent to main road of village Dholnara and Milupara

CSPGCL has submitted the expense of Rs. 6.41 Crore towards compensation of land adjacent to main road of the village Dholnara and Milupara as against the approved expense of Rs. 5.99 Crore. CSPGCL submitted that, initially based on the estimated value of the compensation, i.e., Rs. 5.99 Crore approval of BOD was taken and based on the same, Capital Cost was approved in MYT Order dated April 13, 2022. Subsequently vide letter dated October 21, 2021 and March 16, 2022, revenue authorities raised the actual demand towards payment of compensation.

The Commission has ruled earlier that the matter of approval of rate of compensation to be paid to the land owners does not come under the jurisdiction of the Commission. Hence, as per Government Order and Demand Note submitted by CSPGCL, the Commission approves Rs. 6.41 Crore as additional capitalisation for FY 2022-23 on this account.

Savings in FDR amount with new BG arrangement

CSPGCL has submitted that as per Clause 6 of the Allotment Agreement, CSPGCL was required to submit the Bank Guarantee (BG) of Rs. 110.20 Crore against performance security. Against this BG, a Fixed Deposit Receipt (FDR) was created with SBI. The cost of FDR and income from FDR both have been adjusted in the capital structure in the Order dated 28.03.2023 in Petition No. 102 of 2022.

However, during FY 2022-23, CSPGCL was able to enter into a new BG arrangement, which requires to maintain only 5% FDR. CSPGCL has passed on the benefit to end consumers by decapitalization of an amount of Rs. 104.69 Crore during the year from the capital cost.

Hence, the Commission has approved the decapitalisation of Rs. 104.69 Crore during FY 2022-23.

Based on the above, the capital cost approved by the Commission for GP-III mine for True up of FY 2022-23 is as under:

Table 3-3: Approved Capital Cost of GP-III Mine for True up of FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved for FY 2021-22	Addition during FY 2022-23	Total for FY 2022-23
1	Upfront amount paid to Ministry of Coal	39.94	39.94		39.94
2	Fixed cost (Consents Cost+ Cost of Geological Report)	30.99	31.00		31.00
3	Incremental cost of Geological Report	1.96	1.96		1.96
4	Mining Lease agreement	21.48	21.48		21.48
5	Compensation for obtaining surface right of Private land	190.14	190.16		190.16
6	Addl. Compensation for private and forest land due to land diversion and having Van Adhikar Patta	3.44	3.02		3.02
7	Afforestation Charges for diversion of forest land.	2.05	2.05		2.05
8	Reimbursement of GIDC Claim for tree felling	1.20	1.20		1.20
9	Dead rent	0.09	0.09		0.09
10	IEDC including consultancy fee, BG charges to Bank, hiring of vehicles, office rent, deployment of manpower, watch &ward and other such expenses	9.03	20.30		20.30
11	Salaries Coal project (Rs. 1.27 Crore in FY 2016-17 and Rs. 3.52 Crore in FY 2017-18)	4.79	4.79		4.79
12	FDR Expenses	110.20	110.20		110.20
13	Adjustment	-30.92	-41.98		-41.98
14	IDC Capitalised	111.91	111.21		111.21
	Net GFA on COD	**496.30**	**495.42**		**495.42**
15	Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda	415.03	387.28	28.42	415.70
16	Balance for Van Adhikar Patta (Sr. No. 6 above)	0.00	0.41	0.00	0.41
17	Rerouting of Spur line (Railway Line) passing through GP-III coal mine	53.45	0.00		0.00
18	One Time Settlement payment to PAPs in lieu of employment	0.00	5.78		5.78

Sr. No.	Particulars	Approved in MYT Order	Approved for FY 2021-22	Addition during FY 2022-23	Total for FY 2022-23
19	Prior Period salary Capitalisation	0.00	5.56		5.56
20	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	2.65	1.33		1.33
21	Payment of compensation of land adjacent to main road of village Dholnara and Milupara (MYT order page 51, Sr. No. 15)	5.99		6.41	6.41
22	Land acquisition of village Bhalumar for Rehabilitation and resettlement (R&R) of project affected families of village Bajarmuda	12.64			
23	Drilling of boreholes and preparation of GR for proving coal reserve in mining lease area and unexplored 59.431 Ha on western part of GPIII coal mine.	25.60			
24	Construction of Rest house, office building and other works	4.39			
25	Other Miscellaneous / contingent expenses	0.00	0.45	0.02	0.47
	Sub Total	**519.75**	**400.81**	**34.85**	**435.66**
26	Regulatory Expenses (Savings in FDR amount with new BG arrangement)			-104.69	-104.69
	Sub Total	**519.75**	**400.81**	**-69.84**	**330.97**
	Closing GFA	**1016.05**	**896.23**	**826.39**	**826.39**

<u>Unsettled Contingent Contractual / Legal Issues</u>

CSPGCL has submitted that there are unsettled contingent contractual / legal issues, which may have commercial implications for capital cost of GP-III mine. Some such disputes are already before arbitration and some others are at discussion stage. CSPGCL has submitted the current status of these unsettled contractual and legal issues, namely claim before the Tribunal by the previous coal mine allottee M/s GIDC, Demand received from Chhattisgarh Environment Control Board (CECB) citing conditions of Environment Clearance, payment against 600 metre Coal Transport Road constructed by M/s. Gare Palma Collieries Limited and proposal of another 950 metre road, Railway Siding expenses at Mine-end and arbitration cases with the Mine Developer and Operator (MDO). At present, CSPGCL has not claimed any amount against the unsettled issues, however depending on the outcome of these issues there may be liabilities to be incurred by CSPGCL in future. The Commission notes the submissions of CSPGCL and directs CSPGCL to submit the details of all additional liabilities that will be incurred by it post resolution of unsettled issues, if any, along with supporting documents and justification in future Tariff Petitions. The Commission shall allow the same subject to prudence check at the appropriate time.

Capitalisation and Closing GFA

The Capitalization and Closing GFA of GP-III mine for True up of FY 2022-23 are shown in the following Table.

Table 3-4: Opening GFA, Capitalisation and Closing GFA for GP-III Mines for True up of FY 2022-23 (Rs. Crore)

Particulars	MYT Order	Petition	Approved
Opening GFA	964.78	896.23	896.23
Capitalisation	18.63	(69.84)	(69.84)
Closing GFA	983.41	826.39	826.39

Means of Finance

As regards means of finance, the Commission notes that CSPGCL has tied up loans for GP-III mine post COD of mine and has drawn the loans as well. However, the loan drawal has been less than the normative level of 70% of capital cost. The Commission in true up of FY 2021-22 has considered the normative debt: equity ratio of 70:30 for GP-III mine. Accordingly, the Commission has considered the normative debt: equity ratio of 70:30 for the resultant de-capitalisation amount for GP-III mines for True up of FY 2022-23.

Table 3-5: Approved Funding of Capitalisation for GP-III Mines for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	Petition	Approved
Equity	5.59	(20.95)	(20.95)
Debt	13.04	(48.89)	(48.89)
Total	**18.63**	**(69.84)**	**(69.84)**

3.4 Computation of Input Price of Coal

CSPGCL's submission

Regulation 51 of the MYT Regulations 2021 specify the provision for True up of input price of coal from the integrated mine for the Control Period from FY 2022-23 to FY 2024-25. For ready reference, the same is reproduced herewith: -

> *"51. The input price of coal from the integrated mine(s) of the generating station(s) for the tariff period FY 2022-25shall be trued up yearly for:*
>
> *a) the capital expenditure including additional capital expenditure incurred as allowed by the Commission;*
>
> *b) the capital expenditure including additional capital expenditure incurred on account of Force Majeure and Change in Law.*
>
> *c) the capital expenditure including additional capital expenditure incurred to mitigate threat to life and property.*
>
> *c) The O&M expenses in accordance with applicable provisions of these Regulations."*

Commission's View

Regulation 52.1 of the MYT Regulations, 2021 specifies as under:

> *"**52. Input Price of coal:***
>
> *52.1 Input price of coal or lignite from the integrated mine(s) shall be determined based on the following components:*
>
> *I) Run of Mine (ROM) Cost; and*
>
> *II) Additional charges:*
>
> *a. crushing charges.*
>
> *b. transportation charge within the mine up to the washery end or coal handling plant associated with the integrated mine, as the case may be;*
>
> *c. handling charges at mine end;*
>
> *d. washing charges; and*
>
> *e. transportation charges beyond the washery end or coal handling plant, as the case may be, and up to the loading point:*
>
> *Provided that in cases where the transportation is in two stages i.e from mine to the storage yard and then from the yard to the plant, the transportation charge shall imply cumulative of the two.*
>
> *Provided that one or more components of additional charges may be applicable in case of the integrated mine(s), based on the scope and nature of the mining activities;*
>
> *52.2. Statutory Charges, as applicable, shall be allowed."*

Further, Run of Mine cost of coal in case of integrated mines is to be determined as per Regulation 53.2 of the MYT Regulations, 2021, as reproduced below:

> *"53.2. Run of Mine Cost of coal in case of integrated mine allocated through allotment route under Coal Mines (Special Provisions) Act, 2015 shall be worked out as under:*
>
> *ROM Cost = [(Annual Extraction Cost / ATQ) + Mining Charge]+ (Fixed Reserve Price).*
>
> *Where,*
>
> *(i) Annual Extraction Cost is the cost of extraction of coal as computed in accordance with Regulation 36F of these regulations;*
>
> *(ii) Mining Charge is the charge per tonne of coal paid by the generating company to the Mine Developer and Operator engaged by the generating company for mining, wherever applicable; and*
>
> *(iii) Fixed Reserve Price is the fixed reserve price per tonne along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement."*

Further, Regulation 57 of the MYT Regulations, 2021 defines components of the Annual Extraction Cost, as reproduced below:

*“**57. Annual Extraction Cost:** The Annual Extraction Cost of integrated mine(s)shall consist of the following components:*

(1) Depreciation;
(2) Interest on Loan;
(3) Return on Equity;
(4) O&M Expenses, excluding mining charge;
a. HR expenses
b. M&G Expenses
(5) Interest on Working Capital;
(6) Mine closure expenses, if not included in mining charge; and
(7) Statutory charges, if applicable.”

The Commission has accordingly computed the Annual Extraction Cost for GP-III mine as described below.

3.4.1 Depreciation

CSPGCL’s submission

Depreciation has been calculated as per the Regulation 59 of the MYT Regulations, 2021 and in line with the methodology adopted in the Tariff Order. The depreciation rate has been computed in accordance with Appendix 1 A of the MYT Regulations, 2021. Further, as the expense incurred on statutory compliance is in the form of FDR, which is not a depreciable asset, no depreciation has been claimed on the same.

Commission’s View

Regulation 59 of the MYT Regulations, 2021 specifies as under:

“59. DEPRECIATION

59.1. Depreciation in respect of integrated mine(s) shall be computed from the date of commercial operation by applying Straight Line Method

59.2. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that,

i) freehold land or assets purchased from grant shall not be considered as depreciable assets and their cost shall be excluded from the capital cost while computing depreciable value of the assets;

ii) where the allotment of freehold land is conditional and is required to be returned, the cost of such land shall be part of value base for the purpose of depreciation, subject to prudence check by the Commission; and

iii) lease, hold land / Intangible assets towards mining/surface rights, associated statutory payments and Rehabilitation & Resettlement (R&R) expenses shall be amortized over the lease period or remaining life of the integrated mine(s), whichever is lower.

59.3. The salvage value of an asset shall be considered as 5% of the capital cost of the asset:

Provided that the salvage value shall be:

i) zero for IT equipment and software;

ii) zero for intangible assets towards mining/surface rights, associated statutory payments and R&R works

iii) zero or as agreed by the generating company with the State Government for land; and

iv) as notified by the Ministry of Corporate Affairs under the Companies Act, 2013 for specialized mining equipment.

59.4. Depreciation in respect of integrated mine(s) shall be arrived at annually by applying depreciation rates or on the basis of expected useful life specified in Appendix 1A of these regulations:

Provided that specialized mining equipment shall be depreciated as per the useful life and depreciation rate as notified by the Ministry of Corporate Affairs under the Companies Act, 20l3."

For computation of depreciation, the Commission has considered the closing GFA of FY 2021-22 as the opening GFA for FY 2022-23. Since, FDR is not a depreciable asset, no depreciation has been considered on the same. Net Addition during the year has been worked out based on the Net of Additional capitalisation allowed and Decapitalisation approved during FY 2022-23.

As CSPGCL owns only the mining rights for the GP-III mines, the Commission has considered the depreciation rate of 5% as specified in MYT Regulations, 2021 for Mine Development Expenses. For other assets like Kuchcha Road, Furniture & Fixtures and Computers - Hardware and Software, the applicable depreciation rates as specified in Regulations have been considered.

The depreciation approved by the Commission for FY 2022-23 is as under:

Table 3-6: Depreciation Approved for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Opening Capital Cost	896.23	896.23
Closing Capital Cost	826.39	826.39
Average Capital Cost	861.31	861.31
Depreciable Value (100%)	803.45	803.45
Rate of Depreciation	5.18%	5.18%
Depreciation	**41.60**	**41.60**
Accumulated Depreciation	**71.65**	**71.65**

3.4.2 Interest on Loan

CSPGCL's submission

CSPGCL submitted that the interest on loan has been calculated on normative basis by considering 70% of the capital cost as debt. During FY 2022-23, CSPGCL has got loan sanctioned from the consortium of PFC and REC with both the lenders having 50% share of the amount of loan. CSPGCL has considered the weighted average rate of interest on the basis of actual loan portfolio at the beginning of the year as per Regulation 58.4 read with the second proviso to Regulation 24.5 of the MYT

Regulations, 2021. Accordingly, interest rate of 8.95% has been considered in the Petition. Also, as per the provisions of the MYT Regulations, 2021, the depreciation has been considered as normative repayment for the year.

Commission's View

Regulation 24 and 58 of the MYT Regulations, 2021 specify the method of computation of Interest and Finance charges for loan capital. The Commission has considered the opening normative loan for FY 2022-23 equal to approved closing normative loan for FY 2021-22. The addition of loan during FY 2022-23 has been considered equal to debt portion of net capitalised works as approved in this Order. The loan repayment has been considered equivalent to Depreciation approved in this Order.

The Commission has verified the actual weighted average interest rate of the start of the year. The Commission has considered the same in accordance with Regulation 58.4 read with the second proviso to Regulation 24.5 of the MYT Regulations, 2021. Accordingly, the Commission has considered interest rate of 8.95% for calculation of interest for FY 2022-23. The interest on loan approved by the Commission for FY 2022-23 is shown in the Table below:

Table 3-7: Interest on Loan for GP-III mines approved for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Opening Loan	597.31	597.31
Addition Due to Addnl. Capitalisation	(48.89)	(48.89)
Repayment During the Year	41.60	41.60
Closing Loan	506.82	506.82
Average Loan	552.06	552.06
Interest Rate	8.95%	8.95%
Interest Charges	**49.41**	**49.41**
Finance Charges	0.0825	0.0825
Total Interest & Finance Charges	**49.49**	**49.49**

3.4.3 Return on Equity

CSPGCL's submission

CSPGCL submitted that RoE has been calculated in terms of Regulation 23.1 read with Regulation 17 of the MYT Regulations 2021. The normative equity has been considered as 30% of the capital cost and the return on equity has been calculated on average of opening and closing equity. The base rate of return on equity has been considered as 14% in line with Regulation 23.1 of the MYT Regulations. The Commission has allowed actual Income Tax as separate pass through in the earlier Tariff Orders. As actual Income Tax for FY 2022-23 has been considered against the true up of Generating Stations, no additional loading in case of mine has been considered. Leave is craved for pass through of tax liabilities, if any, as and when they arise.

Commission's View

Regulation 23 and 58 of the MYT Regulations, 2021 specify the method of computation of RoE. The Commission has considered the opening equity for FY 2022-23 equal to closing equity for FY 2021-22 approved by the Commission in the true up of Input price of Coal of FY 2021-22. The addition of equity during FY 2022-23 has been considered equal to equity portion of capitalised works as approved in this Order.

Further, return of 14% has been considered for FY 2022-23 on the average permissible equity base during FY 2022-23. In line with the approach adopted in previous Tariff Orders for CSPGCL, the rate of RoE has not been grossed up with any tax rate, which is also as per the submission of CSPGCL. The RoE approved for GP-III mine for FY 2022-23 is shown in the Table below:

Table 3-8: Approved RoE for GP-III mines for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	268.87	268.87
Addition Due to Additional Capitalisation	(20.95)	(20.95)
Closing Equity	247.92	247.92
Average Equity	**258.39**	**258.39**
Rate of Return on Equity	14.00%	14.00%
Return On Equity	**36.17**	**36.17**

3.4.4 Operation and Maintenance Expenses

CSPGCL's submission

CSPGCL referred to the observation and ruling of the Commission in the MYT Order dated April 13, 2022, as reproduced below:

> "*The Commission notes that CSPGCL has appointed M/s. Gare Palma Collieries Limited as the MDO through a transparent process of competitive bidding for undertaking the major operation and maintenance activities. The Commission takes cognizance of the requirement of a manager and certain statutory manpower to be deployed by mine owner to perform and discharge the duties laid down in the Mines Act, 1952 and Coal Mines Regulation, 2017.*
>
> *Since there is no CERC Order or any other reference document to project O&M expenses for integrated mines, CSPGCL has projected O&M expenses at 15% of MDO charges. The Commission accepts the methodology adopted by CSPGCL for projecting O&M expenses for the Control Period, which shall be trued up based on actuals and prudence check. However, there shall be no sharing of gains /losses, in case the actual O&M expenses are lower than the approved provisional O&M expenses, since the O&M expenses are being approved on adhoc basis.*"

CSPGCL submitted that it has presented the O&M expenses for FY 2022-23 as per the Audited Accounts and the same is lower than 15% of MDO charges. However, in accordance with the ruling of the Commission in the MYT Order dated April 13, 2022 in Petition No. 1/2022, CSPGCL has not claimed any gains or loss in O&M expenses.

Commission's View

The Commission in the MYT Order dated April 13, 2022 had approved the O&M Expenses for GP-III mine at 15% of the MDO charges for each year of the Control Period from FY 2022-23 to FY 2024-25 on adhoc basis, subject to true up of O&M

expenses based on actuals and prudence check. The Commission had also ruled that there shall be no sharing gains or losses in O&M expenses in case the approved O&M expenses are higher or lower than actual O&M expenses. For FY 2022-23, CSPGCL has submitted that the actual O&M expenses of Rs. 11.96 Crore are less than 15% of MDO charges. Based on the actuals as per Audited Accounts for FY 2022-23, the Commission approved the O&M expenses for FY 2022-23, as shown in the Table below:

Table 3-9: Approved O&M Expenses for GP-III mines for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
HR Cost	10.76	10.76
M&G Cost	1.20	1.20
Total	**11.96**	**11.96**

3.4.5 Interest on Working Capital

CSPGCL's submission

CSPGCL submitted that the Interest on Working Capital (IoWC) has been calculated in line with Regulation 61 of the MYT Regulations, 2021. Accordingly, working capital requirement has been computed considering the input cost of coal stock for 7 days production, stores and spares including explosives, lubricants and fuel at 15% of O&M expenses, and O&M expenses for 15 days. Since the normative O&M has been approved as 15% of the MDO charges by the Commission, the same has been considered for projecting working capital requirements. CSPGCL has considered the interest rate as applicable for IoWC in FY 2022-23 for existing power plants.

Commission's View

Regulation 61 of the MYT Regulations, 2021 specifies as under:

"61. Interest on Working Capital:

61.1. The working capital of the integrated mine(s) of coal shall cover:

(i) Input cost of coal stock for 7 days of production corresponding to the Annual Target Quantity for the relevant year;

(ii) Consumption of stores and spares including explosives, lubricants and fuel @ 15% of O&M expenses, excluding mining charge of Mine Developer and Operator and annual charges of the agency other than Mine Developer and Operator, engaged by the generating company;

(iii) O&M expenses for 15 days, excluding mining charge of Mine Developer and Operator and annual charges of the agency other than Mine Developer and Operator, engaged by the generating company.

61.2. The rate of interest for working capital shall be determined in accordance with Regulation 26.4 of these regulations. Truing up shall be done as per Regulation 26.4 of these Regulations."

Accordingly, the IoWC for the Control Period has been computed in accordance with Regulation 61 of the MYT Regulations, 2021. The Commission has considered the input cost of coal stock for 7 days of production corresponding to the ATQ for FY 2022-

23. Working capital for Spares has been worked out on the basis of 15% of the normative O&M expenses approved for FY 2022-23. Further, 15 days of O&M expenses have been considered in working capital for GP-III mines.

For truing-up, the interest rate of 07.27% in accordance to Regulation 26.4 of CSERC MYT Regulations, 2021, has been considered, for computing the Interest on Working Capital. The Interest on Working Capital allowed for FY 2022-23 is shown in the Table below:

Table 3-10: Interest on Working Capital Approved for GP-III mines for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Input Cost for 7 days of Stock	8.90	8.89
Spares as 15% of O&M Cost	5.39	5.39
Working capital for O&M	1.48	1.48
Total Working Capital Requirement	**15.76**	**15.76**
Rate of Interest on WC	7.27%	7.27%
Interest on WC	**1.15**	**1.15**

3.4.6 Over Burden Adjustment

CSPGCL's submission

CSPGCL submitted that as the responsibility of over burden removal is in the scope of the MDO and at present there is no liability on CSPGCL, no Over Burden adjustment has been considered for FY 2022-23. CSPGCL requested the Commission to allow CSPGCL to make additional submission in this regard, as and when such a situation arises.

Commission's View

In accordance with the submission of CSPGCL, the Commission has not considered any Over Burden adjustment for FY 2022-23.

3.4.7 GCV Adjustment

CSPGCL's submission

CSPGCL submitted that as per the MYT Regulations, 2021, the impact of uncontrollable factors is a pass through. As the quality of coal from a coal seam is totally uncontrollable for a Generation Company, no adjustment in GCV of coal is required to be made. CSPGCL further submitted that the Directorate of Geology & Mining, Government of Chhattisgarh vide Order No. 5236 dated 7th October 2022 has declared GCV for different seams of the mine and there is no declared GCV for GP-III mine. Hence, adjustments in GCV in accordance with Regulation 66 of the MYT Regulations, 2021 is not applicable. The statutory charges are being paid in accordance with the seam-wise Grade declared vide above Order and as the impact of GCV of coal is embedded in the true up of the end use plants in comprehensive manner, no separate adjustment in GCV of coal is applicable. CSPGCL also submitted that the above does not imply that there has been any slippage of grade and any exemption is being sought against the same. On the contrary, during FY 2022-23 there were four seams available for excavation. The best coal grade declared is G-13, while the weighted average of coal as fired is also in the same range. Thus, there is no slippage in grade of coal. Rather, if the weighted average of seams is considered, then the actual GCV is better than the declared Grade. However, CSPGCL has not claimed any gain on this account, as GCV of coal extracted from GP-III mine is uncontrollable for CSPGCL.

Commission's View

Regulation 66.1 of the MYT Regulations, 2021 specifies that in case the weighted average GCV of coal extracted from the integrated mine(s) in a year is higher than the declared GCV of coal for such mine(s), no GCV adjustment shall be allowed. CSPGCL in its Petition has confirmed that actual GCV of coal is better than the declared grade, therefore, no adjustment in GCV of coal from GP-III Coal Mine has been carried out. Regarding CSPGCL pleadings related to uncontrollability of coal quality from a coal seam, the Commission notes that in light of the facts of the petition the matter has become infructuous.

3.4.8 Non-Tariff Income (NTI) Adjustment

CSPGCL's submission

CSPGCL submitted that the adjustment of Non-Tariff Income, which is the interest attributable to FDR relating to GP-III mine (Rs. 110.20 Crore at the beginning of FY 2022-23 and Rs. 5.51 Cr at the end of FY 2022-23) has been passed in accordance with Regulation 67.

Commission's View

CSPGCL has considered the interest income on FDR of Rs. 110.20 Crore as Non-Tariff Income for FY 2022-23. The Commission has accordingly considered the Non-Tariff Income for FY 2022-23 as submitted by CSPGCL, as shown in the Table below:

Table 3-11: Non-Tariff Income Approved for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Non-Tariff Income	1.38	1.38

3.4.9 Mine Closure Charges

CSPGCL's submission

CSPGCL submitted that the liability of Mine Closure Expenses rests with the MDO as per the provisions of Coal Mines Service Agreement (CMSA) and hence, no expenses towards mine closure has been considered for the purpose of calculation of Input Price of coal in True up Petition for FY 2022-23.

Commission's View

In line with the submission of CSPGCL, the Commission has not considered Mine Closure Expenses for GP-III mines for FY 2022-23.

3.4.10 Statutory Charges

CSPGCL's submission

CSPGCL submitted that the Statutory Charges have been considered as per various notifications/guidelines of the Ministry of Coal. In absence of rate of coal from integrated mine allotted through Government dispensation route, for FY 2022-23, the base rate of coal for royalty computation has been considered at the same level as applicable for the equivalent grade of coal from SECL mine. The directions of the Commission and the online portal of Mineral Resource Department, Govt. of Chhattisgarh, also allows this methodology only. However, CSPGCL requested the Commission to allow it to make additional submissions or claim, if the authorities decide to review the rates of taxes with retrospective effect. The Statutory Charges considered for the purpose of calculation of input price are tabulated below:

Table 3-12: Statutory Charges for GP-III mines for the Control Period as submitted by CSPGCL

Particulars	Rate	Applicable on
GST	18.00%	Mining Charges
Royalty	14.00%	On Base Price
DMF	10.00%	Royalty
NMET Fund	2.00%	Royalty
Environment Cess	11.25	Rs. per Tonne
Infrastructure Development CESS	11.25	Rs. per Tonne
Forest Tax	26.23%	Rs.15/Tonne (till June) & Rs. 57 (July onwards)/ Tonne
GST on Royalty, DMF and NMET	18.00%	

Commission's View

The Commission has verified all relevant Government notifications for levy of Statutory Charges. Regulation 52.2 of the MYT Regulations, 2021 provides that the Statutory Charges, as applicable, shall be allowed in Input Price of coal.

The Commission notes the submission of CSPGCL regarding the method of payment of Statutory Charges. Any additional liability due to change in rate of taxes with retrospective effect, if any, may be considered by the Commission in future Tariff Petitions, subject to submission of all supporting documents and justification by CSPGCL and after prudence check.

However, it is clarified that the compliance of the statutory provisions remain the unfettered responsibility of the Petitioner and it is for CSPGCL to ensure that the Statutory Charges are paid in accordance with the prevailing rules without delay and demur. CSPGCL is expected to exercise due care against excess / short payment of Statutory Charges. In case of any changes in the relevant provisions or applicability of any other Statutory Charge, CSPGCL may pay the same and leave is granted for claim against such payment along with due justification at the time of true up.

Based on the above, the Commission has considered the Statutory Charges for GP-III mine as under:

Table 3-13: Approved Statutory Charges for GP-III mine for FY 2022-23 (Rs. Crore)

Particulars	Petition	Approved
Statutory Charges	49.38	49.38

3.4.11 MDO Charges

CSPGCL's submission

CSPGCL submitted that it has appointed GP III Collieries Ltd. as MDO through open transparent competitive bidding process. The same has been adopted by the Commission in the MYT Order. For deriving MDO charges for FY 2022-23, the Commission considered escalation of 3.33% on the MDO charges of FY 2021-22. Further, any adjustment required in the MDO charges based on movement of above indices would be adjusted at the time of true-up. For True up for FY 2022-23, the actual charges as appearing in the accounts have been considered. The actual per tonne charges have been paid based on the actual movement of the indices.

Commission's View

As per Regulation 53.2 of the MYT Regulations, 2021, the Run of Mine (ROM) cost will include the Mining Charge, which is the charge per tonne of coal paid by the Generating Company to the MDO engaged by the Generating Company for mining, wherever applicable. Since CSPGCL has appointed MDO through the process of competitive bidding and MDO charges are discovered through bidding process escalated by appropriate indices as indicated under the CSMA, the Commission accepts the actual MDO charges for FY 2022-23 as submitted by CSPGCL for GP-III mines.

Table 3-14: Approved MDO Charges for GP-III mines for FY 2022-23

Particulars	Petition	Approved
MDO charges (Rs. Crore)	239.41	239.41
MDO charges (Rs./Tonne)	776.76	776.76

3.4.12 Sharing of Gains/Loss

Regarding sharing of gains and losses, CSPGCL has not prayed for any sharing of gains/loss for the FY 2022-23 as lower production of coal dispatched from mine is due to severe bottlenecks in road transportation of coal from Mine to the Railway sidings. As the road network and traffic movement is maintained by Government authorities, which are not in control of CSPGCL, hence, the reasons for transport of lower than intended quantity qualifies as uncontrollable.

The Commission notes that there is no specific provision mentioned in the MYT Regulations, 2021, however Regulation 70 specifies as under:

> *"Special Provision: Provisions of Chapters 3 and 4 of these regulations shall not be applicable in case of integrated mine(s), except to the extent specifically provided for or referred to in this Chapter-5.*
>
> *Provided that the financial parameters required for determination of input price of coal or lignite from integrated mine(s), if not specifically provided for or referred to in this Chapter, shall be considered as per provisions of these regulations as applicable to the coal or lignite based generating stations."*

The Chapter 3 deals with Financial Principles and Chapter 4 deals with the determination of Generation Tariff. However, Chapter 2 deals with General Principles and Regulation 12 and 13 of Chapter 2 deals with the mechanism for sharing of gains / losses due to controllable and un-controllable parameters. Further, the proviso of Regulation 70 (referred above) specifies that financial parameters required for determination of input price of coal from integrated mine, if specifically not provided shall be considered as per provisions of the Regulations as applicable to the coal based generating stations. Since, the sharing of gains and losses due to controllable parameters for existing thermal power plants has been considered in the ratio of 2:1 in case of gains and 1:2 in case of Loss, the Commission is required to consider the same ratio for sharing of gains / losses for coal mine for the controllable parameters. The Commission is of the opinion that Road transport bottlenecks are uncontrollable for CSPGCL. Hence, the Commission has not considered any sharing of gain/loss due to lower production of coal during FY 2022-23.

3.4.13 Fixed Reserve Price

CSPGCL's submission

CSPGCL submitted that the Ministry of Coal, GoI, vide Notification No. 13016/9/2014 -CA III dated December 26, 2014 has fixed the Floor/ Reserve Price for auction and allotment of coal mine/blocks as Rs. 100/MT for coal blocks allocated to Government Companies for specified end use. Further, GST is applicable on the same @18%. Accordingly, the Fixed Reserve Price has been considered at Rs. 118/MT for the calculation of Input Price of coal.

Commission's View

The Commission has verified the Notification of the Ministry of Coal, GoI specifying the Fixed Reserve Price of Rs. 100/MT. The Commission allows the Fixed Reserve Price of Rs. 118/MT for the calculation of Input Price of coal for FY 2022-23 in line with the Notification issued by the Ministry of Coal, GoI and considering the applicable GST.

3.4.14 Input Price of Coal

CSPGCL's submission

CSPGCL has computed the Input Price of coal from GP-III mines for FY 2022-23 as shown in the Table below:

Table 3-15: Input Price of Coal from GP-III mines for FY 2022-23 as submitted by CSPGCL

Particulars	Unit	FY 2022-23
Depreciation	Rs Crore	41.60
Interest on loan	Rs Crore	49.49
Return on Equity	Rs Crore	36.17
Interest on Working Capital	Rs Crore	1.15
O&M Charges	Rs Crore	11.96
Statutory Charges	Rs Crore	49.38
Annual Extraction Cost	**Rs Crore**	**189.76**
Actual Quantity of Coal	MMT	3.08
Annual Extraction Cost	Rs./ MT	615.66
MDO Charges	Rs./ MT	776.76
Sub Total	**Rs./ MT**	**1392.42**
Less -NTI	Rs Crore	1.38
Less – NTI	Rs./ MT	4.47
Add- Fixed Reserve Price	Rs./ MT	118.00
Input Price	**Rs./ MT**	**1505.95**

Commission's View

Based on various components of expense and income discussed above, the approved Input Price of coal from GP-III mines for FY 2022-23 is shown in the Table below.

Table 3-16: Approved Input Price of Coal from GP-III mines for FY 2022-23 (Rs. Crore)

Particulars	Unit	Petition	Approved
Depreciation	Rs Crore	41.60	41.60
Interest on loan	Rs Crore	49.49	49.49
Return on Equity	Rs Crore	36.17	36.17
Interest on Working Capital	Rs Crore	1.15	1.15
O&M Charges	Rs Crore	11.96	11.96
Statutory Charges	Rs Crore	49.38	49.38
Sharing of gain/loss due to Higher Production	Rs Crore	0.00	0.00
Annual Extraction Cost	**Rs Crore**	**189.76**	**189.76**
Actual Quantity of Coal	MMT	3.08	3.08
Annual Extraction Cost	Rs./ MT	615.66	615.66
MDO Charges	Rs./ MT	776.76	776.76
Sub Total	**Rs./ MT**	**1392.42**	**1392.42**
Less -NTI	Rs Crore	1.38	1.38
Less – NTI	Rs./ MT	4.47	4.47
Add- Fixed Reserve Price	Rs./ MT	118.00	118.00
Input Price	**Rs./ MT**	**1505.95**	**1505.95**

Table 3-17: Breakup of Approved Input Price of Coal from GP-III mines for FY 2022-23

Particulars	Unit	FY 2022-23
Base Price of coal	Rs. /MT	1227.73
Statutory Charges	Rs. /MT	160.21
Fixed Reserve Price including GST	Rs. /MT	118
Total Price/Tonne	**Rs. /MT**	**1505.95**

4 TRUE-UP FOR FY 2022-23 FOR CSPGCL

4.1 Background

Subsequent to reorganization of Chhattisgarh State Electricity Board by the Govt. of Chhattisgarh, Chhattisgarh State Power Generation Company Limited (CSPGCL) became functional w.e.f. 1st January 2009.

CSPGCL has diversified generation capacity comprising of conventional and non-conventional power plants. The details of the conventional power plants, which were in service during the FY 2022-23 are submitted in the table below:

Table 4-1: Generation Capacity (MW) of existing Generating Stations

Sr. No.	Particulars	No. of Units and Capacity in MW
1	Hasdeo Thermal Power Station (HTPS), Korba	4x210 = 840 MW
2	1x500 MW Korba West Thermal Power Plant (KWTPP)	1x500 MW = 500 MW
3	Dr. Shyama Prasad Mukherjee Thermal Power Station (DSPM), TPS, Korba, District- Korba	2x250 = 500 MW
4	Atal Bihari Vajpayee Thermal Power Station (ABVTPS), Janjgir Champa	2x500 = 1000 MW
5	Mini Mata Hasdeo Bango Hydro Electric Project, Machadoli, Korba	3x40 = 120 MW

4.2 Procedural History

CSPGCL filed the Petition for final true-up of FY 2020-21 and determination of ARR and Tariff for FY 2022-23 to FY 2024-25, which was registered by the Commission as Petition No. 01/2022 (T) and the Order on the same was passed on 13th April, 2022.

4.3 True-up Petition

CSPGCL has filed the true up Petition for FY 2022-23 of all the conventional plants of CSPGCL.

For true up FY 2022-23, the accounts audited by the statutory auditors and submitted to AG (Audit) have been relied upon.

Regulation 10.4 of the MYT Regulations, 2021 specifies as under:

> *"10.4. The scope of the truing up shall be a comparison of the performance of the generating company or STU/transmission licensee or distribution licensee or SLDC with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:*
>
> *(a) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast of such previous financial year(s), subject to the prudence check including pass-through of impact of uncontrollable factors;*
>
> *(b) Review of compliance with directives issued by the Commission from time to time;*
>
> *(c) Other relevant details, if any."*

In accordance with the above Regulation, the Commission, in the present Order, has undertaken true-up of ARR and Revenue for FY 2022-23 on the basis of Audited Accounts of CSPGCL.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of CSPGCL for FY 2022-23 and considered the final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between CSPGCL and its beneficiaries, in accordance with Regulation 13 of the MYT Regulations, 2021.

4.4 Plant Availability Factor (PAF)

CSPGCL's submission

The actual Plant Availability Factor (PAF) for CSPGCL's stations for FY 2022-23 is shown in the Table below:

Table 4-2: Actual PAF for FY 2022-23 as submitted by CSPGCL

Station	FY 2021-22
HTPS	78.77%
DSPM	84.96%
KWTPP	88.90%
ABVTPS	49.57%

.

CSPGCL submitted that HTPS and KWTPP share a common coal transport system and common coal yard. Further, the energy charge of the new KWTPP is lower than the old HTPS. Hence, in the wider interest of all stakeholders, KWTPP was allowed higher share of coal utilization.

CSPGCL submitted that the gains / loss from performance are proposed to be shared as per Regulation 13 of the MYT Regulations, 2021.

Commission's View

The Commission noted that CSPGCL has considered the impact of lower availability and it has been treated in line with methodology prescribed in the MYT Regulations, 2021.

The Commission has examined the actual PAF of the generating stations for FY 2022-23 submitted by CSPGCL and verified the same from the certificate obtained from CSLDC. The Commission has considered the actual PAF as per CSLDC's certificate for FY 2022-23 for determining sharing of gains and losses.

The Commission has considered the NAPAF for all Power Stations as approved in the Tariff Order dated 13 April, 2022.

The station-wise NAPAF and actual PAF approved by the Commission in the true-up of FY 2022-23 is shown in the Table below:

Table 4-3: Approved Plant Availability Factor for FY 2022-23

Station	NAPAF	Actual PAF
HTPS	79%	78.77%
DSPM	85%	84.96%
KWTPP	85%	88.90%
ABVTPS	79%	49.57%

4.5 Auxiliary Energy Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Auxiliary Energy Consumption (AEC) for its stations for FY 2022-23, as shown in the Table below:

Table 4-4: Auxiliary Energy Consumption for FY 2022-23 as submitted by CSPGCL

Station	Tariff Order	CSPGCL's Submission
HTPS	9.70%	9.54%
DSPM	9.00%	7.96%
KWTPP	5.25%	5.07%
ABVTPS	5.25%	6.20%
HBPS	1.20%	0.41%

CSPGCL submitted that during FY 2022-23, all generating stations except ABVTPP achieved AEC better than the specified norms.

CSPGCL submitted that Regulation 43.5 of the MYT Regulations, 2021 specifies the normative auxiliary energy consumption as 5.25% for generating stations having capacity more than 300/500 MW and above and having steam driven boiler feed pumps. However, according to CERC Tariff Regulations, 2019, such stations have a AEC norm of 5.75%. CSPGCL also submitted that while specifying the norms for generating stations, the Commission has also considered the CERC Tariff Regulations, 2019, however, while specifying the norms for auxiliary energy consumption for 500 MW generating stations, the Commission has not considered the same as specified in the said Regulations of CERC.

CSPGCL also submitted that the Mahanavratna NTPC, which is the undisputed sector leader in coal-based thermal power generation in India, is allowed 5.75% AEC for its 500 MW plants. The significantly lower benchmark for CSPGCL appear to be discriminatory and deserves a review and rectification. CSPGCL requested the Commission to exercise its power to relax as specified in Regulation 110 and power to remove difficulty specified in Regulation 112 of the MYT Regulations, 2021 and the inherent powers vested with the Commission, to give relief to CSPGCL.

Accordingly, CSPGCL has considered the normative auxiliary consumption as 5.75% for computing the sharing of gains and losses.

Commission's View

In this Order, normative AEC has been considered for truing up as approved in the Tariff Order.

Regarding CSPGCL prayer that Norms for AEC for KWTPP and ABVTPS should be considered at the same level as enjoyed by the plants governed under CERC. The Commission notes that actual AEC of KWTPP is better than the normative AEC, hence, there is no question of considering the AEC norm as 5.75% for KWTPP. Sharing of gain is computed accordingly. However, the actual AEC of ABVTPS is higher than the norms. Considering the typical circumstances for ABVTPS (such as, but not limited to, Actual PAF for FY 2022-23 being lower than 80%) for the limited purpose of sharing of losses for ABVTPS, a one-time limited consideration (not to be quoted as precedence) is allowed to the extent of computation of losses beyond 5.75% AEC. The net normative generation has been considered accordingly.

Thus, for the purpose of sharing of efficiency gains and losses, the actual AEC as submitted by CSPGCL for FY 2022-23 has been considered. Further, the normative AEC for FY 2022-23, as shown in the Table below, has been considered for computation of normative net generation as approved in the MYT Order dated 13 April, 2022:

Table 4-5: Approved and Actual Auxiliary Energy Consumption for FY 2022-23

Station	Normative	Actual
HTPS	9.70%	9.54%
DSPM	9.00%	7.96%
KWTPP	5.25%	5.07%
ABVTPS	5.75%	6.20%
HBPS	1.20%	0.41%

4.6 Gross Generation and Net Generation

CSPGCL's Submission

CSPGCL submitted that the actual gross generation and net generation for FY 2022-23 for its generating stations, as shown in the Table below:

Table 4-6: Actual Gross Generation and Net Generation for FY 2022-23 as submitted by CSPGCL (MU)

Station	Gross Generation	Net Generation
HTPS	5772.71	5222.23
DSPM	3648.15	3357.71
KWTPP	3913.28	3714.80
ABVTPS	4375.46	4104.33
HBPS	234.86	233.90

As regards HBPS, CSPGCL submitted that the generating station not only contributes green power but is the cheapest source of power in the State. However, in the previous Orders, the Commission has adopted the approach that generation from the plant is dependent on water discharge from the plant, which in turn is uncontrollable for CSPGCL, hence, no loss on account of lower generation has been claimed.

Commission's View

The billing mechanism has been changed from October 2014, wherein three-part ABT billing is done based on declared capacity and corresponding scheduled energy, and the deviations from the schedule are governed through Deviation Settlement Mechanism (DSM). The above figures submitted by CSPGCL are the actual generation and not the scheduled generation. For the purpose of sharing of efficiency gains and losses, the Commission has duly verified the monthly statements submitted by CSPGCL. The Commission observed that in the case of HTPS, Net Generation is shown as 5224.93 MU in the monthly statements instead of the claimed 5222.23 MU. The difference is due to excluding generation of SHP from the statement of HTPS, which is clubbed in the statements. As the Generation of SHP does not fall under MYT Regulations, 2021, the Commission considers the net Generation of HTPS as 5222.23 MU for FY 2022-23.

The actual gross generation and net generation are based on actual metered data and the normative gross generation and net generation have been arrived based on normative figures approved in the Tariff Order, as shown in the Table below:

Table 4-7: Approved Gross Generation and Net Generation for FY 2022-23 (MU)

Station	Normative		Actual	
	Gross Generation	Net Generation	Gross Generation	Net Generation
HTPS	5813.14	5249.26	5772.71	5222.23
DSPM	3723.00	3387.93	3648.15	3357.71
KWTPP	3723.00	3527.54	3913.28	3714.80
ABVTPS	6920.40	6522.48	4375.46	4104.33
HBPS	274.00	270.71	234.86	233.90

4.7 Gross Station Heat Rate

CSPGCL's Submission

CSPGCL submitted the actual Gross Station Heat Rate (GSHR) for FY 2022-23 for existing generating stations, as shown in the following Table:

Table 4-8: GSHR for FY 2022-23 (kcal/kWh)

Station	FY 2022-23
HTPS	2890.50
DSPM	2462.83
KWTPP	2724.96
ABVTPS	2706.51

Commission's View

After due verification, the actual GSHR as submitted by CSPGCL for FY 2022-23 has been considered for the computation of actual Fuel Cost and the normative GSHR as approved in Tariff Order dated April 13, 2022 has been considered for computation of normative Fuel Cost. GSHR for thermal power stations as approved by the Commission for FY 2022-23 are shown in the Table below:

Table 4-9: Approved GSHR for FY 2022-23 (kcal/kWh)

Station	Normative	Actual
HTPS	2650.00	2890.50
DSPM	2430.00	2462.83
KWTPP	2390.00	2724.96
ABVTPS	2390.00	2706.51

4.8 Secondary Fuel Oil Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Secondary Fuel Oil Consumption (SFOC) for FY 2022-23 as shown in the Table below:

Table 4-10: SFOC submitted by CSPGCL for FY 2022-23 (ml/kWh)

Station	Tariff Order	Actual
HTPS	0.80	0.83
DSPM	0.50	0.32
KWTPP	0.50	0.29
ABVTPS	0.50	0.50

Commission's View

The Commission observes that all generating stations have achieved the norms for SFOC, except HTPS. For the purpose of sharing of efficiency gains/losses, actual SFOC has been considered vis-a-vis normative SFOC for computation of normative fuel cost, as shown in the Table below:

Table 4-11: Approved SFOC for FY 2022-23 (ml/kWh)

Station	Normative	Actual
HTPS	0.80	0.83
DSPM	0.50	0.32
KWTPP	0.50	0.29
ABVTPS	0.50	0.50

4.9 Transit Loss

CSPGCL's Submission

CSPGCL has submitted the actual transit loss as shown in the following Table:

Table 4-12: Transit loss as submitted by CSPGCL for FY 2022-23

Station	FY 2022-23
HTPS	0.19%
DSPM	0.19%
KWTPP	0.19%
ABVTPS	1.05%

CSPGCL submitted that the issue of applicable normative transit loss for ABVTPS was dealt in detail by the Commission during the previous true up. The principles and procedure approved by the Commission for determination of normative Transit and Handling loss have been adopted in the Petition.

Like previous year, this year too, coal from GP-III mine was continued to be supplied through the two Railway sidings at Gharghoda and Robertson via dual transport in RCR (Rail Cum Road) mode. With no change in the status, as settled by the Commission in the previous Order, normative transit loss for GP-III coal has been adopted as 0.9984% for FY 2022-23.

Further, during the year, some coal was also received through SECL coal mines. As approved in the previous Order the normative transit and handling loss for such coal is taken as 0.80%. Accordingly, taking into account the actual share of SECL coal and GP-III coal, the weighted average normative transit and handling loss for ABVTPS has been computed.

Commission's View

The actual transit loss for FY 2022-23 has been considered as submitted by CSPGCL for the purpose of sharing of efficiency gains and losses, while the normative transit loss for FY 2022-23 has been considered as approved in the Tariff Order, for computation of normative fuel cost.

Regarding coal transportation from GP-III mine, the Commission notes that it involves dual transport in RCR (Rail Cum Road) mode. First, coal is transported from mine to railway siding through trucks (considered as dedicated mode) and then from railway siding, transportation occurs through Indian Railways (which is public transport). As per MYT Regulations, 2021, the applicable normative transit loss is 0.20% for dedicated mode and 0.80% for public transport. Combining the two, the resultant net normative transit loss for GP III coal transported through Robertson/ Gharghoda siding, stands at 0.9984%. As ABVTPS has used coal from both SECL and GP-III mine, the normative Transit and handling loss at ABVTPS as approved in Tariff Order of FY 2023-24 is 0.80% for SECL coal and 0.998% for GP-III coal (due to R&R mode), with weighted average working out to 0.984%

Table 4-13: Approved Transit loss for FY 2022-23

Station	Normative	Actual
HTPS	0.20%	0.19%
DSPM	0.20%	0.19%
KWTPP	0.20%	0.19%
ABVTPS	0.984%	1.053%

4.10 Calorific Value and Price of Fuel

CSPGCL's Submission

CSPGCL submitted that Regulation 45.5 of the MYT Regulations, 2021 specifies that the energy charge shall cover the fuel cost (primary fuel as well as secondary fuel). Fuel cost has been considered as per settled methodology adopted in all previous Orders. CSPGCL has submitted the plant-wise landed rate of coal and oil for thermal power plants and coal cost, oil cost and energy charge rate computation.

CSPGCL also submitted that the coal supply by SECL for the 1x500 MW KWTPP plant was from the same source and same mode, which is available for HTPS old plant (4 x 210 MW). As per well settled methodology, with common coal stock, the base data of coal receipt has been taken same as considered for HTPS old plant. The consumption has been booked as per actual.

Similarly, the landed price of the Fuel oil has been computed considering common procurement for HTPS and KWTPP. However, fuel consumption as per actual has been considered separately for these plants.

For ABVTPS, during FY 2022-23, coal was received from SECL as well as the integrated mine at GP–III.

CSPGCL submitted the actual Calorific Value (CV) and price of fuels for FY 2022-23, as shown in the following Table:

Table 4-14: Actual Calorific Value and Price of fuels for FY 2022-23

Station	Coal		Secondary Fuel	
	Calorific Value (kcal/kg)	Actual Price of Fuel (Rs. /MT)	Calorific Value (kcal/kL)	Actual Price of Fuel (Rs. /kL)
HTPS	3,883.42	1847.68	10,000.00	80,044.49
DSPM	3,461.67	2047.84	10,000.00	90,209.79
KWTPP	3,883.42	1847.68	10,000.00	98,500.72
ABVTPS	3,492.54	2179.32	10,000.00	75,025.40

Commission's View

Common facility is used for transportation of coal for HTPS and KWTPP. CSPGCL has submitted that coal is supplied by SECL to HTPS and KWTPP from the same source and hence, the landed price of coal has been considered on integrated basis and the same rate has been used for computation of fuel cost for both the plants. As per the settled practice, the Commission in True-up of FY 2022-23 accordingly considers the submission of CSPGCL for landed price of coal for HTPS and KWTPP.

For the coal supply made from GP-III Coal Mine, the Commission has considered the input price as determined in this Order for FY 2022-23.

The Commission has considered the actual fuel prices as submitted by CSPGCL for computation of actual fuel cost and actual fuel price at normative transit loss for computation of normative fuel cost for FY 2022-23. The calorific value of fuel and price of fuel considered by the Commission for computation of actual and normative fuel cost for FY 2022-23 are shown in the Table below:

Table 4-15: Approved Calorific Value and Price of fuels for FY 2022-23

Station	Coal			Secondary Fuel	
	Calorific Value (kcal/kg)	Actual Price at Normative Transit Loss (Rs. /MT)	Actual Price at Actual Transit Loss (Rs. /MT)	Calorific Value (kcal/kL)	Actual Price of Fuel (Rs. /kL)
HTPS	3,883.42	1847.87	1,847.68	10,000.00	80044.49
DSPM	3,461.67	2048.09	2,047.84	10,000.00	90209.79
KWTPP	3,883.42	1847.87	1,847.68	10,000.00	98500.72
ABVTPS	3,492.54	2177.79	2,179.32	10,000.00	75025.40

4.11 Fuel Cost

CSPGCL's Submission

The Table below shows the fuel cost claimed by CSPGCL in the True-up of FY 2022-23:

Table 4-16: Actual Fuel Cost for FY 2022-23 (Rs. Crore)

Station	Normative	Actual
HTPS	768.03	830.06
DSPM	550.95	541.42
KWTPP	440.85	518.09
ABVTPS	1,055.15	754.04

Commission's View

Based on the approved performance parameters, calorific values of fuels and fuel prices, the normative and actual fuel cost has been computed for FY 2022-23 as shown in the Table below:

Table 4-17: Approved Fuel Cost for FY 2022-23 (Rs. Crore)

Station	Normative	Actual
HTPS	768.03	830.06
DSPM	550.95	541.42
KWTPP	440.85	518.09
ABVTPS	1,055.15	754.04

4.12 Annual Fixed Charges for CSPGCL

Regulation 36 of CSERC MYT Regulations, 2021 specifies the components of tariff as Capacity Charge (for recovery of Annual Fixed Cost) and Energy Charge (for recovery of fuel cost).

Further Regulation 37 of the CSERC MYT Regulations, 2021 specifies the components of Annual Fixed Charges (AFC) for CSPGCL as under:

(1) Return on Equity;

(2) Interest and Finance Charges;

(3) Depreciation;

(4) Interest on Working Capital;

(5) O&M Expenses;

   a. HR Expenses;

      (i) Employee expenses;

      (ii) Impact of Pay revision;

      (iii) Manpower deployed on outsourcing basis;

   b. M&G Expenses;

(6) Pension and Gratuity Fund Contribution;

Less:

(7) Non-Tariff Income

(8) Income from Other Business, to the extent specified in Regulation 42 of this Regulation.

4.13 Capital Cost and Additional Capitalisation

CSPGCL's Submission

CSPGCL submitted that the Capital structure has been considered in line with the provisions of Regulation 17 and 18 of the MYT Regulations, 2021 and the settled methodology in the previous Orders. The opening GFA and capital structure (Debt / Equity) for FY 2022-23 have been taken equal to the closing values allowed by the Commission in the True-up of FY 2021-22. Additions have been considered as per accounts / Fixed Asset Register (FAR) after mapping with approved Capital Investment Plans (CIPs).

CSPGCL submitted a point-wise brief on the negative capitalisation at KWTPP:

a) For the 1x500MW KWTPP, BOP package was awarded through a process of open transparent competitive bidding to M/s Techpro Systems Ltd. As per the standard industry practices the contract also included the clause related to settlement of pending works at the risk and cost of the vendor and the right of CSPGCL to invoke the Bank Guarantee for recovery of such costs as well as Liquidated Damages.

b) After deliberation by a high level committee for recovery of Liquidated Damages (LD) from the BoP vendor, CSPGCL imposed LD of Rs 173.20 Crore on the BOP vendor M/s Techpro. For recovery of the LD, the Bank Guarantee of about Rs 168.33 Crore was also invoked with balance adjustment from past retention.

c) The matter was represented by M/s Techpro before the Hon'ble Arbitral Tribunal. M/s Techpro contested invocation of the Bank Guarantee with huge extra claims for additional cost incurred, certain extra work order, extra claim for ECHP, release of retention money, etc. It resulted in substantial contingent liabilities in FY 2021-22 on the books of CSPGCL. However, as per settled practice, CSPGCL has not preferred any tariff loading against such contingent liabilities.

d) The Honb’le Arbitral Tribunal terminated the arbitration initiated by M/s Techpro stating the incompetency of the Tribunal to adjudicate the case vide Order No. 10.11.2022. Based on such Order, a legal opinion was sought. As per such opinion, since Techpro did not file any further appeal in any forum, it was considered that there will be no contingent liability in the hands of the Company, hence, the recovery has been adjusted in the audited accounts of FY 2022-23 against the capital cost.

e) In the above context, the matter of treatment of Liquidated Damages for regulatory purposes in the context of facts and substance of KWTPP has already been settled by the Commission during the true up of FY 2018-19. At that time, the recovery of LD from the BTG vendor, i.e., M/s BHEL for the same plant was under consideration. In the detailed Order (page 66) dated July 3, 2020 on the Petition No. 02/2020 (T), referring to the Hon’ble APTEL Judgment in Appeal no. 72 of 2010, the Hon’ble Commission decided as under:- .

“…………. The Commission confirms that the adjustment of LD has to be considered in ratio of 50:50 in accordance with Hon’ble APTEL judgement...”

As the true up order was for the same plant and in the same matter (i.e. recovery of LD), CSPGCL humbly submits that the previous order wholly and squarely covers the present matter also. Following the ratio decidendi adopted in the aforesaid Order, CSPGCL in the instant Petition has passed on half of the recovery of LD to the beneficiaries. Further, the additional capitalization of the works completed during the year, at the risk and cost of the vendor have been considered at face value. Accordingly, during FY 2022-23, net negative capitalization has been factored {Reduction in regulatory Capitalization on account of LD recovery Rs. (86.60) Crore, Additional actual additional capitalization (as per FAR) Rs. 14.79 Crore, resulting in net Additional Capitalization of Rs. (71.81) Crore}.

f) Recently (after receipt of the legal opinion and preparation of the accounts) in the matter related to invocation of BG amounting to Rs. 168.33 Crore, M/s Techpro has approached Hon’ble High Court of Chhattisgarh. As such, the recovery has now become “sub-judice”. However, as on the date of filing of the instant Petition, as in the books of accounts the recovery of LD stands adjusted in the capital cost, hence, in the instant Petition, retention of proceeds as contingent liability is not being claimed and the sharing of LD recovery in the capital cost is proposed.

g) However, the aforesaid submission is without any prejudice to the right of CSPGCL to claim additional capitalization if the LD recovery is reverted in accounts. The proposed sharing is with the understanding that the reversion of the aforesaid recovery / any other such amount, which may have to be paid by CSPGCL to M/s Techpro in compliance of the decision of the Hon’ble High Court or any other Court in the instant case, will follow the same path. The instant submission of de-capitalization is holistic and integral in nature with right of re-capitalization and the two may not be viewed in isolation.

Further, as the Regulatory principles and practices slightly differ from financial accounting principles and practices, there are some deviations from accounts as mentioned below:

a) As regards capitalization of new 220 kV interconnecting line between DSPM TPS and KTPS, the Commission in the Order dated 28.03.2023 in Petition No. 102/2022 for true-up of FY 2021-22 considered the expenditure of Rs. 6.04 Crore incurred on erection and commissioning of the bays for capitalization during FY 2021-22 and directed the Petitioner to not claim such expenses during FY 2022-23 (page 91 – Tariff Order for FY 2023-24). As final settlement from CSPTCL is still awaited and no refund has been received during FY 2022-23, status quo has been maintained. Leave is craved for submission of additional capitalization / reduction, as and when the final statement is received from CSPTCL.

b) Further, in the aforesaid Order, the Commission had also granted liberty to the Petitioner to claim expenses with regards to works pertaining to COH of Unit No. 2 of HTPS and repair and maintenance expenses for economizer coil element during true up of FY 2022-23. Accordingly, as the work got completed in first quarter of FY 2022-23, in the true up, CSPGCL has claimed expense of Rs. 3.22 Crore incurred on condenser tubes along with Rs. 2.80 Crore and Rs. 2.76 Crore for economizer coil element (lower and upper bank).

Capital structure has been considered in accordance with the well settled methodology in the previous Orders. In cases of higher than normative equity, the normative debt:equity ratio has been considered. Further, in accordance with the methodology adopted by the Commission in previous Orders and in compliance of Regulation 17.2 of the MYT Regulations, 2021, for additional capitalisation of the project costs at KWTPP and ABV TPS, the opening debt:equity ratio has been considered. For new schemes, normative capital structure has been considered.

Commission's View

The station-wise additional capitalisation submitted by CSPGCL and additional capitalisation incurred have been duly scrutinised. After due prudence check, the Commission has considered the additional capitalisation for HTPS, DSPM, Hasdeo Bango, KWTPP and ABVTPP.

As regards HTPS, the Commission notes that CSPGCL has considered the Capital Cost of Distributed Control System of Rs. 4.20 Crore, Augmentation of ESP of Rs. 3.82 Crore, New GT Unit for Unit No. 1 for Rs. 7.89 Crore, and 1st Raising of lagoon-II from 308 to 313 m Jhabu ash-dyke for Rs. 1.11 Crore. For all these works, prior approval has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and has not found any cost overrun in any of the capital works. Accordingly, the Commission has considered Capitalisation of Rs. 17.02 Crore for FY 2022-23.

As regards DSPM TPS, the Commission notes that CSPGCL has considered the Capital Cost of HMI Upgradation of MAX DNA DCS of Unit 1 and 2 of Rs. 3.39 Crore, and 3rd Stage raising of Ash Dyke of Rs. 2.44 Crore. For all these works, prior approval has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and has not found any cost overrun in any of the capital works. The Commission also notes that certain Capitalisation done in FY 2022-23 has been claimed in M&G expense. CSPGCL, in reply to the queries, has stated that for certain small capitalisation, prior approval could not be taken from the Commission according to the Regulations. Such Capital Expenses are considered under O&M Expense by CSPGCL to pass through the cost. The Commission also notes that it has accorded approval for such capitalisation in the past under O&M expenses, but CSPGCL has claimed fairly large amount of capital expenditure as O&M Expense for DSPM in FY 2022-23.

On verifying the details of such Capitalisation, the Commission noted that CSPGCL has considered Rs. 9.55 Crore for purchasing Spare 315 MW GT to prevent disruption in supply of electricity from the plant to its beneficiary(s). The Commission queried why prior approval for such capitalisation has not been obtained. CSPGCL replied that the provisions for MYT Regulations, 2021 does not allow additional capitalisation without it being indispensable for operation of the plant but in FY 2022-23 itself the asset was put to use as one GT of DSPM had sudden breakdown due to unavoidable reasons. This spare GT prevented loss of Generation from DSPM, which led to increased availability of affordable electricity to its beneficiaries. As CSPGCL felt that the requirement could not be attributed as indispensable, at the time of filing of CIP, CSPGCL thought its only available recourse for this expense was under O&M Expense as M&G expense. CSPGCL also stated that if post-facto approval is accorded to this capital expense, it would reduce the impact on the consumers significantly. Hence, CSPGCL revised its claim for capitalisation in DSPM and prayed for post-facto approval for the said work. Considering the circumstances and nature of Capitalisation and urgency under which this expense was undertaken, the Commission decides to accord post-facto approval for the same. Accordingly, the Commission considers Capitalisation of Rs. 15.38 Crore for FY 2022-23.

As regards KWTPP, the Commission notes that CSPGCL has considered additional Capital Cost of Rs. 14.79 Crore against its approved project cost. As the Commission has approved the cut-off date of KWTPP to be extended up to 31st March, 2024, this capitalisation is valid for consideration against tariff under the MYT Regulations, 2021. The Commission has verified the same and had not found any cost overrun. Hence, the Commission considers Capitalisation of Rs. 14.79 Crore for FY 2022-23. CSPGCL has also prayed for negative capitalisation in KWTPP in FY 2022-23 of Rs. 86.50 Crore for KWTPP. CSPGCL has stated it has recovered an LD of Rs. 173.20 Crore in FY 2022-23. The Commission has verified the details of the same from the Audited accounts, which show entire amount as decapitalisation in FY 2022-23. CSPGCL has submitted it has considered the impact of LD at 50%, in accordance with the Hon'ble APTEL Judgment in Appeal No. 72 of 2010 and its own Order dated July 3, 2020 on the Petition No. 02/2020 (T). Accordingly, in the true-up for FY 2022-23, the Commission considers net negative capitalization of Rs. 71.81 Crore {Reduction in regulatory Capitalization on account of LD recovery Rs (86.60) Crore, Additional actual additional capitalization Rs 14.79 Crore, resulting in net Additional Capitalization to be considered as Rs (71.81) Crore}. Regarding CSPGCL submission for recapitalisation in case of reversion of LD, leave is granted to file detail submission as and when such situation arises.

As regards ABVTPS, the Commission notes that CSPGCL has considered Capitalisation of Rs. 54.66 Crore against its approved project cost. As the Commission has approved the cut-off date of KWTPP to be extended up to 31st March, 2025, this capitalisation is valid for consideration against tariff under the MYT Regulations, 2021.

The Commission has verified the same and had not found any cost overrun. Hence, the Commission considers Capitalisation of Rs. 54.66 Crore for FY 2022-23.

As regards HBPS, the Commission notes that CSPGCL has considered the Capital Cost of supply of generator stator air coolers of Rs. 1.33 Crore. In-principle approval for this work has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and had not found any cost overrun. Accordingly, the Commission considers Capitalisation of Rs. 1.33 Crore for FY 2022-23.

The Commission accordingly approves the additional capitalisation claimed in True-up of FY 2022-23 for all the power stations as shown in the Table below:

Table 4-18: Approved Additional Capitalisation in true up for FY 2022-23 (Rs. Crore)

Station	Tariff Order	Petition	Approved
HTPS	10.70	17.02	17.02
DSPM	11.03	15.38*	15.38
KWTPP	10.41	(71.81)	(71.81)
ABVTPS	2.31	54.66	54.66
HBPS	5.01	1.33`	1.33
Total	**39.46**	**16.58**	**16.58**

*In Original Petition, Capitalisation claimed by CSPGCL was Rs. 5.83 Crore

For HTPS, in the MYT order, special allowance of Rs 39.90 Crore per year was approved by the Commission for carrying out the life extension works. In the instant true-up, actual expense against the same has been reported as Rs 33.95 Crore. After going through the list of works, the Commission approves the same. Liberty is granted for use of the balance of the approved and actual allowance over the control period.

4.14 Means of Finance for Additional Capitalisation

CSPGCL's submission

CSPGCL has considered the capital structure in line with the provisions of Regulations 17.1 and 17.3 of the MYT Regulations, 2021 and the settled methodology in the previous Orders. In cases of higher than normative equity, the normative debt:equity ratio has been considered. Further, in accordance with the methodology adopted by the Commission in previous Orders and in compliance with Regulation 17.2 of the MYT Regulations, 2021, for additional capitalisation of the project costs at KWTPP and ABVTPS, the opening debt:equity ratio has been considered. The opening debt:equity ratio has been considered at 82.86:17.14 for KWTPP and at 87.56:12.44 for ABVTPP. For new schemes, normative capital structure has been considered.

Commission's View

The Commission has considered the normative debt equity ratio of 70:30 in accordance with the provisions of the MYT Regulations, 2021 for all generating stations except for ABVTPP and KWTPP. The excess equity in capitalisation has been considered as normative loan. As regards additional capitalisation of the Project Cost for KWTPP, the Commission has considered the debt equity ratio as submitted by CSPGCL. As regards ABVTPP, since the additional capitalisation is within the approved project cost, the equity in additional capitalisation of the Project Cost is considered in the same ratio of 87.56:12.44 as approved in the Order dated July 07, 2018. The approved means of finance for additional capitalisation for FY 2022-23 is shown in the Table below:

Table 4-19: Approved Means of Finance for existing stations for FY 2022-23 (Rs. Crore)

Station	CSPGCL Petition			Approved		
	Equity	Debt	Total	Equity	Debt	Total
HTPS	5.11	11.91	17.02	5.11	11.91	17.02
DSPM	4.61	10.77	15.38	4.61	10.77	15.38
KWTPP	(12.31)	(59.50)	(71.81)	(12.31)	(59.50)	(71.81)
ABVTPS	6.80	47.86	54.66	6.80	47.86	54.66
HBPS	0.40	0.93	1.33	0.40	0.93	1.33
Total	**4.61**	**11.97**	**16.58**	**4.61**	**11.97**	**16.58**

4.15 Return on Equity

CSPGCL's submission

CSPGCL has computed RoE as per Regulation 23 of the MYT Regulations, 2021 for FY 2022-23.

CSPGCL submitted that as regards rate of return on equity, the Tariff Regulations, 2021 specify the rate of 14% for the Generation business. For the purpose of the computation, CSPGCL has adopted the same percentage, however, at the same time CSPGCL submitted as under:

a) Sub-section (i) of Section 61 of the Electricity Act, 2003 designate the Tariff Policy as guiding principle for specifying the teams and conditions of tariff by the Appropriate Commission. Clause 5.11 of the Tariff Policy lays down the framework for performance based cost of service regulation. Sub-clause (a) specifies as under:

> *"The Central Commission would notify, from time to time, the rate of return on equity for generation and transmission projects keeping in view the assessment of overall risk and the prevalent cost of capital which **shall be followed by the SERCs** also." (**Emphasis supplied**)*

b) In addition to above, sub-section (a) of Section 61 of the Electricity Act, 2003 itself stipulates that the principles and methodologies specified by the Central Commission for determination of the tariff applicable to the Generating Companies and Transmission Licensees shall be the guiding principle for specifying the terms and conditions of tariff by the Appropriate Commission.

   In this context, Regulation 30 of the CERC Tariff Regulations, 2019 specifies the return on equity as 15.5%, as reproduced below:

> *"(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped*

storage hydro generating stations and run-of river generating station with pondage:"

c) Further, the Electricity (Second Amendment) Rules, 2023 notified by MoP vide notification G.S.R. 558(E) dated 26.07.2023 casts the responsibility on the State Commissions to align the rate of return on equity as 15.5% as specified in the CERC Tariff Regulations, 2019. The Rules provide the framework for Financial Sustainability and stipulate as under:

"(8) The Return on Equity by the State Commission shall be aligned with the Return on Equity specified by the Central Commission for generation and transmission in its Tariff Regulations for the relevant period, with appropriate modification taking into account the risks involved in distribution business." (Emphasis supplied)

In the above, words 'for the relevant period' is very important, as it implies that the Rule shall be applicable for the whole current Control Period.

d) In the above context, the Commission, in the Order dated October 18, 2022, on the suo-motu Petition No. 63 of 2022, has decided as under:

"Commission's View

The Commission analysed the submissions of the respondents. It is submitted by the respondent and also mentioned in the MOP's letter dated 13.09.2022 that as per the provision at the Section 181 of the Electricity act that the regulations made by the State Commissions should be consistent with this Act and the rules generally to carry out the Page 5 of 6 provisions of this Act. Therefore, appropriate Commission should align their regulations with respect to these rules. In view of the above, the Commission decides to align Regulations issued by this Commission with respect to these Rules. In this regard, we direct the tariff section to put up a draft amendment in relevant Regulations for initiating regulatory process.

……………………………………………………………………

On the issue raised by CSPGCL regarding applicability of the LPS Rules, 2021, the Commission is view of the that CSPGCL should also revise the bills in line with provisions of the LPS Rules, 2021 from the date of its applicability."(emphasis supplied)

From the above, it is clear that as per settled position, in case of conflict between Rules and Regulations, the Rule shall prevail. Further, the direction of revision of bills from the back date is a testimony that Rule becomes effective even without any amendment in the Regulations. Therefore in the instant case too, after promulgation of the Rule, the true up has to follow the principle set by the Rule. In this context words "for the relevant period" instead of "henceforth" (which is normally used) in the Rule assumes high significance. It makes clear that the Rule is not applicable for the prospective period only, rather it is applicable for all the relevant periods for which any exercise of true up / tariff is under consideration.

e) As this is the first opportunity after the notification of the Rule, CSPGCL has submitted the initial computation on the basis of 14% RoE and requested the Commission for allowing RoE @15.5%.

CSPGCL also submitted that as regards the Income Tax, CSPGCL has religiously followed the principle adopted by the Commission in the previous Orders and accordingly claim is limited to actual Income Tax. Further, CSPGCL craved leave for submission of income tax liability, if any, which may arise after scrutiny by the Income Tax Department in future. CSPGCL prayed to approve the same in line with the prior Orders.

CSPGCL submitted the station-wise RoE for FY 2022-23 as shown in the Table below:

Table 4-20: Return on Equity for FY 2022-23 as submitted by CSPGCL (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**Hasdeo Bango**
Permissible Equity in Opening GFA	469.33	710.51	634.40	1094.28	38.11
Equity addition during the year	5.11	4.61	(12.31)	6.80	0.40
Permissible Equity in Closing GFA	474.44	715.12	622.09	1101.08	38.51
Rate of return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity	**66.06**	**99.79**	**87.95**	**153.68**	**5.36**

Commission's View

Regulation 23 of the MYT Regulations, 2021, specifies as under:

*"**23. RETURN ON EQUITY***

22.1Base rate for Return on Equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and SLDC.

…

23.3. The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, pre-tax Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-MAT Rate)

At the time of True up, the income tax shall be pass through on actual basis, subject to

ceiling as following:

= Average Permissible Equity X Base Rate of Return X ((t/ (1-t))

Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be.

For existing stations, the closing equity approved in true-up for FY 2021-22 has been considered as the opening equity for FY 2022-23. The addition of equity has been considered equivalent to equity amount approved towards additional capitalisation.

CSPGCL has submitted that RoE has been computed as per Regulation 23 of the MYT Regulations, 2021 however, CSPGCL has also requested for allowing RoE @15.5%, in accordance with the Tariff Policy, MoP Rules, and CERC Tariff Regulations.

CSPGCL has submitted that in case of conflict between Rules and Regulations, the Rule shall prevail. Further, the direction of revision of bills from the back date is a testimony that Rule becomes effective even without any amendment in the Regulations. Thus, CSPGCL has prayed to allow it to recover RoE at the rate of 15.5% as per CERC Tariff Regulations, 2019. The Commission has deliberated upon this issue as under:

a. Section 61 of the EA 2003 mandates the State Commission to formulate its own Tariff Regulations based on the principles and methodologies specified by the CERC in its Tariff Regulations.

b. The Tariff Policy 2016 as well as the CERC Tariff Regulations, 2019 were in place when the MYT Regulations, 2021 were notified.

c. The Commission has adopted the principles specified by CERC in its Tariff Regulations 2019 to formulate the MYT Regulations, 2021. Though the Commission has fixed the rate of RoE as 14% for Generation Companies, the rate has been specified after elaborate consultative process in accordance with the EA 2003.

d. The Electricity (2nd Amendment) Rules, 2023 have been notified recently. The Rule mandates that the RoE specified by the State Commissions shall be aligned with the RoE rate specified by CERC for the relevant period for Generation and Transmission business. The Commission is of the view that the Rule effectively requires the State Commissions to either amend their Regulations for prospective period or frame new Regulations wherein the rate of RoE shall be in sync with the RoE rate specified by CERC. As the tariff for CSPGCL has already been determined for all the years of the Control Period, amending the MYT Regulations, 2021 will have no consequential impact.

e. Hence, this issue shall be addressed at the time of framing the MYT Regulations for the next Control Period.

f. The RoE rate allowed for CSPGCL in the true-up for FY 2022-23 has to be in accordance with the RoE rate of 14% specified in the MYT Regulations, 2021.

Hence, the Commission decides to allow RoE at the rate of 14% for FY 2022-23.

In line with the approach adopted in previous Tariff Orders, the grossing up of base rate of RoE with the applicable tax rate has not been considered, and Income Tax has been allowed separately at actuals. The RoE approved for FY 2022-23 is shown in the Table below:

Table 4-21: Approved Return on Equity for FY 2022-23 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Opening Equity	469.33	710.51	634.40	1094.28	38.11
Equity addition during the year	5.11	4.61	-12.31	6.80	0.40
Closing Equity	474.44	715.12	622.09	1101.08	38.51
Rate of return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity	**66.06**	**99.79**	**87.95**	**153.68**	**5.36**

Further, CSPGCL has claimed Income Tax of Rs. 36.92 Crore for FY 2022-23. Since, the Commission has not considered pre-tax RoE rate for computation of RoE for FY 2022-23, the Commission has allowed the actual Income Tax paid during FY 2022-23, in line with the approach adopted in previous Orders. The Commission accordingly approves the Income Tax of Rs. 36.92 Crore for FY 2022-23 for CSPGCL.

4.16 Interest and Finance Charges

CSPGCL's submission

CSPGCL submitted that Interest and Finance charges on Loan Capital have been computed for FY 2022-23 as per Regulation 24 of the MYT Regulations, 2021. There is no change in the principle or methodology from previous Orders. As per the procedure adopted by the Commission in the previous Orders, the repayment of regulatory loan during the year is deemed to be equal to the depreciation allowed for the year.

The interest rate prevailing on 1st April of the year has been taken from quarterly statements issued by PFC. Further, timely payment rebate, which does not appear in the quarterly statement issued by PFC, but is allowed separately, has also been passed. Finance charges have been considered as per actuals. Savings from refinancing have been computed as per the settled methodology.

The Interest and Finance charges submitted by CSPGCL for FY 2022-23 is shown in the Table below:

Table 4-22: Interest & Finance Charges as submitted by CGPGCL for FY 2022-23 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS
Opening Normative loan	199.56	15.84	1476.22	4996.08
Debt Addition during the year	11.91	10.77	-59.50	47.86
Repayment during the period	140.35	130.84	222.59	522.05
Closing Net Normative Loan	71.12	0.00	1194.13	4521.89
Average Net Normative Loan	135.34	7.92	1335.17	4758.98
Weighted Average Interest Rate (%)	10.50%	10.25%	9.02%	9.02%
Interest Expense for the Period	**14.21**	**0.81**	**120.43**	**429.26**
Sharing of net savings for re-financing	0.00	0.00	5.47	19.51
Financing and Other Charges	0.40	0.26	0.24	0.50
Total Interest Expenses	**14.61**	**1.08**	**126.15**	**449.27**

Commission's View

The Commission has computed Interest and Finance charges for FY 2022-23 as per Regulation 24 of the MYT Regulations, 2021.

For existing stations, the closing net normative loan balance approved after True-up for FY 2021-22 has been considered as opening net normative loan balance for FY 2022-23. The debt addition has been considered equal to debt amount approved in this Order towards additional capitalisation for FY 2022-23. The deprecation has been considered as normative repayment during the year.

The actual weighted average interest rate as on April 1, 2022 has been considered based on accounts and documentary evidences submitted by CSPGCL. Accordingly, the station-wise weighted average rate of interest has been considered for FY 2022-23. DSPM did not have any capital Loan in FY 2022-23. According to Regulation 24.5 of the MYT Regulations, 2021, interest rate approved for FY 2021-22 when actual capital loan existed for DSPM has been adopted as the applicable interest rate for DSPM for computation of Normative Interest and Finance Charges for FY 2022-23.

As per Regulation 24.8 of the MYT Regulations, 2021, the savings in re-financing shall be shared between the beneficiaries, i.e., CSPDCL, and CSPGCL in the ratio of 2:1. The Commission, while undertaking true-up for FY 2020-21, has adopted a methodology for sharing the savings of re-financing. The same methodology has been continued in the present Order. Accordingly, net savings have been computed separately and allowed in addition to Interest and finance charges. Further, the Commission notes that CSPGCL has not claimed any additional cost for re-financing of loan, hence, the same has not been considered.

In view of the above, the Interest and Finance charges approved by the Commission for FY 2022-23 are shown in the Tables below:

Table 4-23: Interest & Finance Charges approved for FY 2022-23 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS
Opening Normative loan	199.56	15.84	1476.22	4996.08
Debt Addition during the year	11.91	10.77	-59.50	47.86
Repayment during the period	52.63	130.84	222.59	522.05
Closing Net Normative Loan	158.84	0.00	1194.13	4521.89
Average Net Normative Loan	179.20	7.92	1335.17	4758.98
Weighted Average Interest Rate (%)	10.50%	10.25%	9.02%	9.02%
Interest Expense for the Period	**18.82**	**0.81**	**120.43**	**429.26**
Sharing of net savings for re-financing	0.00	0.00	5.47	19.51
Financing and Other Charges	0.40	0.26	0.24	0.50
Total Interest Expenses	**19.22**	**1.08**	**126.15**	**449.27**

4.17 Depreciation

CSPGCL's submission

CSPGCL submitted that Depreciation for all the plants has been computed in the same manner as adopted by the Commission in the MYT Order for the current control period.

For KWTPP and ABVTPS, in the MYT Order, the depreciation rate for FY 2022-23 was determined in accordance with the second proviso of Regulation 25.6. However, as the actual principal repayment obligation during the year came out to be lower than that anticipated, though the Regulation is silent about revisiting the approved rate at the time of true up, CSPGCL has claimed depreciation rate lower than that approved in the MYT order for FY 2022-23 to FY 2024-25.

The summary of the depreciation claimed by CSPGCL for FY 2022-23 is shown in the Table below:

Table 4-24: Depreciation for FY 2022-23 as submitted by CSPGCL (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**Hasdeo Bango**
Opening GFA	710.15	2385.76	3695.99	8787.41	111.22
Additional Capitalization	17.02	15.38	(71.81)	54.66	1.33
Closing GFA	727.17	2401.14	3624.18	8842.07	112.55
Average GFA	718.66	2393.45	3660.08	8814.74	111.89
Average Rate of Depreciation		5.47%	6.08%	5.92%	
Balance Depreciation to be recovered	421.06				23.38
Balance Useful Life	3.00				13.00
Depreciation	**140.35**	**130.84**	**222.59**	**522.05**	**1.80**
Accumulated Depreciation till 31.03.2023	**373.74**	**1790.25**	**1807.97**	**3219.13**	**79.72**

Commission's View

For HTPS, the Commission in its previous Orders, has already allowed full recovery of the balance depreciable value of old capital cost of the assets. Hence, no balance depreciation value for original capital cost has been considered. In the MYT order, based on the then prevailing circumstances, the balance life of HTPS was considered as three years only and accordingly the remaining amount of balance depreciable value was spread over the Control Period. However, the circumstances have subsequently changed. As submitted by CSPGCL in its additional CIP Petition No. 84 of 2023 decided on 15th March 2024, the Ministry of Power has directed for non-closure of the old plants and they are advised to be kept in service till 2030. In the said Petition, CSPGCL has expressed the need for higher Special Allowance, so that the life extension of the Units may be carried out with the Special Allowance, so granted. In view of the changed circumstances, the Commission has considered and allowed the prayer in the additional CIP Order. Taking into consideration the fact that the ratio adopted in the MYT Order for allowing faster recovery of balanced depreciable value was primarily circumstantial, which has undergone change, the Commission deems it fit and prudent to revisit the numbers considered at the time of tariff determination. Accordingly, for the True up of FY 2022-23, Commission has considered balance useful life up to 2030 and accordingly the balance depreciable value has been spread over 8 years period. Liberty is granted to CSPGCL for submission of update on the matter in the subsequent filings, if required.

For DSPM, the Commission has computed depreciation based on scheduled rates specified in the MYT Regulations, 2021. Depreciation has been computed by applying the weighted average depreciation rate of 5.47% on average GFA.

For Hasdeo Bango, the depreciation has been considered over the balance useful life of the plant, as per the methodology adopted in past Orders.

As regards KWTPP and ABVTPS, the Commission notes that accelerated depreciation rates were approved by the Commission in the MYT Order for KWTPP and ABVTPS in accordance with the second proviso to Regulation 25.6 of the MYT Regulations, 2021, which specifies as under:

> *"Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check."*

In the true-up for FY 2022-23, CSPGCL has claimed lower depreciation rates as compared to the depreciation rates approved for KWTPP and ABVTPS in the Tariff Order for FY 2022-23, to match with the actual repayment of CSPGCL for these Stations for FY 2022-23.

The Commission observes that the stand-alone Depreciation allowable to KWTPP and ABVTPS based on the scheduled rates of depreciation is not sufficient to meet the actual repayment obligation for KWTPP and ABVTPS in FY 2022-23. However, the depreciation rate required to meet the repayment obligation is lower than the depreciation rate allowed in the MYT Order.

Hence, the Commission has computed depreciation for KWTPP and ABVTPS, at the claimed rates by CSPGCL to meet the actual repayment of CSPGCL.

In view of the above, the Commission approves the Depreciation for FY 2022-23 after final true-up, as shown in the Table below:

Table 4-25: Depreciation approved for CSPGCL for FY 2022-23 (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**Hasdeo Bango**
Opening GFA	710.15	2385.76	3695.99	8787.41	111.22
Additional Capitalization	17.02	15.38	(71.81)	54.66	1.33
Closing GFA	727.17	2401.14	3624.18	8842.07	112.55
Average GFA	718.66	2393.45	3660.08	8814.74	111.89
Average Rate of Depreciation		5.47%	6.08%	5.92%	
Balance Depreciation to be recovered	421.06				23.38
Balance Useful Life	8.00				13.00
Depreciation	**52.63**	**130.84**	**222.59**	**522.05**	**1.80**
Accumulated Depreciation till 31.03.2023	**286.02**	**1790.25**	**1807.97**	**3219.13**	**79.72**

4.18 Operation and Maintenance (O&M) expenses

CSPGCL's Submission

CSPGCL submitted the O&M Expenses (excluding water charges and SLDC charges) for existing thermal and hydel power plants in accordance with Regulation 40.5 of the MYT Regulations, 2021.

CSPGCL further submitted that as per the methodology adopted in earlier Orders, O&M Expenses in the support functions such as Head Office, CAU, etc., are allocated among the thermal power plants and Hasdeo Bango HEP, based on their installed/effective capacities.

CSPGCL also submitted that as per settled practice and Regulation, the provisions which have not been actually paid, have not been considered. Accordingly, water tax/charges provision at HTPS and KWTPP, provision for PAT certificates, etc., have not been included in the true up, and shall be claimed as and when they are actually paid.

The M&G expenses for thermal power stations of CSPGCL were approved by the Commission for FY 2022-23 in the MYT Order dated April 13, 2022, using the norms specified in Regulation 40.5.2.1 of the MYT Regulations, 2021. The first proviso to Regulation 40.5.2.1 states that at the time of truing up, the A&G and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year-to-year basis. Considering 40% weightage of WPI inflation and 60% weightage of CPI inflation, the weighted average inflation in FY 2022-23 over FY 2021-22 works out to 7.40%, as shown in table below:

Table 4-26: Weightage Average Inflation Rate in FY 2022-23 over FY 2021-22(%)

Particulars	CPI Inflation in FY 2022-23	WPI Inflation in FY 2022-23
Inflation	6.05%	9.41%
Weightage	60%	40%
Weightage average Inflation rate	7.40%	

Hence, CSPGCL has worked out the revised normative M&G expense for FY 2022-23 using the above escalation factor.

The A&G expense for the hydro power station of CSPGCL, i.e., HBPS was approved by the Commission in the MYT Order dated April 13, 2022 for FY 2022-23, by escalating the normalized A&G expense (excluding water charges) for FY 2020-21 with the average WPI inflation of five years from FY 2016-17 to FY 2020-21, which worked out to 2.38%. Regulation 40.5.2.2 of the MYT Regulations, 2021 specifies that at the time of truing up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period. The actual WPI inflation in FY 2022-23 over FY 2021-22 works out to 9.41%. Hence, CSPGCL has worked out the revised A&G expenses for FY 2022-23 using the above WPI inflation.

As regards the R&M expense for HBPS, CSPGCL in the MYT Petition No. 1/2022 had prayed for allowing the same at the rate of Rs. 5 Lakh/MW for FY 2022-23 with yearly escalation of 4.7%, since the R&M expense allowable as per Regulation 40.5.2.2 of the MYT Regulations, 2021 are grossly insufficient. The Commission had accepted the request of CSPGCL and had allowed the R&M expense for HBPS at the rate of Rs. 5 Lakh/MW for FY 2022-23 with yearly escalation of 4.7% in the MYT Order dated 13.04.2022. Accordingly for the purpose of truing up, CSPGCL has considered the normative R&M expenses for HBPS at the rate of Rs. 5 Lakh/MW for FY 2022-23. The Commission in the MYT Order dated 13.04.2022 had also ruled that no gains shall be allowed to CSPGCL in case the actual R&M expense for HBPS are lower than normative R&M expense. Accordingly, CSPGCL has not considered the R&M expense for HBPS in the efficiency gain or loss calculation, which is otherwise applicable for thermal power plants of CSPGCL.

In line with the methodology followed in the previous Tariff Orders, CSPGCL has not considered the productivity incentives, CSR expenses, etc., in the actual O&M expense for CSPGCL for FY 2022-23. Also, the head office expenses have been allocated among the thermal power stations in the ratio of their installed capacity, as per the practice followed in earlier Tariff Orders. As per well settled practice, the employee expenses on the decommissioned project have been considered at CAU, but the M&G expenses are adjusted against the sale proceeds.

In the Accounts, the leave encashment expenses have been settled against the provision made in the previous year. In the previous Orders, the Hon'ble Commission has taken a view that for the true-up purpose, instead of provisions, actual expenses/income shall be considered. Accordingly, actual leave encashment expense has been considered as part of employee cost within O&M Expenses.

As per Regulation 40.5.1 (e) of the MYT Regulations, 2021, at the time of true up, the Employee expenses shall be considered at actual and shall not be subjected to gain/loss mechanism. CSPGCL has considered the M&G expenses (except for HBPS, where only A&G expense has been considered) for sharing of efficiency gains and losses in accordance with Regulation 13 of the MYT Regulations, 2021.

It is further submitted that as per the MYT Regulations, 2021, the MYT Order has considered the contribution to the Pension Trust as a separate line item and not part of O&M expenses. For the purpose of this Petition, CSPGCL has followed the same approach.

Further, as per the well settled methodology adopted in all earlier Orders, the cost incurred on coal transport (part of landed cost of coal), which as per accounting practice is booked in the plant O&M head, has been reduced from the O&M Expenses and added to the fuel cost. However, as the coal transport cost from GP-III mine has not been booked to plants and is maintained separately in the accounts, no such adjustment is applicable for GP-III coal.

The O&M Expenses submitted by CSPGCL for FY 2022-23 is shown in the Table below:

Table 4-27: O&M Expenses for FY 2022-23 submitted by CSPGCL (Rs. Crore)

Station	Petition		
	HR Cost	M&G Cost	O&M Expense
HTPS	197.59	134.84	332.43
DSPM	111.47	98.11	209.58
KWTPP	52.89	63.89	116.78
ABVTPP	135.59	104.71	240.30
HBPS	5.23	3.46	8.69

Commission's View

As regards O&M Expenses, Regulation 40.5 of the MYT Regulations, 2021 specifies as under:

> *"**40.5 Operation and Maintenance (O&M) expenses***
>
> ***40.5.1. Human Resource (HR) Expenses***
>
> *a) HR expenses for generating company shall include:*
>
> *(i) employees costs;*
>
> *(ii) impact of Pay revision:*
>
> *(iii) manpower deployed on outsourcing basis;*
>
> ***….***
>
> ***e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism. Provided further that during the true-up, actual cash outflow on impact of pay revision (including arrears) and pension fund contribution shall be allowed as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.***
>
> ***…***
>
> ***40.5.2. Maintenance & General (M&G) Expenses***
>
> ***40.5.2.1. Thermal Generating Station**:*
>
> *Maintenance and General (M&G) expenses for generating company shall include:*
>
> *a) Administrative and General (A&G) expenses;*
>
> *b) Repair and Maintenance (R&M) expenses;*
>
> ***At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis.***
>
> *…*
>
> ***4.5.2.2. For Existing Hydro Generating Stations***
>
> *a) Maintenance & General (M&G) expenses for generating Company shall include:*
>
> *(i) Administrative and General (A&G) expenses;*
>
> *(ii) Repair and Maintenance (R&M) expenses.*
>
> *…*
>
> ***e) At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.***
>
> ***Provided that water charges shall be pass through in tariff on reimbursement basis.***

(emphasis added)

The Commission had determined the O&M Expenses for FY 2022-23 in accordance with the above Regulation. The above Regulation specifies that at the time of truing up, the O&M Expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.

Accordingly, the Commission has computed the normative HR expenses and M&G expenses for FY 2022-23 by applying the actual inflation on base O&M expenses for FY 2021-22 by considering the actual CPI and WPI for FY 2022-23. For FY 2022-23, the Commission has considered escalation factor of 6.05% for HR expenses and 7.40% for M&G cost.

Accordingly, the normative O&M Expenses computed for FY 2022-23 are as shown in the Table below:

Table 4-28: Approved Normative O&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	Revised Normative Expenses
HTPS	375.56	383.57
DSPM	181.33	185.69
KWTPP	107.43	110.25
ABVTPS	235.13	240.96
Hasdeo Bango	15.00	15.46

As regards the actual O&M Expenses, the Commission sought reconciliation of actual O&M Expenses submitted in the Petition vis-à-vis O&M Expenses reported in audited accounts. The Commission has considered the actual O&M Expenses as submitted by CSPGCL after due prudence check.

As per Regulation 40.5.1 (e) of the MYT Regulations, 2021, at the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism. CSPGCL has also considered the M&G expenses (except for HBHPS, where only A&G expense has been considered) for sharing of efficiency gains and losses in accordance with Regulation 13 of the MYT Regulations, 2021.

CSPGCL also submitted that it has not considered the productivity incentive, donations and CSR expenses as part of employee expenses for regulatory purposes, as per the methodology settled in the previous Orders.

Accordingly, the Commission approves the actual HR Expenses as per audited Accounts for FY 2022-23, and HR cost is not considered for sharing of gains or losses. The sharing of gains and losses has been undertaken in subsequent section of this Chapter.

In this Order, the Commission approves the O&M expenses based on audited accounts for FY 2022-23. The normative and actual O&M Expenses approved by the Commission is shown in the following Table:

Table 4-29: Approved O&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	Actual	Normative
HTPS	332.43	383.57
DSPM	209.58	185.69
KWTPP	116.78	110.25
ABVTPS	240.30	240.96
Hasdeo Bango	8.69	15.46

4.19 Pension and Gratuity Contribution

CSPGCL's Submission

CSPGCL submits that the Commission in the Tariff Order approved Gratuity & Pension Fund Trust contribution by CSPGCL as Rs. 307.47 Crore for FY 2022-23. CSPGCL confirms that actual contribution to the Trust has been in conformity with the Order. Plant-wise allocation considered in the Order has also been maintained, as shown in the Table below:

Table 4-30: Pension and Gratuity Contribution for FY 2022-23 as submitted by CSPGCL (Rs. Crore)

Station	Tariff Order	CSPGCL Petition
HTPS	137.75	137.75
DSPM	51.11	51.11
KWTPP	30.59	30.59
ABVTPS	83.66	83.66
HBPS	4.36	4.36
Total	**307.47**	**307.47**

Commission's View

The P&G contribution of Rs. 307.47 Crore has been approved for CSPGCL for FY 2022-23 in the Tariff Order dated April 13, 2022. The Commission has considered the same in the Truing-up for FY 2022-23.

4.20 Interest on Working Capital

CSPGCL's Submission

CSPGCL submitted that it has calculated the normative Interest on Working Capital (IoWC) as per Regulation 26 of the MYT Regulations, 2021.

The interest rate for IoWC has been considered equal to the average actual sanctioned rate of interest during the year on the loans availed for working capital, as certified from the lending agencies.

CSPGCL submitted the interest on working capital as shown in the Table below:

Table 4-31: IoWC for FY 2022-23 as submitted by CSPGCL (Rs. Crore)

Particulars	MYT Order	CSPGCL Petition
HTPS	24.49	19.21
DSPM	17.21	13.68
KWTPP	14.42	11.58
ABVTPS	38.35	23.97
HBPS	0.40	0.47
Total	**94.87**	**68.91**

Commission's View

The Commission has computed the IoWC for FY 2022-23 as per Regulation 26 of the MYT Regulations, 2021. The rate of interest has been considered as 7.27% for FY 2021-22 as per the provisions of MYT Regulations, 2021. The revised normative O&M expenses have been considered for computation of Working Capital requirement. The actual revenue billed, excluding the Gap/Surplus of the previous year/s, has been considered as receivables for computation of working capital requirement. Accordingly, the IoWC approved by the Commission after truing up for FY 2022-23 is shown in the Table below:

Table 4-32: Approved IoWC for CSPGCL for FY 2022-23 (Rs. Crore)

Particulars	MYT Order	Approved
HTPS	24.49	19.21
DSPM	17.21	13.68
HB	14.42	11.58
KWTPP	38.35	23.97
ABVTPP	0.40	0.47
Total	**94.87**	**68.91**

4.21 Non-Tariff Income

CSPGCL's submission

CSPGCL submitted that it has considered the Non-Tariff Income (NTI) as per Regulation 41 of the MYT Regulations, 2021 for true up exercise of its existing thermal and hydel power plants.

CSPGCL submitted that plant specific income has been booked to respective plants and income appearing against HO & CAU has been allocated to thermal plants on installed/ effective capacity basis.

As far as FDR interest is concerned, except for the interest on FDR maintained for Coal Blocks, all other interest income appearing in the accounts has been considered. The interest attributable to FDRs relating to GP-III mine (Rs. 110.20 Cr at the opening of FY 2022-23 and Rs. 5.51 Cr at the end of FY 2022-23) has been considered as NTI for GP-III mine.

For regulatory purposes, income from Delayed Payment Surcharge is not considered as NTI.

The NTI submitted by CSPGCL for FY 2022-23 is shown in the Table below:

Table 4-33: Non-Tariff Income for FY 2022-23 as submitted by CSPGCL (Rs. Crore)

Station	MYT Order	CSPGCL Petition
HTPS	7.99	12.44
DSPM	4.30	2.51
KWTPP	3.87	1.19
ABVTPS	8.01	3.47
HBPS	0.02	0.02
Total	**24.19**	**19.62**

Commission's View

The Commission approves the station-wise Non-Tariff Income based on actuals as per the Audited Accounts and considering CSPGCL's submissions, for the purpose of truing up for FY 2022-23, as shown in the Table below:

Table 4-34: Approved Non-Tariff Income in True-up for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Approved
HTPS	7.99	12.44
DSPM	4.30	2.51
KWTPP	3.87	1.19
ABVTPS	8.01	3.47
HBPS	0.02	0.02
Total	**24.19**	**19.62**

4.22 Ash Utilization Expenses

CSPGCL's Submission

CSPGCL submitted that Commission, vide its Order dated 13.04.2022 in Petition No. 01/2022 has taken cognizance of the notification dated 25th January 2016 wherein the Ministry of Environment and Forests (MoEF) amended the Environment (Protection) Act, 1986. The Commission has allowed such expense as a separate line item. In the instant Petition, the ash utilization expenses have been dealt accordingly. As per settled methodology, such expenses have been reduced from the O&M expenses and equal amount has been claimed under the separate head. Thus, the total actual expenses remain same.

Commission's View

The Commission, vide its Order dated August 2, 2021 in Petition No. 09/2021 had taken cognizance of the matter concerning the allowance of additional O&M expenses under "Change in Law" for utilization of fly ash. Further, vide Order dated April 13, 2022 in Petition No. 1/2022, the Commission allowed such expenses as pass through.

The Commission, in line with the previous Orders, has approved the Ash Utilization expenses under the separate head in ARR. The Ash Utilization Expense approved by the Commission are shown as below:

Table 4-35: Ash Utilization Expenses as approved for FY 2022-23 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS
CSPGCL Petition	18.21	11.69	15.65	27.44
Approved	18.21	11.69	15.65	27.44

4.23 Statutory Charges

CSPGCL's Submission

CSPGCL submitted that it has claimed the statutory and other charges such as water charges, SLDC charges, Start-up power charges, etc., on reimbursement basis, as per the MYT Regulations, 2021. CSPGCL has recovered the same accordingly. In view of the above, on these counts, no deficit/surplus is claimed in true up.

CSPGCL submitted that Rs. 132.18 Crore as Water Charges, SLDC Charges and Start-up power charges have been claimed for FY 2022-23.

Further, CSPGCL submitted that as per the MYT Regulations, 2021, the Petition filing fee and publication expenses are directly chargeable and hence, the expenses incurred towards Petition filing fee and publication expenses have been reduced from O&M expenses and are claimed separately.

Commission's View

For the purpose of the truing up for FY 2022-23, the Commission has considered Statutory Charges based on audited accounts for FY 2022-23.

4.24 Aggregate Revenue Requirement for CSPGCL for FY 2022-23

The Summary of ARR for HTPS, DSPM, HBPS, ABVTPS, and KWTPP for FY 2022-23 is shown in the following Table:

Table 4-36: Approved ARR for CSPGCL's Generating Stations for FY 2022-23 (Rs. Crore)

Particulars	Approved as per T.O. dated 13.04.22						CSPGCL Petition for True up for FY 2022-23						Approved for True up of FY 2022-23					
	HTPS	**DSPM TPS**	**KWTPP**	**ABVTPS**	**HBPS**	**TOTAL**	**HTPS**	**DSPM TPS**	**KWTPP**	**ABVTPS**	**HBPS**	**TOTAL**	**HTPS**	**DSPM TPS**	**KWTPP**	**ABVTPS**	**HBPS**	**TOTAL**
Depreciation	148.39	130.92	255.67	554.96	1.98	1,091.92	140.35	130.84	222.59	522.05	1.80	1017.64	52.63	130.84	222.59	522.05	1.80	929.92
Interest & Finance Charges	16.22	0.88	133.45	459.94	0.07	610.56	14.61	1.08	126.15	449.27	0.00	591.11	19.22	1.08	126.15	449.27	0.00	595.71
Return on Equity	66.74	99.78	89.59	154.97	5.44	416.52	66.06	99.79	87.95	153.68	5.36	412.85	66.06	99.79	87.95	153.68	5.36	412.85
O&M Expense	375.56	181.33	107.43	235.13	15.00	914.45	332.43	209.58	116.78	240.30	8.69	907.78	332.43	209.58	116.78	240.30	8.69	907.78
Special Allowance	39.90					39.90	33.95					33.95	33.95					33.95
Interest on Working Capital	24.49	17.21	14.42	38.35	0.40	94.87	19.21	13.68	11.58	23.97	0.47	68.91	19.21	13.68	11.58	23.97	0.47	68.91
Less: Non-Tariff Income	7.99	4.30	3.87	8.01	0.02	24.19	12.44	2.51	1.19	3.47	0.02	19.62	12.44	2.51	1.19	3.47	0.02	19.62
Total Annual Capacity charge	**663.30**	**425.83**	**596.69**	**1,435.34**	**22.87**	**3,144.03**	**594.19**	**452.46**	**563.87**	**1385.80**	**16.30**	**3012.62**	**511.07**	**452.46**	**563.87**	**1385.80**	**16.30**	**2929.51**
Cost of Coal	797.10	561.11	460.84	1,183.84	0.00	3,002.89	791.61	530.82	506.81	737.58		2566.83	791.61	530.82	506.81	737.58	0.00	2566.83
Cost of Oil	28.95	10.82	11.59	21.32	0.00	72.68	38.45	10.60	11.28	16.46		76.78	38.45	10.60	11.28	16.46	0.00	76.78
Total Energy Charges	**826.05**	**571.93**	**472.43**	**1,205.17**	**0.00**	**3,075.58**	**830.06**	**541.42**	**518.09**	**754.04**	**0.00**	**2643.61**	**830.06**	**541.42**	**518.09**	**754.04**	**0.00**	**2643.61**
Contribution to Gratuity/Pension Fund	137.75	51.11	30.59	83.66	4.36	307.47	137.75	51.11	30.59	83.66	4.36	307.47	137.75	51.11	30.59	83.66	4.36	307.47
Ash Utilisation Expenses (Change in law)	0.00			0.00	0.00	0.00	18.21	11.69	15.65	27.44		72.98	18.21	11.69	15.65	27.44		72.98
Aggregate Revenue Requirement (ARR)	**1,627.11**	**1,048.87**	**1,099.71**	**2,724.17**	**27.23**	**6,527.09**	**1580.21**	**1056.68**	**1128.20**	**2250.95**	**20.66**	**6036.69**	**1497.09**	**1056.68**	**1128.20**	**2250.95**	**20.66**	**5953.57**

4.25 Sharing of Gains and Losses

Regulation 11 of the CSERC MYT Regulations, 2021 specifies as under:

"11. CONTROLLABLE AND UN-CONTROLLABLE FACTORS

11.1 For the purpose of these Regulations, the term "uncontrollable factors" shall comprise of the following factors, but not limited to, which were beyond the control of the applicant, and could not be mitigated by the applicant:

(a) Force Majeure events;

(b) Change in law

... ...

11.2 For the purpose of these Regulations, the term "Controllable factors" shall comprise of the following:

...

(b) Generation Performance parameters like PLF, SHR, Auxiliary consumption, PAF etc;

...

(f) Variation in Wires Availability and Supply Availability"

Further, Regulation 12 of the CSERC MYT Regulations, 2021 specifies as under:

"12. MECHANISM FOR PASS THROUGH OF GAINS OR LOSSES ON ACCOUNT OF UNCONTROLLABLE FACTORS

The aggregate net gains / losses to the generating company or STU/transmission licensee or distribution licensee or SLDC on account of uncontrollable items (as per the tariff order) over such period shall be passed on to beneficiaries/consumers through the next ARR or as may be specified in the Order of the Commission passed under these Regulation."

Regulation 13 of the CSERC MYT Regulations, 2021 specifies as under:

"13. MECHANISM FOR SHARING OF GAINS OR LOSSES ON ACCOUNT OF CONTROLLABLE FACTORS

13.1 The mechanism for sharing of aggregate net gain on account of over achievement in reference to the target set in tariff order for efficiency linked controllable items and energy losses computed in accordance to Regulation 98 shall be passed on to the beneficiary / consumer(s) and retained by the generating company or the licensee or SLDC, as the case may be, in the ratio of 2: lor as may be specified in the Order of the Commission passed under this Regulation.

13.2. The mechanism for sharing of aggregate net loss on account of under achievement in reference to the target set in tariff order for efficiency linked controllable items shall be passed on to the beneficiary / consumer(s) and *retained by the generating company or the licensee, as the case may be, in the ratio of 1:2 or as may be specified in the Order of the Commission passed under these Regulations."*

CSPGCL's Submission

CSPGCL submitted that Regulation 13 specifies the method for sharing of gains and losses. The well settled principles, as adopted by the Commission in previous Orders, has been adopted. In accordance with Regulations and as per settled methodology in previous Orders, the Pension Fund contribution, being old unfunded statutory liability, has been segregated from AFC and considered as a separate line item.

Commission's View

The sharing of gains and losses on account of controllable factors has been computed in accordance with the methodology adopted by the Commission in previous Orders. The contribution to P&G Fund and Employee Cost has been excluded from the calculations, and gains/losses have been shared in accordance with the Regulation 13 of the MYT Regulations, 2021. Further, sharing of gains and losses of DSM Charges has also been considered.

The sharing of gains and losses after final True-up for FY 2022-23 is as shown in the Table below:

Table 4-37: Approved Sharing of Gains and Losses for final True-up for FY 2022-23 for CSPGCL's Generating Stations

Particulars	Units	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Fixed Charges @ NAPAF						
Installed capacity	MW	840	500	500	1000	120
NAPAF as per MYT Regulations	%	79.00%	85.00%	85.00%	79.00%	-
NAPAF (FOR Gains) as per MYT Regulations		80.00%	85.00%	85.00%	85.00%	
Actual PAF achieved (billed)	%	78.77%	84.96%	88.90%	49.57%	-
Normative Net Generation	MU	5249.26	3387.93	3527.54	6522.48	232.04
Actual Net generation	MU	5222.23	3357.71	3714.80	4104.33	233.90
Net generation for Fuel Cost recovery	**MU**	**5222.23**	**3357.71**	**3714.80**	**4104.33**	**233.90**
Fixed Cost (norm-wise)						
Depreciation	Rs Cr	52.63	130.84	222.59	522.05	1.80
Interest on Loan and Finance charges	Rs Cr	19.22	1.08	126.15	449.27	0.00
Return on Equity	Rs Cr	66.06	99.79	87.95	153.68	5.36
Interest on Working Capital	Rs Cr	19.21	13.68	11.58	23.97	0.47
O & M Expenses	Rs Cr	332.43	209.58	116.78	240.30	8.69
Less – Non-Tariff Income	Rs Cr	12.44	2.51	1.19	3.47	0.02
Fixed Cost allowed on Normative Basis	**Rs Cr**	**477.12**	**452.46**	**563.87**	**1385.80**	**16.30**
Fixed cost expenditure excluding O&M	Rs Cr	144.69	242.88	447.09	1145.50	7.62
Normative Fixed Cost (Cr. Rs/% of PAF) excluding O&M	Rs Cr./%PAF	1.83	2.86	5.26	14.50	0.03
Pro-rata Fixed cost allowable from Actual PAF	Rs Cr	144.27	242.76	467.60	718.77	7.68

Particulars	Units	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Fixed cost gain from normative cost	**Rs Cr**	**(0.42)**	**(0.11)**	**20.51**	**(426.74)**	**0.06**
Total gain / loss	**Rs Cr**	**(406.70)**				
R&M + A&G expenses						
Normative R&M + A&G Cost allowed	Rs Crore	162.56	96.76	66.05	132.09	1.78
Normative R&M + A&G Cost (Cr. Rs/% of PAF)	Rs Cr./%PAF	2.06	1.14	0.78	1.67	0.01
Pro-rata R&M + A&G cost allowable from actual PAF	Rs Crore	162.08	96.71	69.08	82.88	1.80
Actual R&M + A&G expenditure	Rs Crore	134.84	98.11	63.89	104.71	0.48
Difference of recovery and expenditure	**Rs Cr**	**0.00**	**-1.40**	**5.19**	**(21.83)**	**1.32**
Total gain / loss	**Rs Cr**	**(16.72)**				
Secondary Fuel Cost						
Normative SFC	Rs Cr	37.22	16.79	18.34	25.96	
Normative SF Cost derived from Norm Net Gen	Rs/kwh	0.07	0.05	0.05	0.04	
Secondary fuel cost recovery from actual generation	Rs Cr	37.03	16.64	19.31	16.34	
Actual SFC incurred	Rs Cr	38.45	10.60	11.28	16.46	
Savings due to performance improvement	**Rs Cr**	**(1.42)**	**6.05**	**8.03**	**(0.13)**	
Total Impact of Savings/Excess Expenditure due to SFC	Rs Cr	**12.54**				
Coal Cost (primary fuel)						
Normative Coal Cost	Rs Cr	730.80	534.16	422.51	1029.19	
Normative ECR (Coal)	Rs/kwh	1.39	1.58	1.20	1.58	
Normative fuel cost on actual sent out	Rs Cr	727.04	529.39	444.94	647.62	
Actual fuel cost	Rs Cr	791.61	530.82	506.81	737.58	
Coal Cost Surplus/(deficit)	**Rs Cr**	**(64.58)**	**(1.43)**	**(61.87)**	**(89.95)**	
Total Impact of Savings/Excess Expenditure due to Coal	**Rs Cr**	**(217.84)**				
Total plant wise impact of gain/ loss	**Rs Cr**	**(66.41)**	**3.11**	**(28.14)**	**(538.65)**	**1.38**
Total Impact of Savings/Excess Expenditure	**Rs Cr**	**(628.72)**				
Plant-wise Impact of DSM Charges	**Rs Cr**	24.64	23.37	22.03	27.12	0.00
Total Impact of DSM Charges	**Rs Cr**			**97.16**		
Net total Impact Savings/Excess Expenditure	**Rs Cr**			**(531.56)**		
Net applicable Gain/(Loss) to CSPGCL	**Rs Cr**	**(354.37)**				
Plant-wise gain/loss excl. DSM	**Rs Cr**	**(44.28)**	**2.07**	**(18.76)**	**(359.10)**	**0.92**
Plant-wise gain/loss with DSM	**Rs Cr**	(27.85)	17.65	(4.07)	(341.02)	0.92

From the above Table, it is seen that CSPGCL has incurred loss of Rs. 531.56 Crore in FY 2022-23. As per the provisions of the Regulations, 2/3rd of this loss has to be retained by CSPGCL and remaining 1/3rd will be passed on to the consumers of the State. Accordingly, the Commission allocates the loss of Rs. 354.37 Crore to CSPGCL for FY 2022-23, after undertaking the sharing of gains and losses.

4.26 Revenue Gap/(Surplus) for CSPGCL for FY 2022-23

Commission's view

The Commission has considered the revenue from sale of power based on the Audited Accounts submitted by CSPGCL for FY 2022-23 and reconciliation of CSPGCL.

The Water Charges, SLDC Charges and Start Up Power Charges have been considered separately for FY 2022-23. The revenue from DSM Charges has been apportioned for respective Generating Station.

The Commission has considered the Income Tax of Rs. 36.92 Crore approved in earlier section of this Order separately in the Revenue Gap/(Surplus) Table for FY 2022-23.

In view of the above, the Revenue Gap/(Surplus) for CSPGCL for FY 2022-23 after final truing up has been approved as shown in the Table below:

Table 4-38: Revenue Gap/(Surplus) after True-up for FY 2022-23 for CSPGCL (Rs. Crore)

Particulars	CSPGCL Petition	Approved
ARR for HTPS	1580.21	1497.09
ARR for DSPM TPS	1056.68	1056.68
ARR for KWTPP	1128.20	1128.20
ARR for ABVTPS	2250.95	2250.95
ARR for Hasdeo Bango	20.66	20.66
Sub Total	**6036.69**	**5953.57**
Additional claim on account of sharing gain (loss) of CSPGCL	(352.89)	(354.37)
Petition Filing Fee & Advertising expenses	0.36	0.36
Impact of previous year revenue gap	246.21	246.21
Water, SLDC charges & start up power for recovery	132.18	132.18
Income Tax for Current Year	36.92	36.92
Total ARR	**6099.47**	**6014.88**
Revenue from sale of power for HTPS	1573.76	1573.76
Revenue from sale of power for DSPM TPS	1019.02	1019.02
Revenue from sale of power for KWTPP	1112.35	1112.35
Revenue from sale of power for ABVTPS	1770.58	1770.58
Revenue from sale of power for Hasdeo Bango	24.12	24.12
Revenue from Sale of Power	**5,499.84**	**5,499.84**
Income from Sale of Scrap of KTPS	115.58	115.58
Water, SLDC charges & start up power for recovery	132.18	132.18
Recovery Impact of previous year revenue gap	246.21	246.21
Total Recovery & Revenue	**5,993.81**	**5,993.81**
Standalone ARR Gap for the year	**105.67**	**21.07**

The Commission approves Standalone Revenue Gap of Rs. 21.07 Crore after Truing-up of FY 2022-23.

The Commission has considered carrying cost on the Revenue Gap arrived after final Truing-up of FY 2022-23. The Commission has considered the interest rates as applicable for interest on Working Capital for FY 2022-23 as specified in the Regulations:

Table 4-39: Revenue Gap after True-up for FY 2022-23 for CSPGCL along with carrying cost (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening Gap/(Surplus) for the year	-	21.84	23.43
Gap/(Surplus) for the year	21.07	-	
Closing Gap/(Surplus)	21.07	21.84	-
Interest Rate (%)	7.27%	7.27%	7.27%
Holding/Carrying Interest/Cost for the year	0.77	1.59	0.85
Closing Gap/(Surplus)	**21.84**	**23.43**	**24.28**
Total Proposed to be repaid in twelve monthly instalments			**24.28**
Monthly instalment			**2.43**

Accordingly, the Revenue Gap including carrying cost, which is required to be factored in the revenue requirement of CSPDCL for FY 2024-25 works out to Rs. 24.28 Crore.

The Commission, hence, approves cumulative Revenue Gap of Rs. 24.28 Crore up to FY 2024-25 for CSPGCL. CSPGCL is allowed to recover the same in ten (10) equal monthly instalments starting from June 2024 from CSPDCL. This Revenue Gap has been adjusted in ARR of CSPDCL for FY 2024-25 as discussed in subsequent Chapter.

5 TRUE-UP OF ARR FOR FY 2022-23 FOR CSPTCL

5.1 Background

The Commission notified the CSERC MYT Regulations, 2021 for the 4th MYT Control Period from FY 2022-23 to FY 2024-25 on November 14, 2021. The Commission issued the last Tariff Order dated March 28, 2023 on true up of ARR for FY 2021-22 based on the audited accounts for FY 2021-22 and Determination of Tariff for FY 2023-24. The Commission has determined the ARR and Tariff for FY 2022-23 on April 13, 2022 and the final true up of ARR for FY 2022-23 had been carried out by comparing actual performance with the values as approved in the Order dated April 13, 2022.

Based on the audited accounts of FY 2022-23, CSPTCL has submitted the Petition for final true-up of ARR for FY 2022-23.

Regulation 10.4 of the CSERC MYT Regulations, 2021 specifies as under:

"10.4. The scope of the truing up shall consist of comparison of the performance of the generating company or STU/ transmission licensee or distribution licensee or SLDC with the approved forecast and shall include following:

(a) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of uncontrollable factors;

(b) Review of compliance to directives issued by the Commission from time to time;

(c) Any other relevant details."

In accordance with the above Regulation, in the present order, final true-up of ARR for FY 2022-23 is undertaken based on audited accounts as submitted by CSPTCL.

In this Chapter, the Commission has analysed all the elements to identify actual expenditure and revenue of CSPTCL for FY 2022-23 and undertaken the final true-up of expenses and revenue in accordance with Regulation 10 of the CSERC MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between CSPTCL and its beneficiaries, in accordance with Regulation 13 of the CSERC MYT Regulations, 2021.

5.2 Transmission System of CSPTCL

The physical status of the transmission system of CSPTCL as on March 31, 2023, as submitted by CSPTCL, is shown in the Table below:

Table-5-1: Physical status of transmission system of CSPTCL as on March 31, 2023

Particulars	Units	As on March 31, 2022	Addition in FY 2022-23	As on March 31, 2023
A. EHV Transmission Lines				
400 kV	ckt. km.	1918	0	1918
220 kV	ckt. km.	4032	0	4032
132 kV	ckt. km.	7496	374.10	7870.07
Total	**ckt. km.**	**13446**	**374.10**	**13820.07**

Particulars	Units	As on March 31, 2022	Addition in FY 2022-23	As on March 31, 2023
B. EHV Substations				
400 kV	No.	4	0	4
220 kV	No.	26	0	26
132 kV	No.	95	5	100
Total	**No.**	**125**	**5**	**130**
C. Power Transformer Capacity of EHV Substations				
400 kV	MVA			3150
220 kV	MVA			10100
132 kV	MVA			10159
Total				**23409**

5.3 Transmission Losses

CSPTCL's Submission

CSPTCL submitted that based on the actual reading of the energy meters installed at the various points of the State's periphery, the actual transmission loss for FY 2022-23 is 3.17%. The computation of the transmission losses submitted by CSPTCL is shown in the Table below:

Table 5-2: Transmission Losses for FY 2022-23 as submitted by CSPTCL (MU)

Sr. No.	Particulars	FY 2022-23
1	State Generation Ex-Bus at 132 kV and above	16635.67
2a	Import from CTU Grid at CG Periphery at 132 kV and above	22199.07
2b	Export to CTU Grid at CG Periphery at 132 kV and above	5486.82
2	Net Drawal from CTU Grid at State Periphery at 132 kV and above	16712.25
3	IPPs/CPP Injection in CSPTCL System at 132 kV and above	1196.62
4	**Total Injection at State Grid of STU (MU) (1+2+3)**	**34550.25**
5	EHV Sales from Sub-Station	4631.42
6	Net Output to DISCOM	28,823.36
7	Sum of import of data of transformers and import of data of Generating station feeder's import	5.72
8	**Total Output from CSPTCL System (5+6+7)**	**33454.77**
9	Transmission Loss (4-8)	1095.48
10	**Transmission Loss (%) (9/4*100)**	**3.17%**

Commission's View

In the Tariff Order for FY 2022-23 dated April 13, 2022, the transmission losses were approved as 3.00% for FY 2022-23. The details of source-wise actual injection of energy, actual EHV sales and joint meter readings have been examined. In response to the Commission's query regarding higher transmission loss of 3.17%, CSPTCL stated that the loss is higher because of non-completion of various works in respect of 400 kV/ 220 kV/ 132 kV Sub-stations and associated lines in a timely manner, as approved in the CIP Order.

The Commission approves the actual transmission loss of 3.17% for FY 2022-23 as submitted by CSPTCL.

5.4 Operations and Maintenance (O&M) Expenses

CSPTCL's Submission

CSPTCL has claimed O&M expenses in accordance with Regulation 73.5 of the MYT Regulations, 2021. CSPTCL submitted that O&M expenses comprise Employee expenses and Maintenance & General (M&G) expenses.

Employee Expenses

CSPTCL submitted that based on the audited accounts, the gross employee expenses (net of employee expenses on account of SLDC) is Rs. 260.62 Crore for FY 2022-23, as shown in the following Table:

Table 5-3: Gross Employee Expenses for FY 2022-23 as submitted by CSPTCL (Rs. Crore.)

Sr. No.	Particulars	Actual
1	Gross Employee Expenses (CSPTCL + SLDC) excluding Terminal Benefits	270.61
2	Less: SLDC Employee Expenses (including interim wage relief)	9.98
3	**CSPTCL Gross Employee Expenses**	**260.62**

The capitalisation of employee expenses has been considered as Rs. 9.71 Crore for FY 2022-23. CSPTCL requested the Commission to approve actual net employee expenses (net of capitalization) of Rs. 250.91 Crore for FY 2022-23.

CSPTCL submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2023. The total sanctioned strength of different class of employees exclusive of SLDC is 3,180 out of which 1,422 are currently working and balance 1,758 are envisaged to be filled in the coming financial years, as shown in the Table below:

Table 5-4: Employee strength of CSPTCL as on 31st March 2023

Sr. No.	Particulars	Sanctioned	Working	Vacant
CSPTCL				
1	Class I	168	140	28
2	Class II	254	180	74
3	Class III	1593	806	787
4	Class IV	1165	296	869
5	**Total**	**3180**	**1422**	**1758**

A&G Expenses and R&M Expenses

CSPTCL submitted the Administrative & General (A&G) expenses and Repair & Maintenance (R&M) expenses (excluding expenses on account of SLDC) for FY 2022-23 based on the audited accounts for FY 2022-23, as shown in the Table below:

Table 5-5: Gross R&M expenses and A&G expenses for FY 2022-23 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	Actual
1	Gross A&G Expenses	53.60
2	Less: SLDC Expenses	0.53
3	**CSPTCL Gross A&G Expenses**	**53.08**
4	Gross R&M Expenses	48.97
5	Less: SLDC Expenses	2.18
6	**CSPTCL Gross R&M Expenses**	**46.80**

CSPTCL submitted that it has not considered expenses on account of Corporate Social Responsibility (CSR) and shortage of inventory under A&G expenses. CSPTCL has considered the capitalisation of A&G expenses as Rs. 1.34 Crore for FY 2022-23. CSPTCL submitted the comparison of actual O&M expenses vis-a-vis O&M expenses approved in the MYT Order, as shown in the following Table:

Table 5-6: O&M Expenses as submitted by CSPTCL for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition
1	Gross Employee Expenses	246.92	260.62
2	Gross A&G Expenses	50.32	53.08
3	Gross R&M Expenses	55.87	46.80
4	**Gross O&M Expenses (excluding SLDC)**	**353.11**	**360.50**
5	Employee expenses capitalized		9.71
6	A&G Expenses capitalized		1.34
7	**Net O&M Expenses (excluding SLDC)**	**353.11**	**349.44**

CSPTCL requested the Commission to approve O&M expenses as per audited accounts as shown in the above Table.

Sharing of gains and losses on account of O&M expenses

CSPTCL submitted that the MYT Regulations, 2021 allows incentive/ disincentive for better/under performance vis-à-vis operational norms so that such efforts are appropriately reflected, thereby, ensuring improved efficiency on a sustainable basis.

CSPTCL has computed gain and losses in accordance with Regulations 8, 11.2, and 13 of the MYT Regulations 2021. Accordingly, the employee expenses have been considered based on actuals and have not been subjected to sharing of gains or losses. CSPTCL requested the Commission to approve Rs. 260.62 Crore as gross employee expenses and capitalisation of employee expenses as Rs. 9.71 Crore for FY 2022-23.

CSPTCL submitted that the normative A&G expenses and R&M expenses for FY 2021-22 have been considered as the base values to arrive at the revised normative A&G and R&M expenses for FY 2022-23. A&G expenses have been escalated by 5.87% (40% of weightage of WPI and 60% weightage of CPI of last five years). The R&M expenses have been escalated by the increase in WPI of 9.41% for FY 2022-23. CSPTCL has computed the revised normative A&G expenses and revised normative R&M Expenses for FY 2022-23 as Rs. 57.58 Crore and Rs. 60.97 Crore, respectively.

Additional O&M Expenses

CSPTCL submitted that as per Regulation 73.5.3 of the MYT Regulations, 2021, claim for additional normative A&G expenses and R&M expenses on account of new transmission lines/substations commissioned during FY 2022-23 has been made based on the methodology adopted by the Commission in the previous Tariff Orders.

Assets generated on account of consumer contribution have been taken as Rs. 1 in the audited accounts as per accounting practice. However, assets so generated are being maintained by CSPTCL and hence, qualify for additional R&M expenses and A&G expenses against these assets. Total assets generated on account of consumer contribution for FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 are Rs. 5.78 Crore, Rs. 13.60 Crore, Rs. 24.49 Crore, Rs. 60.36 Crore, and Rs. 77.86 Crore respectively.

Accordingly, CSPTCL has computed additional normative A&G and R&M expenses for FY 2022-23, as shown in the following Table:

Table 5-7: Additional Normative O&M Expenses as submitted by CSPTCL for FY 2022-23 (Rs. Crore.)

Sr. No.	Particulars	Formula	Amount
1	Average of opening and closing GFA for previous FY 2021-22	A	5503.30
2	Average of opening and closing GFA for current FY 2022-23	B	5798.24
3	Increase in GFA (%)	C= (B-A)/A*100	5.36%
4	Normative A&G Expenses arrived at for FY 2022-23	D	57.58
5	Normative R&M Expenses arrived at for FY 2022-23	E	60.97
6	**Additional A&G Expenses on account of increase in GFA**	F = D * C	**3.09**
7	**Additional R&M Expenses on account of increase in GFA**	G = E * C	**3.27**

CSPTCL submitted the revised normative A&G Expenses and R&M Expenses for FY 2022-23 after adding Additional Normative expenses to base normative expenses, as shown in the Table below:

Table 5-8: Revised Normative A&G Expenses and R&M Expenses as submitted by CSPTCL for FY 2022-23 (Rs. Crore)

Particulars	Amount
Normative A&G Expenses	
Base Normative A&G Expenses	57.58
Additional A&G Expenses	3.09
Total Normative A&G Expenses	**60.67**
Normative R&M Expenses	
Base Normative R&M Expenses	60.97
Additional R&M Expenses	3.27
Total Normative R&M Expenses	**64.24**

CSPTCL submitted that normative A&G expenses and R&M expenses computed above and actual A&G expenses and R&M expenses have been considered for computation of gain/loss. CSPTCL submitted the sharing of gain/(loss) for FY 2022-23, as shown in the following Table:

Table 5-9: Sharing of gain/(loss) on A&G Expenses and R&M expenses as submitted by CSPTCL for FY 2022-23 (Rs. Crore.)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
A	Net A&G expenses	60.67	51.73	8.94
B	Net R&M expenses	64.24	46.80	17.44
C	**Total**	**126.94**	**98.53**	**26.38**
D	**CSPTCL share (1/3 of Total Gain/(Loss))**			**8.79**

Consideration of Outsourced work under Employee Expenses Head

CSPTCL submitted the details of the outsourced expenses for FY 2022-23 as shown in the below table:

Table 5-10: Details of Outsourced Expenses (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
132 kV Substations	14.41	24. 47	24.63	24.26	32.78	27.67
220 kV Substations	3.65	6.95	6.75	7.05	7.21	7.51
400 kV sub-station			0.89	0.91	4.80	1.58
Grand total	**18.06**	**31.42**	**32.27**	**32.21**	**44.81**	**36.76**

Commission's View

As regards O&M Expenses, Regulation 73.5 of the MYT Regulations, 2021 specifies as under:

"73.5 Operation and Maintenance expenses

73.5.1. Human Resource (HR) Expenses

a) HR expenses shall include:

(i) Employee costs;

(ii) Impact of Pay revision;

(iii) Manpower deployed on outsourcing basis;

b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.

c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e., FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of the pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.

d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI(IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value of FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expense (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period.

e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.

Provided further that during the true-up, actual cash outflow on impact of pay revision (including arrears) and pension fund contribution shall be allowed as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.

f) CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}

73.5.2. Maintenance & General (M&G) Expenses

a) Maintenance & General (M&G) expenses shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses

b) The Commission shall stipulate a separate trajectory for M&G expenses i.e., R&M and A&G expenses for the Control period.

c) The A&G expenses (excluding expenses towards outsourcing manpower if any) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower if any) available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.

d) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the A&G expense.

e) R&M expenses for the first year of the control period shall be calculated as a percentage (as per the norm decided in the tariff order) of opening Gross Fixed Assets. For arriving at the R&M expenses of the subsequent years of the control period, projected WPI rate shall be applied on the estimated R&M expenses of the first year.

f) Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series};

g) Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}

h) At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.

73.5.3. In cases the additional O&M expenses incurred due to additional capital investment or any change in law or any direction by any statutory authority shall be pass-through over and above the O&M charges allowed in the Tariff order after prudence check by the Commission."

The above Regulations specify that at the time of truing up, the O&M Expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.

Further it is to be noted that, Regulation 73.5.2 (e) of the MYT Regulations, 2021 specifies as under:

"R&M expenses for the first year of the control period shall be calculated as a percentage (as per the norm decided in the tariff order) of opening Gross Fixed Assets. For arriving at the R&M expenses of the subsequent years of the control period, projected WPI rate shall be applied on the estimated R&M expenses of the first year."

and,

As per the MYT Tariff Order dated 13.04.2022,

> ***"The Commission has approved R&M expenses for 2022-23 as 1% of Opening GFA of FY 2022-23, and then escalated the same with WPI of 2.38% to determine the normative R&M expenses for the remaining two years of the Control Period."***

Accordingly, the Commission has considered an escalation factor of 7.39% (40% weightage of WPI and 60% weightage of CPI) for calculating A&G expenses and 1% of Opening GFA of FY 2022-23 for calculating R&M expenses for FY 2022-23. The base-year's O&M Expenses value is considered as approved in the MYT Order dated 13.04.2022.

However, it has been observed that CSPTCL, when calculating normative A&G Expenses, has considered an escalation factor equal to the average inflation rate of the past five years instead of the actual inflation rate for the current year. Additionally, CSPTCL has considered the O&M expenses approved by the Commission in the True-Up Order for FY 2021-22 as the base value, instead of the value approved by the Commission in the MYT Order dated 13.04.2022.

Further, Regulation 73.5.3 of the MYT Regulations, 2021, provides for consideration of additional O&M expenses on account of new transmission lines/sub-stations. In line with the methodology adopted by the Commission in the previous Orders, the Commission has computed the additional O&M expenses by considering approved GFA with the base O&M expenses allowed for the previous year and in the same proportion for corresponding increase in GFA. The additional normative A&G expenses and R&M expenses on account of new transmission lines and sub-stations for FY 2022-23 are computed as shown in the Table below:

Table 5-11: Computation of Additional A&G expenses and R&M expenses for FY 2022-23 (Rs. Crore)

Particulars	Legend/Formula	FY 2022-23
Average of Opening and Closing GFA for previous FY	A	5533.48
Average of Opening and Closing GFA for current FY	B	5798.24
Increase in GFA (%)	C=(B-A)/Ax100	4.78%
Normative A&G Expenses approved for FY	D	51.98
Normative R&M Expenses approved for FY	E	55.71
Additional A&G Expenses on account of increase in GFA for FY 2022-23	**F=D x C**	**2.49**
Additional R&M Expenses on account of increase in GFA for FY 2022-23	**G = E x C**	**2.67**

For the purpose of true-up for FY 2022-23, the Commission approves the normative A&G Expenses and R&M Expenses including additional A&G expenses and R&M

expenses on account of new transmission lines/sub-stations, as shown in the following Table:

Table 5-12: Approved Normative A&G Expenses and R&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	Revised
A&G Expenses	50.32	60.67	54.46
R&M Expenses	55.87	64.24	58.37
Grand total	**106.19**	**126.94**	**112.84**

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2022-23 in accordance with CSERC MYT Regulations, 2021.

The actual Employee expenses have been approved based on audited accounts and clarifications sought from CSPTCL, as shown in the Table below:

Table 5-13: Approved Actual Employee Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Gross Employee Expenses (CSPTCL + SLDC) excluding terminal benefits	270.61	270.61
2	Less: SLDC Employee Expenses	9.98	9.98
3	Gross Employee Expenses (excluding SLDC)	260.62	260.62
4	Less: Employee Cost Capitalized	9.71	9.71
5	**Net Employee Expenses**	**250.91**	**250.91**

The Commission observed that there was a mismatch in actual A&G expenses and R&M expenses claimed with the amounts reported in Note 24 of the Audited Accounts. In reply to the Commission's queries, CSPTCL submitted that due to inadvertent error, the deduction of CSR expenses of Rs. 0.78 Crore has been considered twice while computing the A&G expenses. The Petitioner requested the Commission to condone the error and allow the rectification of the error in computation of A&G expenses and resultant impact on IoWC and ARR. The Petitioner has submitted the revised tables for A&G expenses, IoWC and ARR.

Accordingly, the Commission has approved actual A&G expenses and R&M expenses for FY 2022-23 considering the audited annual accounts, as shown in the following Table:

Table 5-14: Approved Actual A&G Expenses and R&M Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Gross A&G Expenses	53.60	54.38
2	Less: SLDC Expenses	0.53	0.53
3	**Gross A&G Expenses (Excluding SLDC)**	**53.08**	**53.85**

Sr. No.	Particulars	Petition	Approved
4	A&G Expenses Capitalized	1.34	1.34
5	**Net A&G Expenses**	**51.74**	**52.51**
6	Gross R&M Expenses	48.97	48.97
7	Less: SLDC Expenses	2.18	2.18
8	**Gross R&M Expenses (Excluding SLDC)**	**46.80**	**46.80**
9	R&M Expenses Capitalized		
10	**Net R&M Expenses**	**46.80**	**46.80**

As regards the sharing of gains and losses, in accordance with Regulation 73.5.1 of the MYT Regulations, 2021, the sharing of gains and losses in M&G expenses computed after final true-up for FY 2022-23, is shown in the following Table:

Table 5-15: Sharing of gain/(loss) on A&G Expenses and R&M expenses for FY 2022-23 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/ (Loss)
A	Net A&G expenses	54.46	52.51	1.95
B	Net R&M expenses	58.37	46.80	11.58
C	**Total Gain/(Loss)**	**112.84**	**99.31**	**13.53**
D	**CSPTCL share (1/3 of Total Gain)**			**4.51**

5.5 Contribution to Pension and Gratuity Fund

CSPTCL's Submission

CSPTCL submitted that the Commission, in the Tariff Order dated April 13, 2022, allowed contribution of Rs. 115.51 Crore to Pension and Gratuity (P&G) fund for FY 2022-23. Accordingly, CSPTCL has made P&G contribution of Rs. 115.51 Crore.

Commission's View

The Commission approves the actual Contribution to P&G Fund for FY 2022-23 as submitted by CSPTCL, as shown in the following Table:

Table 5-16: Contribution to P&G Fund for FY 2022-23 as approved by the Commission (Rs. Crore)

Particulars	Tariff Order dated 13.04.2022	Petition	Approved
Contribution to P&G Fund	115.51	115.51	115.51

5.6 Gross Fixed Assets

CSPTCL's Submission

CSPTCL submitted that the Commission, in the MYT Order for the Control Period from FY 2022-23 to FY 2024-25 dated April 13, 2022, had approved the methodology for determination of capital structure into consumer contribution, debt and equity. The capital structure for FY 2022-23 has been considered as follows:

- The opening Capital Works in Progress (CWIP) of Rs. 589.21 Crore for FY 2022-23 has been considered equal to the closing CWIP of FY 2021-22 as per the true-up of ARR for FY 2021-22;
- Closing CWIP of Rs. 552.75 Crore has been considered as per the audited accounts for FY 2022-23;
- The actual loan addition of Rs. 102.77 Crore has been considered as per the audited accounts for FY 2022-23;
- GFA addition of Rs. 377.20 Crore (net of GFA addition for SLDC) has been considered as on cash basis for FY 2022-23;
- Assets generated on account of Consumer Contribution has been taken as Nil, considering their value as Rs.1 only as per Accounting Standard;
- The normative debt: equity ratio has been considered as 70:30 for additional capitalisation during FY 2022-23 as per the CSERC MYT Regulations, 2021.

CSPTCL submitted that assets of Rs. 377.20 Crore on cash basis created during FY 2022-23 is a part of GFA mentioned in Audited Accounts of FY 2022-23, which excludes asset created through consumer contribution/grant. However, as per Audited Accounts, PSDF grants received during FY 2022-23 is are reflected as Rs. 8.30 Crore. The assets created due to consumer contribution is taken as Re. 1 irrespective of actual value of asset.

CSPTCL submitted the means of finance for GFA addition at normative debt: equity ratio of 70:30. Accordingly, CSPTCL submitted the debt amount of Rs. 264.04 Crore and Equity amount of Rs. 113.16 Crore for FY 2022-23. CSPTCL requested the Commission to approve the capital structure and means of finance including GFA addition for FY 2022-23 as per its submissions.

Commission's View

In the previous Tariff Order, the Commission has approved the closing GFA as Rs. 5,570.71 Crore after true-up for FY 2021-22. The Commission has accordingly considered the same amount as opening GFA for FY 2022-23.

As regards GFA addition during the year, the Commission asked CSPTCL to submit scheme-wise details of asset addition for FY 2022-23 with respect to the scheme-wise capitalisation approved for FY 2022-23. In the reply, CSPTCL submitted accounting head-wise details for capitalisation for FY 2022-23.

The Commission notes that audited accounts for FY 2022-23 indicate the capitalisation of Rs. 401.97 Crore, which is capitalisation of CSPTCL only, as capitalisation by CSLDC during FY 2022-23 is Rs. 0.86 Crore. However, CSPTCL has submitted that assets of Rs. 377.20 Crore were created on cash basis during the FY 2022-23. The same has been verified. Accordingly, the Commission has considered the capitalisation of Rs. 377.20 Crore for FY 2022-23.

The Commission approves the GFA addition and its funding for FY 2022-23 as shown in the following Table:

Table 5-17: Approved GFA Addition and Means of Finance for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	GFA Addition	377.20	377.20
	Means of Finance		
2	Consumer Contribution	0.00	0.00
3	Equity	113.16	113.16
4	Debt	264.04	264.04
5	**Total Capitalisation**	**377.20**	**377.20**

5.7 Depreciation

CSPTCL's Submission

CSPTCL submitted that it has computed depreciation of Rs. 247.23 Crore for FY 2022-23, in accordance with Regulation 25 of the MYT Regulations, 2021 and the methodology considered by the Commission in the past. CSPTCL has requested the Commission to approve the same in the final true-up of ARR for FY 2022-23.

Commission's View

The Commission has approved the depreciation in accordance with the MYT Regulations, 2021 and approach adopted in the past Orders. The closing GFA for FY 2021-22, as approved in the true up for FY 2021-22, has been considered as the opening GFA for FY 2022-23. The additional GFA as well as the addition of Grants and Consumer Contribution in GFA has been considered as approved by the Commission. The weighted average depreciation rate of 5.26%, computed on the basis of deprecation rates specified in the CSERC MYT Regulations, 2021, has been considered for FY 2022-23. Depreciation on assets due to Consumer Contribution and grants amounts to Rs. 2.84 Crore for FY 2022-23.

CSPTCL has submitted the depreciation on fully depreciated assets during the year as Rs. 52.65 Crore for FY 2022-23 and the same has been considered by the Commission. The depreciation computed by the Commission for FY 2022-23 is shown in the following Table:

Table 5-18: Approved Depreciation for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA excluding CSLDC	5587.38	5570.71	5570.71
2	Add: Capitalization during the year	202.98	377.20	377.20
3	GFA at the end of the year excluding CSLDC	5790.36	5947.91	5947.91
4	Average GFA for the year	5688.87	5759.31	5759.31
5	Depreciation Rate	5.26%	5.26%	5.26%
6	Depreciation @ applicable rates as per Regulations	299.13	302.72	302.73
7	Opening consumer contribution		54.04	54.04
8	Addition: consumer contribution during the year			

Sr. No.	Particulars	Tariff Order	Petition	Approved
9	Closing consumer contribution		54.04	54.04
10	Average consumer contribution		54.04	54.04
11	Less: Depreciation on Consumer Contribution and grants	2.84	2.84	2.84
12	Less: Depreciation on fully depreciated assets	25.03	52.65	52.65
13	**Net Depreciation**	**271.25**	**247.23**	**247.23**

5.8 Interest on Loan

CSPTCL's Submission

CSPTCL submitted that it has calculated interest and finance charges as per Regulation 24 of the MYT Regulations, 2021. CSPTCL submitted details of actual loan for FY 2022-23 as per the audited accounts. CSPTCL has considered the approved closing normative loan balance for FY 2021-22 as per the true-up Order, as the opening normative loan balance for FY 2022-23. The debt component of 70% of GFA addition after deduction of grants during FY 2022-23 has been considered as the normative loan addition during the year. The allowable depreciation for FY 2022-23 has been considered as the normative repayment for the current year. The rate of interest has been computed in accordance with Regulation 24.5. The actual weighted average interest rate of 6.40% for FY 2022-23 has been considered for computation of the interest on loan. CSPTCL requested the Commission to approve Interest on Loan of Rs. 117.59 Crore for FY 2022-23.

Commission's View

The Commission has approved interest on loan capital for FY 2022-23 as per Regulation 24 of the CSERC MYT Regulations, 2021.

The Commission has considered the closing net normative loan balance for FY 2021-22, as approved after True-up, as the opening net normative loan balance for FY 2022-23. The addition of normative loan for FY 2022-23 has been considered based on debt component towards the actual capitalisation of during the year, as approved earlier in this Chapter. The repayment has been considered equal to net depreciation approved for FY 2022-23 in this Order.

The Commission has computed the weighted average rate of interest of 6.40% for FY 2022-23, as per Regulation 24.5 of the CSERC MYT Regulations, 2021. Accordingly, the normative interest on loan approved for FY 2022-23 is shown in the Table below:

Table 5-19: Approved Interest on Loan for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Total Opening Net Loan	1806.67	1800.19	1800.19
2	Repayment during the period	271.25	247.23	247.23
3	Additional Capitalization of Borrowed Loan during the year	142.09	264.04	264.04
4	Total Closing Net Loan	1677.50	1817.00	1817.00

Sr. No.	Particulars	Tariff Order	Petition	Approved
5	Average Loan during the year	1742.09	1808.60	1808.60
6	Weighted Average Interest Rate	9.76%	6.40%	6.40%
7	Bank Charges		1.84	1.84
8	**Interest Expenses**	**169.99**	**117.59**	**117.59**

5.9 Return on Equity (RoE) and Income Tax

CSPTCL's Submission

CSPTCL has computed Return on Equity (RoE) as per Regulation 23 of the MYT Regulations, 2021, using the base rate of Return on Equity of 14%. The Income Tax has been separately claimed based on actual Income Tax paid during the year. CSPTCL has claimed the Income Tax of Rs. 19.87 Crore for FY 2022-23 based on the Audited Accounts. CSPTCL has considered the closing permissible equity balance of FY 2021-22, as approved in the true-up Order, as the opening permissible equity balance for FY 2022-23. The equity addition has been considered as 30% of the actual capitalisation during the year. CSPTCL requested the Commission to approve RoE of Rs. 215.32 Crore for FY 2022-23.

Commission's View

Regulation 23 of the MYT Regulations, 2021 specifies that Income Tax shall be pass through on actual basis, subject to ceiling linked to permissible RoE. In the previous Tariff Orders, the Commission has allowed Income Tax paid separately, rather than grossing up the RoE. The Commission notes that CSPTCL has also requested for separate reimbursement of actual Income Tax paid. Accordingly, the Commission has approved RoE at base rate of 14% as per Regulation 23 of the CSERC MYT Regulations, 2021 and allowed the Income Tax separately.

For computation of RoE, the closing equity as approved after True-up for FY 2021-22 has been considered as opening equity for FY 2022-23. The equity addition has been considered based on the actual capitalisation as approved earlier in this Order. The Commission approves the RoE for FY 2022-23 as shown in the following Table:

Table 5-20: Approved Return on Equity for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Permissible Equity in Opening GFA	1486.41	1481.41	1481.41
2	Addition of Permissible Equity during the year	60.89	113.16	113.16
3	Permissible Equity in Closing GFA	1547.31	1594.57	1594.57
4	Average Gross Permissible Equity during the year	1516.86	1537.99	1537.99
5	Rate of Return on Equity	14%	14%	14%
6	**Return on Equity**	**212.36**	**215.32**	**215.32**

As regards Income Tax, CSPTCL was asked to submit the detailed computation of Income Tax and documentary evidence related to actual payment, viz., Income tax receipt, challans, etc., for prudence check of Income Tax paid for FY 2022-23. CSPTCL submitted computation of Income Tax, Income Tax challans and other documentary evidences for FY 2022-23. It is observed that Income Tax for FY 2022-23 is computed to be Rs. 19.74 Crore. In response to the Commission's query in this regard, CSPTCL revised the Income Tax claim from Rs. 19.87 Crore to Rs. 19.74 Crore. Further, CSPTCL clarified that no adjustment towards MAT credit has been made during FY 2022-23 and during FY 2022-23, CSPTCL has received Nil refund of Income Tax.

The Commission approves the Income Tax as Rs. 19.74 Crore in the true-up for FY 2022-23.

5.10 Interest on Working Capital

CSPTCL's Submission

For computation of Interest on Working Capital (IoWC) for FY 2022-23, CSPTCL has considered O&M expenses for fifteen days, maintenance spares at 20% of M&G expenses, and receivables equivalent to one month of revenue billed, for computing the working capital requirement. CSPTCL has considered the interest rate of 7.85% (average actual sanctioned rate of interest during the year) for FY 2022-23. CSPTCL requested the Commission to approve IoWC of Rs. 9.71 Crore for FY 2022-23.

Commission's View

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the revised normative value of O&M expenses as approved in this Order, as against CSPTCL's approach of considering actual M&G Expenses instead of normative M&G Expenses for computation of the O&M expenses for fifteen days. Further, the receivables have been considered based on the actual revenue billed by CSPTCL during FY 2022-23. The interest rate has been considered as per Regulation 26.4 of the MYT Regulations, 2021, i.e., 7.85% (average actual sanctioned rate of interest during the year) for FY 2022-23. The normative IoWC approved by the Commission is shown in the Table below:

Table 5-21: Approved Interest on Working Capital for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	O&M expenses for fifteen days	14.71	14.36	14.89
2	Maintenance Spares @ 20% of M&G Expenses	21.24	24.98	22.57
3	Receivables @ 1 Month	91.88	84.27	84.27
4	**Total Working Capital requirement**	**127.83**	**123.61**	**121.73**
5	Rate of Interest on Working Capital	9.00%	7.85%	7.85%
6	**Interest on Working Capital**	**11.50**	**9.71**	**9.56**

5.11 Non-Tariff Income

CSPTCL's Submission

CSPTCL submitted the Non-Tariff Income of Rs. 19.78 Crore for FY 2022-23 based on audited accounts and requested the Commission to approve the same.

Commission's View

For the purpose of true-up for FY 2022-23, the Commission has considered the Non-Tariff Income for Transmission Business as per Segmental Notes of Accounts for FY 2022-23. Accordingly, the Commission has considered Non-Tariff income of Rs. 19.78 Crore for FY 2022-23, as shown in the Table below:

Table 5-22: Approved Non-Tariff Income for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Non-Tariff Income	31.19	19.78	19.78

5.12 Aggregate Revenue Requirement (ARR)

Based on the above, the ARR approved after true-up for FY 2022-23 is shown in the Table below:

Table 5-23: Approved ARR after true-up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Employee Expenses	246.92	260.62	260.62
2	A&G Expenses	50.32	53.08	53.85
3	R&M Expenses	55.87	46.80	46.80
4	Terminal Benefits	115.51	115.51	115.51
5	Less: Capitalization of Employee and A&G Expenses		11.06	11.06
6	Depreciation	271.25	247.23	247.23
7	Interest on Loan	169.99	117.59	117.59
8	Interest on Working capital	11.50	9.71	9.56
9	Return on Equity	212.36	215.32	215.32
10	Gain/(Loss) on sharing O&M efficiency		8.79	4.51
13	Income Tax		19.87	19.74
14	Total	**1,133.74**	**1,083.46**	**1,079.68**
15	Less: Non-Tariff Income	31.19	19.78	19.78
16	**Aggregate Revenue Requirement (ARR)**	**1,102.55**	**1,063.69**	**1,059.90**

5.13 Revenue Gap/(Surplus) for FY 2022-23

CSPTCL's Submission

CSPTCL submitted the Revenue Gap/(Surplus) for FY 2022-23, as shown in the following Table:

Table 5-24: Revenue Gap/(Surplus) submitted by CSPTCL for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	FY 2022-23
1	Revenue from Transmission charges for FY 2022-23	1,011.23
2	Surplus adjusted with holding cost up to FY 2022-23 as approved in Tariff Order dated 13.04.2022	90.32
3	**Adjusted ARR for FY 2022-23**	**1,101.55**
4	**ARR determined based on True-up for FY 2022-23**	**1,063.69**
5	**Gap/(Surplus)**	**(37.87)**

As per CERC Order dated 16.02.2016 in Petition No. 245/TT/2013, CSPTCL has executed Revenue Sharing Agreement (RSA) and Transmission Service Agreement (TSA) with Power Grid Corporation of India Limited (PGCIL) on 02.08.2017 for disbursement of transmission charges by PGCIL in CSPTCL account in respect of 220 kV Natural Inter-State Transmission Lines belonging to CSPTCL. However, CSPTCL has received Nil amount from PGCIL towards POC charges during FY 2022-23 in this regard.

CSPTCL requested the Commission to approve the Revenue Surplus of Rs. 37.87 Crore for FY 2022-23.

Commission's View

The Commission has computed the Revenue Gap/(Surplus) after true-up for FY 2022-23 for CSPTCL, as shown in the Table below:

Table 5-25: Approved Revenue Gap/(Surplus) for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved
1	Revenue from Transmission Charges for FY 2022-23	1,011.23
2	Surplus of adjusted with holding cost up to FY 2022-23 as approved in tariff order dated 13.04.2022	90.32
3	Total Revenue for FY 2022-23	1,101.55
4	Actual ARR determined based on Final True-up for FY 2022-23	1,059.90
5	**Revenue Gap/(Surplus)**	**(41.65)**

The Commission approves the Revenue Surplus of Rs. 41.65 Crore after true-up for CSPTCL for FY 2022-23.

5.14 Cumulative Surplus for FY 2024-25

CSPTCL's Submission

CSPTCL has submitted cumulative surplus/ gap for FY 2024-25, as shown in the Table below:

Table 5-26: Cumulative Gap/(Surplus) submitted by CSPTCL for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Gap/(Surplus)	0.00	(39.36)	(42.90)
2	Standalone Gap/(Surplus)	(37.87)	-	(42.90)
3	Closing Gap/(Surplus)	(37.87)	(39.36)	-
4	Interest Rate	7.85%	9.00%	9.00%
5	Holding Cost	(1.49)	(3.54)	(1.93)
6	**Total Closing Gap/(Surplus)**	**(39.36)**	**(42.90)**	**(44.83)**

Commission's View

The Commission has considered the Revenue Surplus of Rs. 41.65 Crore approved after true up for FY 2022-23 along with holding cost, which amounts to Rs. 50.38 Crore, as shown in the Table below:

Table 5-27: Cumulative Gap/(Surplus) approved for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Gap/(Surplus)	0	(43.29)	(46.69)
2	Standalone Gap/(Surplus)	(41.65)	0	46.69
3	Closing Gap/(Surplus)	(41.65)	(43.29)	0.00
4	Interest Rate	7.85%	7.85%	7.85%
5	Holding Cost	(1.64)	(3.40)	(1.83)
6	**Total Closing Gap/(Surplus)**	(43.29)	(46.69)	(48.52)

The Revenue Surplus of Rs. 48.52 Crore has been adjusted against the approved ARR for FY 2024-25.

5.15 Adjusted ARR for FY 2024-25

CSPTCL's Submission

CSPTCL has adjusted the cumulative Gap/(Surplus) for FY 2024-25, as shown in the Table below:

Table 5-28: Adjusted ARR submitted by CSPTCL for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Amount
1	ARR approved for FY 2024-25 vide MYT Order Dated 13.04.2022	1226.30
2	Minus: FY 2022-23 Surplus with holding cost till FY 2024-25	44.83
3	**Adjusted ARR for FY 2024-25**	**1181.47**

Commission's View

The Commission has considered the Revenue Surplus of Rs. 41.65 Crore approved after true up for FY 2022-23 along with holding cost, which amounts to Rs. 48.52 Crore. This Revenue Surplus has been adjusted against the approved ARR for FY 2024-25 as shown in the Table below:

Table 5-29: Adjusted approved ARR for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR approved vide Order dated 13.04.2022 for FY 2024-25	1226.30	1226.30
2	Minus: FY 2022-23 surplus with holding cost till FY 2024-25	44.83	48.52
3	**Adjusted ARR for FY 2024-25**	**1181.47**	**1177.78**
4	**Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers**	**98.46**	**98.15**

CSPTCL shall adjust the differential amount for the months of April and May 2024 in the bills of June and July 2024.

5.16 Transmission Charges for FY 2024-25

CSPTCL's Submission

CSPTCL submitted that as per Clause 33 of CSERC (Connectivity and Intra-State Open Access) Regulations, 2011 and the amendment in the CSERC (Connectivity and Intra-State Open Access) (First Amendment) Regulations, 2012, Open Access charges for using the State Grid have been defined. CSPTCL has determined the short-term Open Access charges for FY 2024-25 by considering the projected maximum demand of 5900 MW. The estimated energy input to be handled by CSPTCL's system for FY 2024-25, based on load factor of 70% on maximum demand met, has been considered as 36178.80 MU.

Commission's View

Regulations 71.2 and 71.2 of the MYT Regulations, 2021 specify as under:

> *"71.1. Annual Transmission Charges for each year of the Control Period: The Annual Transmission Charges for each financial year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the transmission licensee / STU for the respective financial year of the Control Period, reduced by the amount of Non-Tariff Income and income from other business, as approved by the Commission:*
>
> *71.2. The Annual Transmission Charges of the transmission licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement made by the transmission licensee in accordance with Chapter - 2 of this Regulation."*

As per the MYT Regulations, 2021, the annual transmission charges (fixed cost) shall be recovered from the users of CSPTCL's system on a monthly basis as per the methodology specified in the CSERC Open Access Regulations, 2011. According to the CSERC Open Access Regulations, 2011, the basis of sharing monthly transmission charge shall be maximum demand in MW served by CSPTCL's system in the previous financial year.

The Commission has considered Maximum Demand in the State for FY 2024-25 as 5900 MW, as estimated by CSPTCL. The estimated energy input to be handled by CSPTCL's system for FY 2024-25, based on load factor of 70% on Maximum Demand met, is computed as 36178.80 MU. Accordingly, the Transmission Charges for STOA for FY 2024-25 have been determined as shown in the Table below:

Table 5-30: Approved STOA Charges for CSPTCL for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	**Adjusted ARR for FY 2024-25**	**1181.47**	**1177.78**
2	Max Demand Projected in MW	5900	5900
3	Energy Input in MU considering 70% Load Factor	36178.80	36178.80
4	**STOA Charges in Paisa/kWh**	**32.66**	**32.55**

6 TRUE-UP OF ARR FOR FY 2022-23 FOR CSLDC

6.1 Background

The Commission issued the MYT Order on April 13, 2022 approving the ARR of CSLDC for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Charges for FY 2022-23. The Commission has approved SLDC Charges for FY 2023-24 in the Order dated March 28, 2023. The Commission has determined the ARR and Tariff for FY 2022-23 on April 13, 2022 and the final true up of ARR for FY 2022-23 had been carried out by comparing actual performance with the values as approved in Order dated April 13, 2022.

Now, CSLDC has submitted the present Petition for true-up of ARR for FY 2022-23 based on the Audited Accounts of FY 2022-23.

In accordance with Regulation 10.4 of the CSERC MYT Regulations, 2021, the Commission has undertaken the true-up of FY 2022-23 for CSLDC based on Audited Accounts and Segmental Notes submitted by CSLDC.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of CSLDC for FY 2022-23 and undertaken the final true-up of expenses and revenue. The Commission has approved the sharing of gains and losses on account of controllable factors between CSLDC and its beneficiaries, in accordance with Regulation 13 of the CSERC MYT Regulations, 2021.

6.2 Annual Charges for SLDC

Regulation 101.1 of the CSERC MYT Regulations, 2021 specifies the components of Annual Charges for SLDC as under:

(a) Return on equity;

(b) Interest on loan capital;

(c) Depreciation;

(d) O&M expenses:

   a. HR expenses

      i. Employee expenses;

      ii. Impact of Pay revision;

      iii. Manpower deployed on outsourcing basis;

   b. M&G expenses;

(e) Pension & Gratuity fund contribution; and

(f) Interest on working capital.

6.3 Operation and Maintenance (O&M) expenses

CSLDC's Submission

CSLDC has claimed O&M expenses in accordance with Regulation 101.5 of CSERC MYT Regulations, 2021. CSLDC submitted that O&M Expenses includes Employee expenses and Maintenance & General (M&G) expenses. CSLDC has considered O&M expenses for FY 2022-23, as shown in the Table below:

Table 6-1: O&M Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	FY 2022-23
1	Gross Employee Expenses excluding terminal benefits	9.98
2	Gross A&G Expenses	0.53
3	Gross R&M Expenses	2.18
4	**Total O&M Expenses**	**12.69**

Also, CSLDC submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2023. The total sanctioned strength of different class of employees of CSLDC is 76 out of which 48 are currently working and balance 28 are envisaged to be filled in the coming FYs, as shown in the Table below:

Table 6-2: Employee strength of CSLDC as on 31st March 2023 (Nos)

Sr. No.	Particulars	Sanctioned	Working	Vacant
1	Class I	20	19	1
2	Class II	24	12	12
3	Class III	24	15	9
4	Class IV	8	2	6
5	**Total**	**76**	**48**	**28**

CSLDC requested to approve actual O&M Expenses of Rs. 12.69 Crore for FY 2022-23.

Sharing of gain and losses on account of O&M Expenses

For computation of gain and losses, CSLDC has considered the provisions of Regulations 8, 11.2 and 13 of MYT Regulations, 2021.

As per the MYT Regulations, 2021, the Employee expenses have been considered based on actuals and have not been subjected to sharing of gains or losses. A&G expenses and R&M expenses have been subjected to sharing of gains/losses after considering the revised normative expenses as per Regulation 101.5 of the MYT Regulations, 2021.

The normative A&G and R&M expenses for FY 2021-22 as determined in the chapter on final true-up of ARR for FY 2021-22 have been considered to arrive at the normative A&G and R&M expenses for FY 2022-23. A&G expenses have been escalated by 5.87% (40% of weightage of WPI and 60% weightage of CPI of last five years). The R&M have been escalated by the increase in WPI of 9.41% for FY 2022-23 to arrive at the revised normative expenses for FY 2022-23. The normative A&G expenses and R&M expenses for FY 2022-23, as submitted by CSLDC are shown in the Table below:

Table 6-3: Normative A&G Expenses and R&M Expenses for FY 2022-23 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2022-23
1	Normative A&G Expenses	1.45
2	Normative R&M Expenses	2.20

The revised normative A&G expenses and R&M expenses have been considered for the purpose of sharing of gains/losses for FY 2022-23. The actual net A&G expenses and R&M expenses are Rs. 0.53 Crore and Rs. 2.18 Crore (net of capitalisation), respectively, for FY 2022-23. The same have been considered for sharing of gain/(loss) as shown in the Table below:

Table 6-4: Sharing of gain/(loss) on A&G expenses and R&M expenses for FY 2022-23 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
1	Net A&G expenses	1.45	0.53	0.92
2	Net R&M expenses	2.20	2.18	0.02
3	**Total**	**3.70**	**2.70**	**0.95**
4	**CSLDC share (1/3 of Total Gain/(Loss))**			**0.32**

CSLDC submitted the sharing of gains of Rs. 0.32 Crore on account of sharing of normative A&G expenses and R&M expenses vis-à-vis actual expenses in the true-up of ARR for FY 2022-23.

Commission's View

Regulation 101.5 of the CSERC MYT Regulations, 2021 specifies the basis for computation of normative O&M expenses and the method of sharing the efficiency gains/losses vis-à-vis actual O&M expenses, as reproduced in the earlier Chapter.

The Commission, in the MYT Order, had approved O&M Expenses for the Control Period in accordance with the said Regulations, which specify that at the time of truing up, the O&M expenses shall be considered after taking into account the actual inflation over the approved O&M expenses of base-year/previous year.

Accordingly, the Commission has computed the revised normative O&M expenses for FY 2022-23 by applying the actual inflation over base-year's approved O&M expenses. The Commission has considered the CPI and WPI as per the MYT Regulations, 2021 and, accordingly, computed escalation factor of 7.39% (60% weightage of CPI and 40% weightage of WPI) for A&G Expenses and 9.40% (WPI) for R&M Expenses for FY 2022-23. However, it has been observed that CSLDC, when calculating normative A&G Expenses, has used the average inflation rate of the past five years instead of actual inflation rate for the current year. Further, CSLDC has considered the O&M expenses value as approved in true-up for 2021-22 as the base year value instead of value approved by the Commission in the MYT Order dated 13.04.2022. Accordingly, the revised normative O&M Expenses approved for FY 2022-23 are shown in the Table below:

Table 6-5: Approved Normative O&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	Revised Normative Expenses
A&G Expenses	0.81	1.45	0.84
R&M Expenses	1.33	2.20	1.42

The Commission has considered actual O&M expenses for FY 2022-23 as per audited accounts and Segmental Notes, as submitted by CSLDC. Accordingly, the Commission approves actual O&M Expenses of Rs. 12.69 Crore for FY 2022-23.

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2022-23, as per MYT Regulations, 2021.

In accordance with the CSERC MYT Regulations, 2021, the Commission approves the Employee Expenses at actuals as Rs. 9.98 Crore for FY 2022-23.

As CSPTCL and CSLDC do not have separate accounts, the entire capitalization of O&M expenses has been considered in CSPTCL's Petition. The Commission has considered the actual A&G expenses and R&M expenses net of capitalisation for sharing of gains and losses for FY 2022-23, as shown in the Table below:

Table 6-6: Sharing of gain/(loss) on A&G expenses and R&M expenses for FY 2022-23 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
1	Net A&G expenses	0.84	0.53	0.31
2	Net R&M expenses	1.42	2.18	(0.76)
3	**Total**	**2.26**	**2.70**	(0.44)
4	**CSLDC share (2/3 of Total (Loss))**			**(0.30)**

In this Order, the Commission has approved the O&M expenses based on audited accounts for FY 2022-23. Further, the Commission has approved the sharing of loss of Rs. 0.30 Crore for FY 2022-23.

6.4 Contribution to Pension and Gratuity Fund

CSLDC's Submission

CSLDC submitted that the Commission, in the Tariff Order, had allowed Contribution to Pension and Gratuity (P&G) fund of Rs. 2.84 Crore for FY 2022-23. CSLDC has considered the same amount as actual contribution and requested the Commission to approve the same.

Commission's View

The Commission has approved the actual Contribution to Pension and Gratuity Fund of Rs. 2.84 Crore for FY 2022-23 as claimed by CSLDC.

6.5 Gross Fixed Assets and Means of Finance

CSLDC submitted that the Commission in the MYT Order approved the methodology for determination of capital structure of GFA into debt and equity. CSLDC has considered GFA addition of Rs. 0.86 Crore on cash basis for FY 2022-23 as per Audited Accounts.

Commission's View

The Commission has approved the closing GFA for FY 2021-22 as Rs. 16.47 Crore after True-up in the Order dated March 28, 2023. The Commission has accordingly considered the same amount as Opening GFA for FY 2022-23. As discussed in earlier Chapter of this Order, the Commission notes that CSPTCL's audited accounts for FY 2022-23 reported the actual capitalisation of Rs. 377.20 Crore during the year, attributable to CSPTCL. For CSLDC, capitalisation in FY 2022-23 is Rs. 0.86 Crore, and the Commission has considered the same for FY 2022-23. Accordingly, the Commission approves the GFA and its funding for FY 2022-23 as shown in the following Table:

Table 6-7: Gross Fixed Assets and its Funding for FY 2022-23 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	18.39	16.47	16.47
2	Capitalisation during the Year	5.24	0.86	0.86
3	Closing GFA	23.63	17.33	17.33
	Means of Finance			
4	Consumer Contribution/Grants	-	-	-
5	Equity	1.57	0.26	0.26
6	Debt	3.67	0.60	0.60
7	**Total Capitalisation**	**5.24**	**0.86**	**0.86**

6.6 Depreciation

CSLDC's Submission

CSLDC submitted that it has computed depreciation as per Regulation 25 of CSERC MYT Regulations, 2021. The asset base of CSLDC comprises SCADA system, computer terminals, equipment, building, etc. The asset base has been identified from the accounts of CSPTCL by the Asset Segregation Committee and the same has been considered in its computations. As the asset class-wise segregation of the SLDC's asset base is not available, the weighted average depreciation rate as considered for CSPTCL for FY 2022-23 has been considered for CSLDC. CSLDC requested the Commission to approve depreciation of Rs. 0.89 Crore for FY 2022-23.

Commission's View

The Commission has approved the depreciation for FY 2022-23 in accordance with the MYT Regulations, 2021 and the approach adopted in the past Orders. The closing GFA approved in the true up for FY 2021-22 has been considered as the opening GFA for FY 2022-23. The GFA addition for FY 2022-23 has been considered as approved in earlier Section of this Chapter. The weighted average depreciation rate of 5.26%, computed for CSPTCL on the basis of deprecation rates provided in the MYT Regulations, 2021, has been considered for FY 2022-23 for CSLDC. The depreciation approved by the Commission for FY 2022-23 is shown in the Table below:

Table 6-8: Depreciation for FY 2022-23 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	18.39	16.47	16.47
2	Additional capitalization during the year	5.24	0.86	0.86
3	GFA at the end of the year	23.63	17.33	17.33
4	Average GFA for the year	21.01	16.90	16.90
5	Depreciation Rate	5.26%	5.26%	5.26%
6	**Depreciation**	**1.11**	**0.89**	**0.89**

6.7 Interest on Loan

CSLDC's Submission

CSLDC has calculated Interest and Finance Charges as per Regulation 24 of the MYT Regulations, 2021. CSLDC is not operating as a separate Company and, therefore, the actual loan as applicable to CSPTCL has been considered. CSLDC has considered the approved closing normative loan balance for FY 2021-22 as per the true-up Order, as the opening normative loan balance for FY 2022-23. The debt component of 70% of the GFA addition has been considered as the normative loan addition during the year. The allowable depreciation for the year has been considered as the normative repayment for the year. The rate of interest has been computed in accordance with Regulation 24.5 of the MYT Regulations, 2021. The actual weighted average interest rate of 6.40% for FY 2022-23 has been considered by CSLDC for computation of the interest on loan. CSLDC requested the Commission to approve the Interest and Finance Charges of Rs. 0.04 Crore for FY 2022-23.

Commission's View

The Commission has approved interest on loan capital for FY 2022-23 as per Regulation 24 of the MYT Regulations, 2021. The Commission has considered the closing net normative loan balance for FY 2021-22, as approved after True-up, as the opening net normative loan balance for FY 2022-23. The addition of normative loan has been considered based on debt component towards additional capitalisation, as considered earlier in this Chapter. The repayment has been considered equal to depreciation approved by the Commission in this Order.

Regulation 24.5 of the MYT Regulations, 2021 provides for the rate of interest based on actual loan portfolio at the beginning of the year. For computation of weighted average rate of interest, the Commission has considered the applicable rate of interest on the outstanding loan portfolio of CSPTCL at the beginning of the financial year as per the audited accounts of FY 2022-23, in absence of segregation of actual loan for CSLDC. Accordingly, the Commission has considered the weighted average rate of interest of 6.40% for FY 2022-23. The interest on loan approved for FY 2022-23 is shown in the Table below:

Table 6-9: Interest on Loan for FY 2022-23 for CSLDC approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Total Opening Net Loan	2.11	0.82	0.82
2	Repayment during the period	3.67	0.89	0.89
3	Additional Capitalization of Borrowed Loan during the year	1.11	0.60	0.60
4	Total Closing Net Loan	4.67	0.53	0.53
5	Average Loan during the year	3.39	0.67	0.67
6	Weighted Average Interest Rate	9.76%	6.40%	6.40%
7	**Interest Expenses**	**0.33**	**0.04**	**0.04**

6.8 Return on Equity (RoE) and Income Tax

CSLDC's Submission

CSLDC has computed RoE as per the Regulation 23 of the MYT Regulations, 2021. The closing permissible equity balance of FY 2021-22, as approved in the true-up Order, has been considered as opening equity balance for true-up of FY 2022-23. CSLDC has considered base rate of RoE of 14.0% (without grossing up by MAT rate). CSLDC requested the Commission to approve RoE of Rs. 0.76 Crore for FY 2022-23.

Commission's View

Regulation 23 of the CSERC MYT Regulations, 2021 provides that RoE shall be computed at the rate of 14.0% for SLDC. The Commission notes that CSLDC has not paid any Income Tax separately, hence, rate of return of RoE has not been grossed up with the prevailing MAT rate. Accordingly, the Commission has approved RoE at the rate of 14.0% as per Regulation 23 of the MYT Regulations, 2021.

For computation of RoE, the Commission has considered the closing equity as approved for FY 2021-22 after True-up, as opening equity for FY 2022-23. The equity addition for FY 2022-23 has been considered as 30% of the capitalisation during the year. The Commission approves the RoE for FY 2022-23 as shown in the Table below:

Table 6-10: Return on Equity for FY 2022-23 for CSLDC as approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Permissible Equity in Opening GFA	5.88	5.31	5.31
2	Addition of Permissible Equity during the year	1.57	0.26	0.26

Sr. No.	Particulars	Tariff Order	Petition	Approved
3	Permissible Equity in Closing GFA	7.46	5.57	5.57
4	Average Gross Permissible Equity during the year	6.67	5.44	5.44
5	Rate of Return on Equity	14.00%	14.00%	14.00%
6	**Return on Equity**	**0.93**	**0.76**	**0.76**

6.9 Interest on Working Capital (IoWC)

CSLDC's Submission

CSLDC has considered IoWC as per Regulation 26 of the MYT Regulations, 2021. CSLDC submitted that it has considered 15 days of O&M expenses, maintenance spares at 20% of M&G expenses, and receivables equivalent to one month of revenue billed for computing the working capital requirement for FY 2022-23. CSLDC has considered the interest rate of 7.85% (average actual sanctioned rate of interest during the year) for computing the IoWC for FY 2022-23. CSLDC requested the Commission to approve IoWC of Rs. 0.21 Crore for FY 2022-23.

Commission's View

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. It has been observed that CSLDC has considered actual M&G expenses for calculation of fifteen days O&M expenses instead of normative M&G expenses. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the revised normative value of M&G expenses for FY 2022-23, as approved earlier in this Order. The receivables have been considered based on the revenue from SLDC charges for FY 2022-23. However, a discrepancy has been identified in CSLDC's consideration of receivables. It has been observed that CSLDC has considered receivables against the revised ARR computed by them instead of actual revenue billed for FY 2022-23. The Commission has asked the query regarding this issue to CSLDC in the TVS to which they had submitted the revised IoWC computation to the Commission. The interest rate of 7.85% (average actual sanctioned rate of interest during the year) has been considered for FY 2022-23, as per Regulation 26.4 of the MYT Regulations, 2021. The normative IoWC approved for FY 2022-23 is shown in the Table below:

Table 6-11: IoWC approved for FY 2022-23 for CSLDC by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	CSLDC Petition	Approved
1	O&M expenses for 15 days	0.53	0.52	0.50
2	Maintenance Spares @ 20% of M&G Expenses	0.43	0.73	0.45
3	Receivables @ 1 Month	1.51	1.48	1.32

Sr. No.	Particulars	Tariff Order	CSLDC Petition	Approved
4	Total Working Capital requirement	2.47	2.73	2.28
5	Rate of Interest on WC	9.00%	7.85%	7.85%
6	**Net Interest on Working Capital**	**0.22**	**0.21**	**0.18**

6.10 Non-Tariff Income

CSLDC's Submission

CSLDC submitted that it has considered Non-Tariff Income (NTI) as Rs. 0.05 Crore for FY 2022-23 based on the Segmental Notes to the Audited Accounts and requested the Commission to approve the same.

Commission's View

The Commission has considered NTI for CSLDC as per Segmental Notes of Audited Accounts of FY 2022-23.

It is observed that CSLDC has a 'SLDC Development Fund' of Rs. 17.85 Crore, that is yet to be used. In reply to the Commission's query in this regard, CSLDC has submitted that the funds available under the 'SLDC Development Fund' shall be utilised progressively for CAPEX after getting due approval from the Commission for schemes related to upgradation and modernisation of CSLDC in terms of cyber security, training and development of employees and other related works. In reply to the Commission's further query regarding whether an interest on the 'SLDC Development Fund' has been included under the NTI for FY 2022-23, CSLDC replied that all amount received by CSLDC is transferred to CSPTCL's account and is used for the payment of A&G, O&M and capital expenses of CSPTCL and CSLDC.

The Commission is of the view that the 'SLDC Development Fund' should be identified and maintained in a separate Account/Fixed Deposit and CSLDC should design specific schemes for utilisation of this Fund, which should be submitted to the Commission for approval. This will ensure that the Funds are not used for any other expenditure by CSPTCL/CLSDC. In the additional information, CSLDC has not properly explained usage of the aforesaid fund. Hence, the Commission has considered notional interest income on the 'SLDC Development Fund' of Rs. 17.85 Crore at the interest rate applicable for IoWC, i.e., 7.85%, which works out to Rs. 1.40 Crore. Such notional interest income has been added to the NTI, hence, the Commission has considered NTI of Rs. 1.45 Crore (Rs. 0.05 Crore + Rs. 1.40 Crore) for FY 2022-23. Non-Tariff Income approved for FY 2022-23 is shown in the table below:

Table 6-12: Non-Tariff Income for FY 2022-23 (Rs. Crore)

Sr. No	Particulars	Tariff Order	Petition	Approved after True-up
1	Non-Tariff Income	0.02	0.05	1.45

6.11 Aggregate Revenue Requirement for CSLDC

Based on the above, the ARR approved for CSLDC after final truing-up for FY 2022-23 is shown in the Table below:

Table 6-13: Aggregate Revenue Requirement (ARR) for FY 2022-23 approved by the Commission (Rs. Crore)

Sr. No	Particulars	Tariff Order	Petition	Approved after True-up
1	Employee Expense	10.54	9.98	9.98
2	A&G Expenses	0.81	0.53	0.53
3	R&M Expenses	1.33	2.18	2.18
4	Terminal Benefits	2.84	2.84	2.84
5	Depreciation	1.11	0.89	0.89
6	Interest on Loan	0.33	0.04	0.04
7	Interest on Working Capital	0.22	0.21	0.18
8	Return on Equity	0.93	0.76	0.76
9	Gain/(Loss) on sharing O&M Expenses		0.32	(0.30)
10	Total	18.12	17.75	17.10
11	Less: Non-Tariff Income	0.02	0.05	1.45
12	**Aggregate Revenue Requirement (ARR)**	**18.10**	**17.70**	**15.65**

6.12 Revenue from CSLDC Charges

CSLDC's Submission

CSLDC submitted the revenue from CSLDC Charges of Rs. 15.86 Crore for FY 2022-23 based on the audited accounts.

Commission's View

The Commission has considered the actual revenue from CSLDC Charges of Rs. 15.86 Crore in the true-up for FY 2022-23.

6.13 Revenue Gap/(Surplus) for CSLDC

CSLDC's Submission

CSLDC submitted the Revenue Gap/(Surplus) for FY 2022-23, as shown in the Table below:

Table 6-14: Revenue Gap/(Surplus) for FY 2022-23 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement	17.70
2	Less: Revenue from SLDC Charges	15.86
3	**Standalone Revenue Gap/(Surplus)**	**1.84**
4	Previous Gap/(Surplus) with carrying cost up to FY 2022-23 as approved in Tariff Order	(3.32)
5	**Total Revenue Gap/(Surplus)**	**(1.48)**

CSLDC requested the Commission to approve the surplus of Rs. 1.48 Crore for FY 2022-23 and adjust Rs. 1.75 Crore (with carrying cost) in the ARR of FY 2024-25.

Commission's View

After undertaking the final true-up for FY 2022-23, the Commission has computed the Revenue Gap/(Surplus) for FY 2022-23, as shown in the following Table:

Table 6-15: Revenue Gap/(Surplus) for FY 2022-23 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No	Particulars	Petition	Approved
1	Aggregate Revenue Requirement	17.70	15.65
2	Less: Revenue from SLDC Charges	15.86	15.86
3	Previous Surplus/(Deficit) adjusted with carrying cost up to FY 2022-23 as approved in Tariff Order	3.32	3.32
4	Total Revenue for FY 2022-23	19.18	19.18
5	**Revenue Gap/(Surplus)**	**(1.48)**	**(3.53)**

The Commission approves the Revenue Surplus of Rs. 3.53 Crore after true-up for CSLDC for FY 2022-23, as against the Revenue Surplus of Rs. 1.48 Crore computed by CSLDC.

The Holding Cost on the above Revenue Surplus has been computed as shown in the table below:

Table 6-16: Holding Cost on Revenue Surplus for FY 2022-23 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening (Surplus)/Deficit	0.00	(3.67)	(3.96)
2	Standalone (Surplus)/Deficit	(3.53)	0.00	3.96
3	Closing (Surplus)/Deficit	(3.53)	(3.67)	-
4	Interest Rate (%)	7.85%	7.85%	7.85%
5	Holding Cost	(0.14)	(0.29)	(0.16)
6	Total Closing (Surplus)/Deficit	(3.67)	(3.96)	(4.11)

The Commission approves the Revenue Surplus of Rs. 4.11 Crore, with holding cost, after true-up for CSLDC for FY 2022-23, as against the Revenue Surplus of Rs. 1.75 Crore computed by CSLDC.

The Revenue Surplus of Rs. 4.11 Crore has been adjusted against the ARR of FY 2024-25 for determination of SLDC Charges for FY 2024-25, as discussed below.

6.14 SLDC Charges for FY 2024-25

CSLDC's Submission

CSLDC submitted that it has projected the annual SLDC Charges bifurcated into System Operation Charges and Market Operation Charges function in accordance with Regulation 102.2 of the CSERC MYT Regulations, 2021. In accordance with the Regulation, 80% of the annual SLDC Charges determined above for FY 2024-25 have been allocated to System Operation Charges, and 20% of the annual SLDC Charges determined as above for FY 2024-25 have been allocated to intra-State Market Operation Charges.

CSLDC has considered the ARR for FY 2024-25 as Rs. 22.21 Crore, as approved in the MYT Order dated April 13, 2022. CSLDC has computed the net ARR for FY 2024-25 by considering the ARR of Rs. 22.21 Crore and after adjusting the surplus arrived for FY 2022-23 along with holding cost of Rs. 1.75 Crore, as discussed earlier. Accordingly, CSLDC has requested the Commission to approve total SLDC charges as Rs. 20.46 Crore, as shown in the Table below:

Table 6-17: SLDC Charges claimed by CSLDC for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2024-25
1	ARR for FY 2024-25 as approved vide order dated 13.04.2022	22.21
2	Adjustment of (surplus) of FY 2022-23 after treatment of carrying cost upto FY 2024-25	(1.75)
3	**Adjusted ARR for FY 2024-25**	**20.46**
4	System Operation Charges	16.36
5	Intra-State Market Operation Charges	4.09
6	**Total SLDC Charges**	**20.46**

Commission's View

Regulation 102.2 of the MYT Regulations, 2021 specifies as under:

> *"102.2. Allocation and apportionment of components of annual charges to system operation function and market operation function:*
>
> *(a) Annual charges towards State system operation function shall comprise 80% of the annual charges.*
>
> *(b) Annual charges towards intra-State market operation function shall comprise the balance 20% of annual charges.*
>
> *(c) The ratio of allocation of annual charges to system operation charges and market operation charges may be reviewed and decided by the Commission from time to time."*

The Commission in the final true up of FY 2022-23 has approved Surplus of Rs. 3.53 Crore. This Surplus, along with holding cost, amounting to Rs. 4.27 Crore has been adjusted against the ARR approved for FY 2024-25. Considering the adjusted ARR for FY 2024-25 and above Regulation, the Commission has approved the System Operation Charges and Intra-State Market Operation Charges, as shown in the Table below:

Table 6-18: Adjusted ARR and SLDC Charges approved for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR for FY 2024-25 as approved vide Order dated 13.04.2022	22.21	22.21
2	Adjustment of Gap/(Surplus) of FY 2022-23 after treatment of holding cost upto FY 2024-25	(1.75)	(4.11)
3	**Adjusted ARR for FY 2024-25**	**20.46**	**18.10**
4	System Operation Charges	16.36	14.48
5	Intra-State Market Operation Charges	4.09	3.62
6	**Total SLDC Charges**	**20.46**	**18.10**

CSLDC shall adjust the differential amount for the months of April and May 2024 in the bills of June and July 2024.

7 REVIEW OF ORDER FOR FY 2023-24 FOR CSPDCL

7.1 Background and Grounds for Review

The Commission issued the Tariff Order on 28th March 2023 in Petition No. 95/2022, wherein the Commission approved the final true up of FY 2021-22 and determined the revised ARR and retail supply tariff for FY 2023-24.

In the same order, the Commission also disposed of the Review Petition against the Tariff Order dated 13th April 2022.

CSPDCL submitted that they had filed Review Petition No. 53/2023 against the Order dated 28th March 2023. Vide its Order dated 20th July 2023, the Commission directed the Petitioner to include the points of the review in the Tariff Petition for the subsequent year. In accordance with the directions of the Commission, the Petitioner has included the points raised in the Review Petition No. 53/2023 in the Tariff Petition for the subsequent year.

CSPDCL submitted that while issuing the Order for FY 2021-22, the Commission analysed power purchase expenses allowed to CSPDCL for FY 2018-19 and FY 2019-20, and erroneously held that the amount of Rs. 384.55 crore claimed by the Petitioner under the head of ‘Other Charges’ in FY 2019-20 (Table 6.11 of the Tariff Order dated 02.08.2021) was towards the banking provision, which is incorrect. The amount of Rs. 384.55 crore reflecting in Table 6.11 was towards the provisional monthly power purchase expense for the Month of March 2020 and had nothing to do with the provision towards banking expense. Moreover, the Petitioner had itself deducted the amount allowed to it towards the provisional banking expense in the previous year while filing the true up for FY 2019-20.

That in view of the above, the deduction made by the Commission in the impugned Tariff Order dated 28th March 2023 pertaining to the allowed claim of Rs. 488.69 crore in the true up of FY 2018-19 is incorrect and may be reversed.

Further, apart from the above error committed in the Tariff Order, the Commission has also deducted the expenses towards ‘Other Charges’ that the Petitioner had incurred for procuring concessional power from thermal generating stations for the mere reason that segregation of the same was not provided by the Petitioner. However, such query was not raised to Petitioner during Technical Validation Sessions and therefore, the Petitioner could not submit the same. Thus, it is requested that the impugned Order be amended to allow such amount of expenditure incurred towards additional charges paid to thermal generating stations.

The Commission has also committed slight oversight by wrongly calculating the carrying cost to be recovered by the Petitioner and has further wrongly taken target AT&C losses as 16% during FY 2020-21 (*FY 2021-22*) even when the RDSS scheme to which Petitioner is a party, projects the target line losses to be 17.94% for FY 2021-22.

That above discussed parameters were wrongly decided due to oversight in the impugned Order and thus there is error apparent on the face of records. Therefore, it is requested that the impugned Order may be reviewed to the extent sought in the instant Petition.

All the issues raised by CSPDCL in its Review, along with all consequent clarifications sought by the Commission, replies/clarifications submitted by CSPDCL, and the Commission's analysis and ruling on all the issues have been addressed in this Chapter.

Commission's View

The grounds for Review as per Regulation 23 of CSERC (Conduct of Business) Regulations, 2009, are based on Order 47, Rule 1 of Code of Civil Procedure, 1908, i.e.:

a) "Error apparent on the face of the record;

b) On submission of new and important evidence that was not in the knowledge of the Petitioner at the time of the original Order;

c) On account of any other sufficient reasons."

As stated above, the scope for Review of any Order is very limited, and the Petitioner has to either prove a case of error apparent on the face of the record or there should be new and important evidence that was not in the knowledge of the Petitioner at the time of issue of original Order. However, considering the issues raised by CSPDCL and the large impact of some of the issues on the concerned years as well as future years, the Commission has adopted a holistic approach rather than limiting itself to the narrow scope of Review, and has addressed each issue raised by CSPDCL in its Review and the consequential issues, if any, on merits, with the objective that CSPDCL should be able to recover all prudently incurred expenses through the ARR and Tariff, even though the same may not qualify within the narrow scope of a Review Petition.

7.2 Misinterpreting the provisional monthly power purchase expenses for the month of May 2020 (March 2020) with the provisional expenses sought for banking charges

CSPDCL's Submission

This review petition arises from the impugned common Tariff Order dated 28th March 2022 (*2023*) in Petition No. 95/2022(T), wherein the Commission, while adjudicating the contentions raised by the Petitioner in Review Petition No. 51 of 2022 relating to the excess deduction pertaining to the provision of banking charges, has due to oversight committed an error and held that it has allowed the provisioning of Rs. 384.55 crore towards banking provisions in the Order on Petition No. 03/ 2021 even when the amount of Rs. 384.55 crore which was allowed by the Commission in Order on Petition No. 03/2021 was towards the provisional power purchase expense of CSPDCL pertaining to March 2020 against the power purchased by Petitioner from Central Generating Stations. Further, this amount was completely unrelated with the provision made towards the banking expenses.

The Commission had allowed the same for FY 2018-19. Further, since the provision towards banking expenses is not be considered for regulatory process, the Petitioner while providing the power purchase expense for the true up of FY 2019-20 subtracted the expenses allowed by the Commission towards banking provision. This meant that the amount of Rs. 388.55 crore (actual expense against banking in FY 2018-19), which was allowed by the Commission in FY 2018-19 was reversed by the Petitioner itself in FY 2019-20 in accordance with the regulatory scheme.

Further, Table No. 6.11 of Petition No. 03/2021 shows Total expense for power purchase from CGS as Rs. 3856.21 crore, which was arrived after deducting the expenses towards banking provision as mentioned above. The entry of 'Other Charges' in Table 6.11 under the CGS head amounting to Rs. 384.55 crore is towards the monthly power purchase expense for the month of March 2020 and this does not include any provision of expense towards the banking charges/banked units.

Thus, the amount towards banking provision, which was allowed to the Petitioner in the true up of FY 2018-19 was returned by the Petitioner itself in the true of FY 2019-20. However, the Commission, in Paragraph 6.11 of the Order dated 13th April 2022 in Petition No. 75/2021. while dealing the points raised by the Petitioner, has erroneously again deducted the amount of Rs. 488.69 crore from the expense of the Petitioner. This means that the amount towards charges pertaining to banking provision was deducted twice as it was deducted primarily by the Petitioner itself in the true up of the FY 2019-20 and then subsequently, it was again deducted by the Commission in Petition No. 75/2021.

Subsequently, the Commission in the Order on Petition No. 95 of 2022 had decided upon the issue erroneously by holding that the amount of Rs. 384.55 crore claimed by the Petitioner under the head of 'Other Charges' in FY 2019-20 was towards the banking provision, which is incorrect. The amount of Rs. 384.55 crore was towards the provisional monthly power purchase expense for the Month of March 2020 and had nothing to do with the provision towards banking expense. Moreover, the Petitioner had itself deducted the amount allowed to it towards the provisional banking expense in the previous year while filing the true up for FY 2019-20.

In view of the above, the deduction made by the Commission in the impugned Tariff Order dated 28th March 2023 pertaining to the allowed claim of Rs. 488.69 crore in the true up of FY 2018-19 is incorrect and made due to oversight and therefore, it is requested that the same may be reversed.

Commission's View

In the Tariff Order for FY 2023-24, the Commission had deliberated on this issue as under:

> *"Accordingly, the Commission vide its data gaps asked CSPDCL to submit the details of 'Other Charges' of Rs. 384.55 Crore claimed in the true-up for FY 2019-20. CSPDCL vide its reply dated 23rd January 2023, submitted its reply as under:*
>
> *From the above reply submitted by CSPDCL, it is clear that the Commission's assessment that the amount claimed by CSPDCL could be included in the 'Other charges' of Rs. 384.55 crore claimed and allowed in the true up for FY 2019-20, were absolutely correct. The amount of Rs. 384.35 Crore in the above Table is clearly provisioning for power purchase expenses, which has been allowed by the Commission, in the absence of data, though the Commission's philosophy that expenses merely provided for should not be allowed in the regulatory accounts.*
>
> *Further, the Commission has also not adjusted the credit amount of Rs. 100.16 crore in the true-up for FY 2019-20, again due to the lack of data.*
>
> *Thus, the amount already allowed to CSPDCL is much higher than the amount claimed by CSPDCL in its Review Petition. CSPDCL is directed to adjust the*

balance provisioning in the future Petitions, and ensure that it does not claim any amount merely provided for in the Accounts."

Thus, based on the replies submitted by CSPDCL, the Commission had disallowed the amount of Rs. 384.35 Crore against provisioning for power purchase expenses, based on the understanding that the same pertained to the provisioning against banking of power in FY 2019-20.

However, in the present submission, CSPDCL has clarified that the provisioning of Rs. 384.35 Crore was not against banking of power, rather it was the provisioning against power purchase expenses from Central Sector sources for the month of March 2020.

In view of CSPDCL's submission regarding the provisioning of Rs. 384.35 Crore, the Commission asked CSPDCL to clarify certain aspects of the expenses claimed. In reply, CSPDCL clarified that the amount of Rs. 384.35 Crore claimed in the Petition is the net amount after adjusting the opening provisioning against Central Sector power purchases, as the closing provision of Rs. 395.88 Crore for FY 2019-20 has been reversed in FY 2020-21. CSPDCL also clarified that the amount of Rs. 384.35 Crore is actual expenses booked in the Accounts during FY 2019-20, however, due to timing difference in payments, the entries are booked in different years in the Accounts.

In view of the above clarification submitted by CSPDCL, the Commission is of the view that the power purchase expense of Rs. 384.35 Crore is a legitimate expense that is required to be allowed. Hence, **the Commission decides to allow the additional power purchase expense of Rs. 384.35 Crore in the true-up of FY 2019-20, along with the associated carrying cost, as elaborated subsequently.**

7.3 Deduction of 'Additional Charges' paid by CSPDCL in purchasing concessional power from thermal generating stations

CSPDCL's Submission

The Commission, in the impugned Order, has dealt with the power purchase expenses incurred by the Petitioner in purchasing concessional power from various thermal power stations in FY 2021-22. Further, the Commission on page 162 of the impugned Order has held that since the Petitioner failed to provide any explanation regarding the claimed 'Additional Charges' of Rs. 95.16 crore, the same are disallowed. However, the explanation pertaining to the Additional Charges was not sought by the Commission during Technical Validation Session and therefore, the explanation towards such charges were not provided for by the Petitioner. The Petitioner has prepared a detailed chart showing the "Additional charges" incurred by it in purchasing concessional power from various thermal generating stations.

Since, the Petitioner has genuinely incurred expenses towards 'Additional Charges' while purchasing concessional power and the same were disallowed by the Commission, it is requested that the review may be allowed, and the Petitioner may be allowed the recovery of such 'Additional Charges' to the tune of Rs. 95.16 crore incurred by it in procuring power from thermal stations.

Commission's View

In the Tariff Order for FY 2023-24, the Commission had deliberated on this issue as under:

> *"The Commission has observed that CSPDCL has claimed "additional charges" of Rs. 95.16 Crore without any explanation, which the Commission has disallowed."*

In the Review, CSPDCL has submitted the details of the "Additional Charges" of Rs. 95.16 Crore paid in the context of concessional power purchase from thermal generating sources, and stated that the details were not sought by the Commission before issuing the previous Order. CSPDCL has requested the Commission to allow pass through of the above expenses, as they are legitimate expenses incurred by CSPDCL for purchase of concessional power from thermal generating sources.

In reply to the Commission's queries in this regard, CSPDCL submitted that the Additional Charges have been paid on account of difference in actual water charges, higher energy charge rate approved by the Commission, and auxiliary power consumption paid by CSPDCL against final payment in terms of the PPA for procurement of concessional power from the thermal generators.

The Commission has examined the details submitted by CSPDCL regarding the Additional Charges paid against procurement of concessional power from thermal generators, and finds the same justified.

Hence, the Commission considers the Additional Charges of Rs. 95.16 Crore claimed by CSPDCL to be a legitimate expenses that is required to be allowed. Hence, **the Commission decides to allow the additional power purchase expense of Rs. 95.16 Crore in the true-up of FY 2021-22, along with the associated carrying cost, as elaborated subsequently.**

7.4 Erroneous computation of Carrying Cost

CSPDCL's Submission

CSPDCL submitted that the Commission, in page 182 (Table 8.26) of the impugned Order, has provided the calculation for the Carrying Cost in approving the Revenue Gap of the Petitioner for FY 2021-22.

As per the data provided in Table 8.26, the Petitioner was allowed closing Revenue Gap of Rs. 3837.25 crore against Gap of Rs. 5319.67 crore sought by the Petitioner. Further, the Commission has computed the Carrying Cost by taking the stand-alone Revenue Gap as the base instead of closing Revenue Gap, which is prima facie, an error apparent on the face of the record and thus, the impugned Order is requested to be reviewed.

CSPDCL submitted that the Commission has been calculating Carrying Cost keeping the closing Revenue Gap as base in the earlier Tariff Orders, however, in the impugned Tariff Order, the Commission, while determining the Carrying Cost for FY 2020-21 (*FY 2021-22*) has wrongly taken the stand-alone Revenue Gap as base, which is incorrect and hence, it is requested that the same may be reviewed.

CSPDCL submitted that the Carrying Cost determined by the Commission will be increased by approximately 3 times, if it is re-determined keeping closing Revenue Gap as the base. However, by determining the Carrying Cost on the basis of standalone

Revenue Gap, the Commission has committed an error due to which Petitioner is facing huge losses.

In view of the above, it is requested that the Carrying Cost allowed to the Petitioner may be re-determined in accordance with the provisions taking closing Revenue Gap as the base.

Commission's View

In reply to the Commission's query, CSPDCL submitted the computation of Carrying Cost as per its claim in the Review Petition, and comparison with the Carrying Cost allowed in the Tariff Order for FY 2023-24.

The Commission has examined the revised computation of Carrying Cost on the Revenue Gap of FY 2021-22 as submitted by CSPDCL in its Review Petition and compared the same with the computation done by the Commission in the Tariff Order for FY 2023-24. It is observed that in the Tariff Order for FY 2023-24, the Commission has inadvertently computed the Carrying Cost on the Standalone Revenue Gap of FY 2021-22 rather than the Closing Revenue Gap of FY 2021-22. As a result, the Carrying Cost allowed to CSPDCL after truing up for FY 2021-22 has been understated by Rs. 149.67 Crore, as claimed by CSPDCL.

Hence, the Commission considers the additional Carrying Cost of Rs. 149.67 Crore claimed by CSPDCL to be a legitimate expenses that is required to be allowed. Hence, **the Commission decides to allow the additional Carrying Cost of Rs. 149.67 Crore in the true-up of FY 2021-22, along with the associated carrying cost, as elaborated subsequently.**

7.5 Erroneous adoption of target loss for FY 2021-22

CSPDCL's Submission

CSPDCL submitted that the Commission on Page 159 of the impugned Order has determined the sharing of loss on account of under-achievement by the Petitioner, by considering the target distribution losses as 16%.

However, as per the amended Clause 71.3 of the MYT Regulations, 2015, a new proviso has been added, which specifies that if the State Utility enters into an agreement with the Government of India and the energy loss trajectory agreed in the Agreement is contradictory to the target energy losses specified in the Regulations, the target energy losses provided in such Agreement shall prevail.

The Petitioner entered into the Revamped Distribution Sector Scheme (RDSS) with REC Limited, which is the Nodal Authority for implementation of the RDSS scheme. Under the RDSS scheme, the baseline target loss for FY 2021-22 is stipulated as 17.94%.

Since, the Petitioner is part of a Central scheme for improving distribution infrastructure, the losses as specified in such scheme shall be applicable to it. Thus, the target distribution losses for FY 2021-22 would be to 17.94% rather than 16%, as provided in the impugned Tariff Order. Taking target loss as 17.94% in accordance with the applicable Regulations, the amount of under-achievement to be borne by the Petitioner works out to around Rs. 30.36 crore against the amount of Rs. 137.19 crore determined in the impugned Order.

Commission's View

In the Tariff Order for FY 2023-24, the Commission undertook the true-up for FY 2021-22 with respect to the ARR approved for FY 2021-22 in the Commission's Tariff Order dated 2nd August 2021 in Petition No. 03/2021.

In the Tariff Order dated 2nd August 2021, the Commission has stated as under as regards the target Distribution Loss for FY 2021-22:

> *"The Commission had approved target Distribution Loss (below 33 kV system) as 16% for FY 2020-21.* ***The Commission has retained the target level of Distribution Loss (below 33 kV system) as 16% for FY 2021-22, as also proposed by CSPDCL****." (**emphasis added**)*

In the True-up for FY 2021-22 that was undertaken in the Tariff Order for FY 2023-24, the Commission has stated as under in this regard:

"8.4 Incentive/Disallowance for over/under-achievement of distribution loss

CSPDCL's Submission

CSPDCL submitted that the Distribution Loss approved vide Commission's Order dated 2.8.2021 for FY 2021-22 is 16%. However, as per the MoU signed under Ujwal DISCOM Assurance Yojana (UDAY) Scheme, the Distribution Loss target for FY 2018-19 onwards for CSPDCL was 15%. These targets were however, flexible in nature and the relevant clause of the MoU states that:

> *"However, if the target in particular year is not met, then the CSPDCL shall strive to achieve the targets in subsequent years so as to achieve the desired target"*

CSPDCL submitted that in consideration of the revised targets set by the Commission due to signing of UDAY MoU, CSPDCL has computed the under-achievement, which demonstrates a deduction of Rs. 131.50 Crore from the ARR, as shown in the Table below:

Table 8-4: Sharing of Loss on account of underachievement of Distribution loss for FY 2021-22 as submitted by CSPDCL (Rs. Crore)

Sl.	*Particulars*	*Legend*	*Petition*
1	*Energy Input considered for Distribution Business (MU)*	*A*	*29,698.34*
2	*Total Sales (MU)*	*B*	*25,161.29*
3	*Power Purchase Cost (Rs. Crore)*	*C*	*16,112.50*
4	*Gross Power Purchase Quantum (MU)*	*D*	*37,692.29*
5	*Power Purchase Cost excluding Transmission Charges (Rs. Crore)*	*E*	*14,180.59*
6	*Power Sales to Marwah quantum (MU)*	*F*	*1,631.25*
7	*Less: Power Sale of Marwah (Rs. Crore)*	*G*	*699.36*
8	*Net Power Purchase Cost for Loss Sharing (Rs. Crore)*	*H = E – G*	*13,481.24*

Sl.	Particulars	Legend	Petition
9	*Per Unit Cost of Power Purchase (Rs/kWh)*	*I = H/D*10*	*3.58*
10	*Targeted Distribution Losses (%)*	*J*	*16.00%*
11	*Actual Distribution Losses (%)*	*K*	*18.48%*
12	*Under achievement (%)*	*L = K – J*	*2.48%*
13	*MU Shortfall*	*M = L*A*	*735.31*
14	*Loss Due to Under-achievement (Rs. Crore)*	*N=(M*I* 1000)/100*	*263.00*
15	***CSPDCL Share (Rs. Crore)***	***O = N/2***	***131.50***

CSPDCL further submitted that as the target revisions due to UDAY MoU did not involve any material revision to the capital investment plan, which is necessary for reduction of distribution losses, hence, CSPDCL has not considered the aforesaid under-achievement in its ARR. Further, the Commission in the backdrop of no revision in capital investment plan, may evaluate under-achievement on the basis of pre-revised targets. CSPDCL submitted that the Commission has powers to relax the aforesaid provisions in accordance with Regulation 83 of the MYT Regulations, 2015.

Commission's View

As regards the target Distribution Losses, the CSERC MYT Regulations, 2015 specified as under:

"71.3. Energy Loss trajectory for 33 KV and below system for State utility for each year of the control period shall be as under

FY 2016-17 - 22.0%

FY 2017-18 - 21.0%

FY 2018-19 - 20.0%

FY 2019-20 - 19.0%

FY 2020-21 - 18.0%

For other distribution licensees, the trajectory shall be given in the respective tariff order."

However, in the first Amendment to the CSERC MYT Regulations, 2015 notified on 16th June 2017, the following proviso was added in Regulation 71.3:

"Provided that if the State utility enters into any agreement with Government of India and/or Chhattisgarh Government and energy loss trajectory committed in this agreement is contrary to that as specified in this Regulations, the energy loss trajectory agreed under the agreement shall prevail over the energy loss specified in this Regulations."

CSPDCL has signed a "Tripartite Memorandum of Understanding" with Ministry of Power (Government of India) and Government of Chhattisgarh under

UDAY on 25th January 2016 to achieve financial turnaround. The targets specified under UDAY are as follows:

"1.3 (c) The CSPDCL shall endeavour to reduce AT&C Losses from 22.50% in the FY 2014-15 to 15% by FY 2018-19 as per the following trajectory:

Year	*FY 2015-16*	*FY 2017-18*	*FY 2017-18*	*FY 2018-19*
AT&C losses	*21.00*	*18.93*	*18.00*	***15.00***

*However, if the target in particular year is not met, then the CSPDCL shall strive to achieve the targets in subsequent years so as to achieve **the desired target of 15% AT&C losses by the FY 2018-19**."**(emphasis added)***

In the Tariff Order for FY 2019-20, the Commission has already decided the issue regarding target of Distribution Losses as per UDAY Scheme. The relevant extract of the Order is reproduced below:

"...

UDAY scheme is intended to turn-around the financial health of the Distribution companies, reeling under huge debt burden, which was ultimately passed to the consumers through tariff. The loss reduction trajectory, as envisaged in the Scheme was in fact agreed to by the parties after negotiations, and is an essential component towards achieving the objective of MoU. Further, it needs to be stressed here that there is no practice of executing agreements amongst governments and government agencies; instead, MoU is the general practice and in pursuance of the same, GoCG has fulfilled its commitment towards conversion of 50 % of CSPDCL's total debt (Rs. 870.12 cr.) into grants. One has to appreciate that the Regulations were amended to facilitate implementation of such schemes and reforms. Therefore, Commission is of the view that one has to go by the intent and spirit behind the tripartite Understanding and the amended Regulations and not get bogged down with the mere wordings. Accordingly, CSPDCL has to honour its commitment towards reduction in distribution loss to the agreed level. Thus, the Commission approves the Distribution Loss Target for FY 2016-17 and FY 2017-18, as per UDAY MoU."

The Distribution Loss target below 33 kV approved by the Commission in the Tariff Order for FY 2021-22 based on the UDAY scheme, is 16.00%. The actual Distribution Loss below 33 kV achieved by CSPDCL during FY 2021-22 as submitted by CSPDCL and as computed by the Commission based on actual energy sales and power purchase, works out to 18.49%. Thus, CSPDCL has reported higher Distribution Loss for FY 2021-22, as compared to the targeted Distribution Loss….

…

The Commission has assessed the impact of under-achievement of Distribution Loss vis-à-vis the targeted Distribution Loss, and shared 50% of the efficiency losses on account of under-achievement of Distribution Losses, as shown in the Table below:

Table 8-6: Sharing of Loss approved by the Commission on account of underachievement of Distribution loss for FY 2021-22 (Rs. Crore)

Sl.	*Particulars*	*Final True-up*
1	*Energy recorded at 33 kV Outgoing feeder of all EHV S/s (MU)*	*25,906.37*
2	*Add: Net Energy injected generators connected at 33/11 kV S/s (MU)*	*305.92*
3	*Add: Available at EHV level (MU)*	*3791.97*
4	*Energy Input considered for Distribution Business (MU)*	*30,004.26*
5	*Distribution Losses (%) below 33 kV Level*	*18.49%*
6	*Targeted Distribution Losses (%)*	*16.00%*
7	*(Over)/Under achievement (%)*	*2.49%*
8	*Total Power Purchase Cost excluding Transmission Charges (Rs. Crore)*	*13,852.30*
9	*Power Purchase Quantum (MU)*	*37,688.87*
9	*Average Power Purchase Cost at Distribution Periphery (Incl. EHV) (Rs/kWh)*	*3.68*
10	*Under-achievement amount*	*274.37*
11	***Under-achievement to be borne by CSPDCL***	***137.19***

The above impact of under-achievement to be borne by CSPDCL has been adjusted against the ARR of CSPDCL for FY 2021-22."

As can be seen from the above extracts, the target Distribution Loss was considered as 16% in the Tariff Order for FY 2021-22 as well as the True-up Petition and True-up Order for FY 2021-22, as proposed by CSPDCL itself.

In its claim for Review on this aspect, CSPDCL is effectively seeking re-statement of the target Distribution Loss of 16% stipulated for FY 2021-22 in the Tariff Order dated 2nd August 2021 in Petition No. 03/2021, by seeking review of true-up that was undertaken in line with the submission of CSPDCL itself.

The Commission asked CSPDCL to legally justify seeking review on this aspect, when CSPDCL has itself proposed the target Distribution Loss as 16% in its Tariff Petition for FY 2021-22. In reply, CSPDCL repeated the justification submitted in its Review Petition, viz., with reference to Regulation 71.3 of the MYT Regulations, 2015 and the tri-partite Memorandum of Agreement (MoA) signed between Rural Electrification Corporation Ltd. (REC) on behalf of Government of India (GoI), Government of Chhattisgarh (GoCG), and CSPDCL dated 23rd September 2022, under which the baseline Distribution Loss for FY 2021-22 has been considered as 17.94%.

CSPDCL also cited the Electricity (2nd Amendment) Rules notified by the Ministry of Power (MoP) on 26th July 2023, which stipulates that the loss trajectory has to be in line with the trajectory finalised in any Agreement with the respective State Government. CSPDCL submitted that in accordance with the MoP Rules, the Distribution Loss target for FY 2021-22 has to be stipulated as 17.94%, and the under-achievement w.r.t. target Distribution Loss has to be re-computed accordingly.

In response to the Commission's query regarding the reasons for not proposing the target loss for FY 2021-22 as 17.94% in all its earlier submissions, CSPDCL submitted that the target Distribution Loss of 17.94% for FY 2021-22 could not be considered at the time of filing of Tariff Petition for FY 2021-22 and at the time for its review also, as no Agreement was in existence. Thereafter, in FY 2022-23 no issues regarding the Tariff Order for FY 2021-22 were under consideration, hence, no mention was made about change in target Distribution Loss. The Tariff Petition for FY 2023-24 contained the true-up for FY 2021-22 but inadvertently, the issue was not brought before the Commission for consideration. The issue came to light while filing the Review Petition for FY 2023-24 and hence, was included in the Review Petition.

In response to the Commission's query regarding the applicability of the MoP Rules dated 26th July 2023 for the previous year, i.e., FY 2021-22, CSPDCL submitted that though the Electricity (Second Amendment) Rule, 2023 has been mentioned in the Review Petition, the claim is based purely on the MYT Regulations, 2015 notified by the Commission.

The Commission has examined this issue in detail. The Commission is of the view that the review claimed by CSPDCL in this regard is not maintainable, and no relief can be granted on this aspect, on account of the following reasons:

a) Review can be granted only
    i. When there is an error apparent on the face of the record;
    ii. On submission of new and important evidence that was not in the knowledge of the Petitioner at the time of the original Order;
    iii. On account of any other sufficient reasons.
b) In the present instance, there is no 'error on the face of the record', as CSPDCL itself proposed Distribution Loss target for FY 2021-22 as 16%, and also computed the efficiency loss w.r.t. the Distribution Loss target of 16% in the true-up Petition.
c) The 'evidence' cited by CSPDCL, i.e., the tri-partite MoA under RDSS came into existence only after the completion of the year in question, i.e., FY 2021-22, as admitted by CSPDCL itself, hence, it does not qualify under 'new and important evidence that was not in the knowledge of the Petitioner at the time of the original Order', as such evidence was not in existence itself at the time of issue of the Order.
d) The MoP Rules that have been issued subsequent to the completion of the year in question, i.e., FY 2021-22, do not justify the claim for review, as any Rule that has come into existence subsequent to the completion of the year cannot be applicable for such year.
e) The linkage drawn by CSPDCL between the RDSS and Regulation 71.3 of the MYT Regulations, 2015 is not maintainable, as the RDSS MoA was not in place when the Tariff Order for FY 2021-22 was issued.
f) This issue should have been raised, if at all, at the time of filing the Tariff Petition for FY 2021-22, i.e., in November 2020. The review filed in this regard almost three years after the appropriate time is clearly an afterthought, as CSPDCL has never raised this issue before this Review Petition.

Hence, the Commission does not grant the review on this issue, as the same is not maintainable.

7.6 Cumulative Impact of Review on True-up of FY 2019-20 and FY 2021-22

CSPDCL's Submission

The cumulative impact of the Review Petition for FY 2021-22 has been claimed by CSPDCL as Rs. 939.47 Crore (Rs. 832.67 Crore + Rs. 106.80 Crore).

Commission's View

In response to the Commission's query, CSPDCL submitted the computation of cumulative impact of the Review Petition, as shown in the Tables below:

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Gap	-	412.24	463.98	518.03
Gap due to disallowance of provisioning towards CGS purchase for March 2020	388.54			
Gap due to disallowance of additional charges in concessional Power Purchase				95.16
Gap due to difference in Carrying Cost Computation		-	-	149.67
Total Gap due to disallowance	**388.54**	**412.24**	**463.98**	**762.86**
Rate of interest	12.20%	12.55%	11.65%	10.90%
Carrying Cost/(Holding Cost)	23.70	51.74	54.05	69.81
Total Closing Gap/(Surplus) at end of the year	**412.24**	**463.98**	**518.03**	**832.67**

Sl. No.	Particulars	Legend	Amount
1	Energy Input Considered for Distribution Business (MU)	A	30,004.26
2	Gross Power Purchase Quantum (MU)	B	37,668.87
3	Net PPC for Loss Sharing (Rs. Crore)	C	13,852.30
4	Per Unit Power Purchase Cost (Rs./kWh)	D=C/B*10	3.68
5	Target Loss (%)	E	17.94%
6	Actual Distribution Loss (%)	F	18.49%
7	Under Achievement	G=F-E	0.55%
8	MU Shortfall	H=G*A	165.29
9	Loss Due to Under achievement (Rs. Crore)	I=H*D/10	60.78
10	CSPDCL Share (Rs. Crore)	J=I/2	30.39
11	CSPDCL Share (Rs. Crore) as per Tariff Order	K	137.19
12	**Savings for FY 2021-22**	**L=K-J**	**106.80**

It is observed that CSPDCL has considered the impact of disallowance of provisioning for cost against power purchase from Centra Sector in the month of March 2020 as Rs. 388.54 Crore, instead of Rs. 384.35 Crore, as detailed in the Review Petition Further, CSPDCL has considered this amount from FY 2018-19, and computed the Carrying Cost accordingly, though this amount was disallowed in the true-up of FY 2019-20. The Commission has corrected these 2 aspects, while computing the impact of the Review Petition. Further, as stated earlier, the Commission has not allowed the review on the issue of re-statement of Distribution Loss target for FY 2021-22.

The Commission has computed the impact of the relief granted under Review, as shown in the Table below:

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Gap	-	-	408.47	456.05
Gap due to disallowance of provisioning towards CGS purchase for March 2020		384.35		
Gap due to disallowance of additional charges in concessional Power Purchase				95.16
Gap due to difference in Carrying Cost Computation		-	-	149.67
Total Gap due to disallowance		**384.35**	**408.47**	**700.88**
Rate of interest		12.55%	11.65%	10.90%
Carrying Cost/(Holding Cost)		24.12	47.59	63.05
Total Closing Gap/(Surplus) at end of the year		**408.47**	**456.05**	**763.93**

Thus, the Commission has computed the impact of the Review Petition against the Tariff Order for FY 2023-24, as Rs. 763.93 Crore, which has been allowed with due Carrying Cost in the ARR and Tariff of FY 2024-25.

7.7 Second Review Petition filed by CSPDCL

CSPDCL filed a second Review Petition No. 91/2023 on 24th November 2023 against the Tariff Order for FY 2023-24 on the issue of non-adjustment of the Revenue Gap of Rs. 2924.53 Crore determined by the Commission for FY 2023-24.

CSPDCL's Submission

In the said Review Petition, CSPDCL submitted as under:

a) The Commission has not allowed recovery of the Revenue Gap of Rs. 2924.53 Crore, while determining the tariff for FY 2023-24, thereby creating a Revenue Gap for CSPDCL.

b) REC has issued a letter dated 13th July 2022 to Special Secretary, Energy Department, GoCG, wherein it has issued SOPs to Distribution Licensees and

States stating that the Distribution Licensee has to ensure liquidation of uncovered Revenue Gap created in the past and further make sure that no new Revenue Gap is created in future as per Tariff Policy under RDSS.

c) CSPDCL is a participant in the RDSS project, and a pre-condition to apply under RDSS scheme is to ensure that there is no unrecovered gap in FY 2023-24.

d) REC, vide its mail dated 23rd November 2023, has communicated to CSPDCL that in order to implement RDSS in the State of Chhattisgarh, it is mandatory for CSPDCL to comply with the pre-condition of having zero un-recovered Revenue Gap for FY 2023-24.

e) The Review Petition is being filed seeking review of the Tariff Order for FY 2023-24 to the extent it excludes the recovery of the Revenue Gap of Rs. 2924.53 Crore by CSPDCL from its consumers in FY 2023-24.

CSPDCL submitted that the Review Petition has been filed with a delay of 141 days, as it was required to be filed within 60 days of issue of the Order, i.e., by 7th July 2023. CSPDCL submitted that the delay in filing of the Review Petition is bonafide as the Review Petition has been filed for the sole reason that due to the Revenue Gap created in the Tariff Order, CSPDCL is unable to comply with the requirements of the RDSS project. Further, the Review Petition has been filed within 2 days of receipt of the intimation from REC regarding the need to address the issue relating to Revenue Gap for qualifying under RDSS Scheme.

CSPDCL submitted that the RDSS scheme will enable the upgradation of CSPDCL's system, thereby reducing the AT&C losses and enhancing the overall supply facilities. CSPDCL will also get financial assistance from GoI.

CSPDCL added that since, the Review Petition has been filed to ensure that CSPDCL receives benefit under RDSS and the interests of the consumers of the State are safeguarded, CSPDCL requested the Commission to condone the delay in filing of the Review Petition and consider the Petition on merits. CSPDCL requested the Commission to amend the Tariff Order for FY 2023-24 to allow CSPDCL to recover the Revenue Gap of Rs. 2924.53 Crore by suitably increasing the retail tariff for the consumers of CSPDCL.

CSPDCL submitted that since the Revenue Gap is the legitimate amount recoverable by CSPDCL, enhancing the tariff to recover the Revenue Gap will not cause any prejudice to the consumers of CSPDCL and will ultimately benefit them as the power supply system will be enhanced.

CSPDCL further added that as per Section 61 of the Electricity Act, 2003, the Commission while determining the tariff has to ensure recovery of the cost of supply, however, in the Tariff Order for FY 2023-24, the Commission has committed an error apparent on the face of the record by allowing continuity of Revenue Gap of Rs. 2924.53 Crore, hence, the impugned Order is liable to be reviewed.

CSPDCL submitted that the Commission disposed of the Review Petition, giving liberty to CSPDCL to include this Revenue Gap in the Tariff Petition for FY 2024-25. Accordingly, CSPDCL has claimed the unmet Revenue Gap of Rs. 2924.53 Crore, along with the cumulative Revenue Requirement of FY 2024-25.

Commission's View

In its Tariff Petition for FY 2023-24, CSPDCL submitted its Retail Tariff Proposal, as reproduced below:

"9. Retail Tariff Proposal

To meet the Revenue Gap

9.1 CSPDCL would like to submit that determination of tariff for retail sale is prerogative of Hon'ble Commission U/s 62(3) of Electricity Act 2003, hence it would like to submit that the ACOS for FY 2023-24 after including the net revenue Gap comes out to Rs. 6.22 per unit which is the approved average cost of supply by the Commission during FY 2022-23 and ***as such there is no tariff hike is required to meet the current gap****.*

Table 57: Standalone Revenue Surplus / (Deficit) and ACOS (Rs. crore)

Sr. No	***Particulars***	***Legend***	***Amount (Rs. Crore)***
1.	*Aggregate Revenue Requirement*	*A*	*15,581.14*
2.	*Income from Sale of Power at Existing Tariff*	*B*	*19,344.17*
3.	***Standalone (Deficit) / Surplus***	***C=B-A***	*3,763.03*
4.	***(Deficit) / Surplus carried forward (review Petition)***	***D***	*(6134.77)*
5.	***Net (Deficit) / Surplus for the year***	***E=D-C***	*(2371.73)*
6.	***Sales (Mus)***	***F***	*28,885*
7.	***ARR (Rs. Crore)***	***G***	*15,581*
8.	***Revenue (Rs. Crore)***	***H***	*19,344*
9.	***ACOS (Rs. Crore) Standalone***	***I***	***5.39***
10.	***ACOS (Rs. Crore) Cumulative***	***J=(A+E)/F***	***6.22***

*" (**emphasis added**)*

In the Tariff Order for FY 2023-24, the Commission has ruled as under in this regard:

"10.1 Approach for Tariff for FY 2023-24

The primary objective of the Commission is to protect the interest of the consumer and at the same time ensuring recovery of reasonable and justified cost by the utilities. The Commission in the previous Orders as well as this Order has taken various steps to protect public interest and provided relief to the consumers and Utilities in the State of Chhattisgarh.

Based on the ARR and Sales approved, the Average Cost of Supply (ACoS) approved by the Commission for FY 2023-24 is shown in the Table below:

Table 10-1: Average Cost of Supply (Rs./kWh) for CSPDCL for FY 2023-24

Sr. No.	***Particulars***	***CSPDCL Petition***	***Approved***
1	*Aggregate Revenue Requirement for FY 2023-24*	*15,581.14*	*17,228.31*
2	*Income from sale of power at existing tariff*	*19,344.17*	*19,032.47*
3	*Standalone Revenue Gap/(Surplus)*	***(3,763.03)***	***(1,804.16)***
4	*Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPGCL*	*-*	*538.04*
5	*Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPTCL*	*-*	*51.24*
6	*Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSLDC*	*-*	*(2.55)*
7	*Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPDCL, including impact of Review Petition*	*6,134.77*	*4,321.46*
8	*Reduce excess provisioning for RPO in FY 2016-17 & FY 2017-18 with carrying cost*		*(179.50)*
9	*Total Past Revenue Gap/(Surplus)*	*6,134.77*	*4,728.69*
10	***Cumulative Revenue Gap/(Surplus)***	***2371.73***	***2,924.53***
11	***Adjusted ARR for Recovery***	***17,952.87***	***20,152.84***
12	*Total estimated sales*	*28,885*	*30,635.00*
12	*Stand alone cost of supply*	*5.39*	*5.62*
13	***Adjusted Cost of supply after considering Gap***	***6.22***	***6.58***

The Commission has not created any regulatory Assets for FY 2022-23 (FY 2023-24).

…

10.3 Tariff Philosophy for FY 2023-24

*As discussed earlier, **the Commission has determined the Cumulative Revenue Gap of Rs. 2924.53 Crore. In order to bridge this Revenue Gap, the Commission has taken the following measures for FY 2023-24**:*

a) The ToD tariffs have been rationalized. The rebate during off-peak hours is revised to 20% from 35% and additional charges during peak hours have been retained as 20%.

b) The tariff for 220 kV and 132 kV sub-categories under HV-4 Steel category has been rationalized, in line with the voltage-wise tariff differential philosophy adopted for other categories.

c) The discount of 10% on Energy Charges provided for exclusive Oxygen plants connected up to 33 kV supply voltage under HV-3 category has been withdrawn.

d) The discount of 25% on Energy Charges provided to Textile industries including handlooms and powerlooms, Jute industries, and ethanol industries categories under HV-3 category has been withdrawn.

e) The monthly power-off hours to be considered for computation of load factor of HV-4 Steel category has been reduced to 'Nil' hours for industries connected at 220 kV and 132 kV voltage, and reduced to 30 hours for industries connected at 33 kV and 11 kV voltage.

f) "Mixer and/or stone crushers" have been moved to HV-2 (Mines Tariff Category) from earlier HV-3 (Other Industrial and General Purpose Non-Industrial Tariff) Category.

g) The discount on Energy Charges applicable for private clinics, hospitals and nursing homes including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005, under LV-2 and HV-3 categories has been reduced from 7% to 5%.

h) The discount on Energy Charges applicable for HV-4 Steel industries situated in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran has been reduced from 7% to 5%.

Based on the above-elaborated tariff rationalisation measures, it is estimated that CSPDCL will earn additional revenue in FY 2023-24. However, even after considering the additional revenue from these tariff rationalisation measures, it is estimated that revenue deficit of around Rs. 2528 Crore for FY 2023-24 will remain unmet.

*Further, it may be noted that **the quantum of unmet revenue requirement for FY 2023-24 is only an estimate at this stage, and the actual revenue deficit/(surplus), if any, shall be addressed at the time of true-up for FY 2023-24**.*

*The standalone ACOS for FY 2023-24 has been estimated as Rs. 5.62/kWh. **The adjusted ACoS for FY 2023-24 has been estimated as Rs. 6.58/kWh.** The Average Billing Rate (ABR) for FY 2023-24 with existing tariffs is estimated to be Rs. 6.21/kWh**. Considering the tariff rationalisation measures, the estimated ABR for FY 2023-24 works out as Rs. 6.34/kWh which is higher than the ABR with the existing tariff, i.e., Rs. 6.21/kWh with prevailing terms and conditions of tariff. The ABR for FY 2023-24 is significantly higher than the standalone ACOS of FY 2023-24, thereby indicating that the expenses of FY 2023-24 will be met, and the shortfall would be only in meeting the revenue deficit due to true-up of FY 2021-22**.*

*Further, it may be noted **that the quantum of unmet revenue requirement for FY 2023-24 is only an estimate at this stage, and the actual revenue deficit/(surplus), if any, shall be addressed at the time of true-up for FY 2023-24**.*

The Commission has increased the Energy Charges only for HV Steel industries category that too only for 220 kV and 132 kV sub category by 25 paise/kWh for both with no change being made in the Fixed/Demand Charges."

The CSERC MYT Regulations, 2021 specifies as under: *"5.7*

(b) After first year of control period and onwards, the yearly true up petition shall comprise of:

i. For Generation, Transmission, and SLDC business - Truing up for preceding year(s). The STU/transmission licensee shall also file proposal for determination of transmission charges for the short-term open access customers along with true-up petition.

ii. For Distribution Wire and Retail Supply Business L The truing up petition for preceding years). 2. Revised power purchase quantum/cost (if any), with details thereof for the ensuing year. 3. Revenue from existing tariffs and charges and projected revenue for the ensuing year. 4. Application for re-determination of ARR for the ensuing year along-with retail tariff proposal."

As regards CSPDCL's claim of unrecovered revenue gap of Rs. 2924.53 Crore, estimated by the Commission in tariff order of FY 2023-24, the Commission is of the view that the deficit was arrived after estimating the sales for the FY 2023-24 and revenue at prevailing tariff i.e., as per tariff order FY 2022-23. The petition was filed by CSPDCL in January-2024 and as per the timelines specified in the CSERC MYT Regulations 2021, the tariff order was required to be passed by March-2024. The model code of conduct for the General Elections 2024 was enforced from 16th March, 2024 and as per the clarification issued by the Election Commission of India, the tariff award can be made only after the completion of poll in the relevant State i.e., 07th May, 2024 for Chhattisgarh State. Now that as FY 2023-24 is over and the accounts of CSPDCL have been prepared (unaudited) and are on the verge of finalization. In such circumstances, it is mandatory to reassess the expenditure and revenue for the FY 2023-24 on the basis of audited accounts of FY 2023-24. The CSERC MYT Regulations, 2021 also specifies that any revenue deficit/ surplus for FY 2023-24 is required to be passed in the FY 2025-26. In light of the above, it would be proper to re-evaluate the revenue gap of FY 2023-24 and the deficit, if any, shall be passed on in FY 2025-26. The retail tariff for FY 2025-26 shall be computed on the basis of ARR of FY 2025-26, expected revenue from the projected sales of FY 2025-26, applicable tariff of FY 2024-25 and revenue deficit, if any, for FY 2023-24. The licensee should approach this Commission for true-up of FY 2023-24 once the accounts of FY 2023-24 are finalized/audited. As per the provisions of the CSERC MYT Regulations, 2021 and the Commission's assessment of expenditure and revenue, there is no revenue gap for the FY 2024-25.

8 TRUE-UP OF FY 2022-23 FOR CSPDCL

8.1 Background

CSPDCL has filed the Petition for final True-up of FY 2022-23 based on the Audited Accounts in accordance with Regulations 10.2, 10.3, and 10.4 of the MYT Regulations, 2021, which specify as under:

> *"10.2 .... The Distribution Licensee shall file an application for truing up of the previous year(s) and determination of tariff for the ensuing year, within the time limit specified in these Regulations.*
>
> *... ....*
>
> *10.3. In case the audited accounts are not available, the provisional truing up shall be done on the basis of un-audited/ provisional account and shall be subject to further final truing up, as soon as the audited accounts is available.*
>
> *10.4 The scope of the truing up shall consist of comparison of the performance of the generating company or STU/ transmission licensee or distribution licensee or SLDC with the approved forecast and shall include following:*
>
> *(a) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of all uncontrollable factors;..."*

CSPDCL submitted that the revenue impact of the issues raised in the first Review Petition and second Review Petition filed on the Tariff Order dated 28th March, 2023 have also been included in the true up Revenue Gap of FY 2022-23, along with their respective Carrying Cost.

In accordance with the above, the Commission has undertaken the final true-up for FY 2022-23. In this Chapter, the Commission has analysed all the elements of audited expenditure and revenue of CSPDCL for FY 2022-23 and undertaken final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021.

The Commission has approved the sharing of gains and losses on account of controllable factors between CSPDCL and the consumers, in accordance with Regulation 13 of the MYT Regulations, 2021.

8.2 Energy Sales

CSPDCL's Submission

CSPDCL submitted that it served 61,49,824 consumers at LV level and 3599 consumers at HV and EHV level during FY 2022-23. CSPDCL submitted that the connected load recorded during FY 2022-23 was 7,578.07 MW at LV level and 3,793.13 MW at EHV and HV level.

The category-wise energy sales were recorded as 29,103.99 MU for FY 2022-23, comprising 15,837.21 MU sales to LT category and 13,266.78 MU to HV and EHV category.

Commission's View

The Commission sought actual category-wise and slab-wise sales in kWh for all LV consumers and category-wise sales in kVAh for all HV consumers for FY 2022-23. The Commission also sought voltage-wise break up for HV and EHV sales for FY 2022-23. CSPDCL submitted the R-15 data for LV and HV/EHV categories for FY 2022-23.

Agriculture Consumption

In response to the Commission's query, CSPDCL submitted the month-wise average hours of supply to the agriculture category, which shows average supply of 18.44 hours/day for each month of FY 2022-23.

The Commission also sought details of load factor of consumption by LV Agriculture category. In response, CSPDCL submitted the details of month-wise load factor for FY 2022-23. It is observed that actual average annual load factor recorded was 49.44% for FY 2022-23, which translates to average running of 11.86 hours per day throughout the year. Further examination reveals that in some months, the actual load factor has been reported much higher, at 67.06% for April 2023, and 62.23% and 66.62% for February 2023 and March 2023, respectively. This translates to average running hours of 16 hours/day in April 2022, ~ 15 hours/day in February 2023, and ~16 hours/day in March 2023. Such data lacks credibility and **CSPDCL is directed to ensure that the agricultural connections are metered properly and meters read on time, so that the agricultural consumption is reported realistically and correctly.**

Regulation 11.1 of the MYT Regulations, 2021 provides that the sales mix and quantum of sales are uncontrollable factors. The Commission therefore, approves the energy sales as submitted by CSPDCL in its Petition for final True-up of FY 2022-23.

The consumer category-wise sales for FY 2022-23 approved in the Tariff Order, actual sales as submitted by CSPDCL, and Trued-up sales approved in this Order are shown in the Table below:

Table 8-1: Approved Energy Sales for FY 2022-23 (MU)

Consumer Category	Tariff Order	Petition	Final True-up
LV Categories (A)	**16,190.38**	**15,837.21**	**15,837.21**
Domestic Including BPL Consumers	7,255.63	6,261.98	6,261.98
Non-Domestic (Normal Tariff)	285.29	312.87	312.87
Non-Domestic (Demand Based)	787.50	875.20	875.20
Agriculture Metered	5,454.33	5,455.78	5,455.78
Agriculture allied	32.98	34.27	34.27
LT Industry	617.09	744.84	744.84
Public Utilities	489.35	688.81	688.81
IT Industry	1.06	0.94	0.94
Temporary	1,267.14	1,462.53	1,462.53

Consumer Category	Tariff Order	Petition	Final True-up
HV Categories (B)	**11,312.82**	**13,266.78**	**13,266.78**
Railway Traction	1,176.58	1,255.15	1,255.15
Mines (Coal & Others)	693.33	703.85	703.85
Other Industry & General Purpose Non-Industrial	1,892.64	2,260.78	2,260.78
Steel Industries	7,114.88	8,638.50	8,638.50
PWW, Irrigation & Agriculture allied activities	218.62	217.79	217.79
Residential Purpose	184.17	175.31	175.31
Start-up Power Tariff	21.94	8.90	8.90
Industries related to manufacturing of equipment for RE power generation	3.12	4.55	4.55
IT Industries	7.53	1.93	1.93
Temporary	-	-	-
Grand Total (A+B)	**27,503.20**	**29,103.99**	**29,103.99**

8.3 Distribution Loss and Energy Balance

CSPDCL's Submission

CSPDCL submitted that the energy losses for the Distribution System has been computed based on Regulations 98.1, 98.2, and 98.3 of the MYT Regulations, 2021, as reproduced below:

"98. ENERGY LOSS FOR DISTRIBUTION SYSTEM

98.1 The energy loss for 33 KV and below voltage level, shall be computed as per relevant provision(s) of the State Grid Code 2011 as amended from time to time. The difference between the energy injected at 33 KV voltage level and the sum of energy sold to all its consumers (retail and open access), at voltage level 33 KV and below shall be the energy loss for the 33KV and below system. The same shall be considered for the gain/ loss at the time of true up.

98.2. Energy sold shall be the sum of metered sales and assessed unmetered sales, if any, based on prudence check by the Commission.

98.3. Energy Loss trajectory for distribution licensee shall be as specified by the Commission in the tariff order."

In view of the above said provisions, CSPDCL has submitted the Distribution Loss and Energy Balance for FY 2022-23, as shown in the Table below, and requested the Commission to approve the same:

Table 8-2: Energy Balance for FY 2022-23 as submitted by CSPDCL (MU)

Sl.	Particulars	Tariff Order	Petition
1	LV Sales	16,190.38	15,837.21
2	HV Sales	7,851.29	8,299.92
3	Total Sales below EHV Level	24,041.66	24,137.13
4	**Distribution Loss below 33 kV (in %)**	**15.67%**	**18.84%**
5	Distribution Loss below 33 kV (in MU)	4,466.24	5,602.15
6	Gross Energy requirement at 33 kV Level	28,507.90	29,739.28
7	*Less:* Direct Input to distribution at 33 kV Level	351.77	302.85
8	Net Energy Input required at Distribution Periphery at 33 kV Level	28,156.13	29,436.43
9	Sales to EHV consumers	3,461.53	4,967.15
10	Net energy requirement at Distribution periphery	31,617.67	34,403.58
11	**Distribution loss including EHV Sales**	**13.97%**	**16.14%**

Commission's View

For the purpose of true-up for FY 2022-23, the Commission has accepted the energy input as submitted by CSPDCL, after applying due prudence check on the data submitted by CSPTCL.

The Commission has considered the Energy Balance based on the actual inter-State as well as intra-State Transmission losses, energy sales approved in this Order, and actual quantum of power procured during FY 2022-23.

The Commission has approved the Energy Balance as per the provisions of the MYT Regulations, 2021 and methodology adopted in previous Tariff Orders. The approved Distribution Losses and Energy Balance after final true-up for FY 2022-23, in the format adopted in the previous Tariff Order, is shown in the Table below:

Table 8-3: Approved Energy Balance and Distribution Loss for FY 2022-23

Sl.	Particulars	Tariff Order	Petition	Final True-up
A	**Input: Total Energy available (MU)**	**31,969.43**	**34,706.43**	**34,706.43**
	i. Available at 33 kV outgoing feeder	28,156.13	29,436.43	29,436.43
	ii. Injected by CPP/IPP at 33/11kV S/s	351.77	302.85	302.85
	iii. Available a EHV Level	3461.53	4967.15	4,967.15

Sl.	Particulars	Tariff Order	Petition	Final True-up
B	**Output: Total Energy Sales (MU)**	**27,503.20**	**29,104.28**	**29,103.99**
	i. LV Sales	16,190.38	15,837.21	15,837.21
	ii. HV Sales	7,851.29	8,299.92	8,299.63
	iii. EHV Sales	3461.53	4967.15	4,967.15
C	**Energy Loss below 33 kV (MU)** ***{(Ai + Aii) – (Bi +Bii)}***	4,466.24	5,602.15	5,602.44
D	**Energy Loss below 33 kV (%)** ***{C/(Ai+Aii)*100}***	**15.67%**	**18.84%**	**18.84%**
E	**Distribution Loss Including EHV Sales (MU) (*A – B)***	**4,466.24**	**5,602.15**	**5,602.44**
F	**Distribution loss including EHV Sales** *(E/A*100)*	**13.97%**	**16.14%**	**16.14%**

8.4 Incentive/Disallowance for over/under-achievement of Distribution Loss

CSPDCL's Submission

CSPDCL submitted the distribution loss and computation of incentives/penalty with respect to achievement of 33 kV Distribution Loss level for FY 2022-23, as shown in the table below:

Table 8-4: Sharing of Loss on account of underachievement of Distribution loss for FY 2022-23 as submitted by CSPDCL (Rs. Crore)

Sl.	Particulars	Legend	Petition
1	Energy Input considered for Distribution Business (MU)	A	29,739.28
2	Total Sales (MU)	B	29,103.99
3	Power Purchase Cost (Rs. Crore)	C	17,881.94
4	Gross Power Purchase Quantum (MU)	D	39,325.49
5	Power Purchase Cost excluding Transmission Charges (Rs. Crore)	E	15,810.15
6	Per Unit Cost of Power Purchase (Rs/kWh)	F = E/D*10	4.02
7	Targeted Distribution Losses (%)	G	15.67%
8	Actual Distribution Losses (%)	H	18.84%

Sl.	Particulars	Legend	Petition
9	Under achievement (%)	I = H – G	3.17%
10	MU Shortfall	J = I*A	942.00
11	Loss Due to Under-achievement (Rs. Crore)	K=(J*F*1000)/100	378.72
12	**CSPDCL Share (Rs. Crore)**	**L = K/2**	**252.48**

CSPDCL submitted that the Distribution Loss target approved in the Tariff Order dated 13th April 2022 for FY 2022-23 is 15.67%, against which CSPDCL has achieved actual Distribution Losses of 18.84%. CSPDCL has computed the under-achievement as a deduction of Rs. 252.48 Crore from the ARR for FY 2022-23.

Commission's View

The Distribution Loss target below 33 kV approved by the Commission in the Tariff Order for FY 2022-23 is 15.67%. The actual Distribution Loss below 33 kV achieved by CSPDCL during FY 2022-23 based on actual energy sales and power purchase works out to 18.84%. Thus, CSPDCL has reported higher than targeted Distribution Loss for FY 2022-23.

The CSERC MYT Regulations, 2021 specifies as under, regarding sharing of efficiency losses on account of under-achievement of Distribution Losses:

> *"13.2 The mechanism for sharing of aggregate net loss on account of under achievement in reference to the target set in tariff order for efficiency linked controllable items and energy losses computed in accordance to Regulation 98 shall be passed on to the beneficiary / consumer(s) and by the generating company or the licensee, as the case may be, in the ratio of 1:2 or as may be specified in the Order of the Commission passed under this Regulation."*

Further, while computing the efficiency loss on account of higher than approved Distribution Losses, CSPDCL has excluded the Transmission Charges. As elaborated in the previous Tariff Order, the Transmission Charges should be excluded while computing the average cost of power purchase for the purpose of computing efficiency gains/losses on account of Distribution Losses.

The Commission has assessed the impact of under-achievement of Distribution Loss vis-à-vis the targeted Distribution Loss, and considered 2/3rd of the efficiency losses on account of under-achievement of Distribution Losses as CSPDCL's share in accordance with the MYT Regulations, 2021, as shown in the Table below:

Table 8-5: Sharing of Loss approved by the Commission on account of underachievement of Distribution loss for FY 2022-23 (Rs. Crore)

Sl.	Particulars	Legend	Petition	Approved after true-up
1	Energy Input considered for Distribution Business (MU)	A	29,739.28	29,739.28
2	Total Sales (MU)	B	29,103.99	29,103.99
3	Power Purchase Cost (Rs. Crore)	C	17,881.94	17,591.72

Sl.	Particulars	Legend	Petition	Approved after true-up
4	Gross Power Purchase Quantum (MU)	D	39,325.49	39,325.48
5	Power Purchase Cost excluding Transmission Charges (Rs. Crore)	E	15,810.15	15,519.93
6	Per Unit Cost of Power Purchase (Rs/kWh)	F = E/D*10	4.02	3.95
7	Targeted Distribution Losses (%)	G	15.67%	15.67%
8	Actual Distribution Losses (%)	H	18.84%	18.84%
9	Under achievement (%)	I = H – G	3.17%	3.17%
10	MU Shortfall	J = I*A	942.00	942.29
11	Loss Due to Under-achievement (Rs. Crore)	K=(J*F* 1000)/100	378.72	371.88
12	**CSPDCL Share (Rs. Crore)**	**L = K/2**	**252.48**	**247.92**

The slight difference in the computation of efficiency losses due to higher than targeted Distribution Losses is on account of lower power purchase cost being approved by the Commission, as compared to CSPDCL's claim, as elaborated in the subsequent section of this Order.

The above impact of under-achievement of Rs. 247.92 Crore to be borne by CSPDCL has been adjusted against the ARR of CSPDCL for FY 2022-23.

8.5 Power Purchase Cost

CSPDCL's Submission

CSPDCL has purchased power from different sources such as Central Generating Stations (CGS), CSPGCL generating stations, Renewable Energy (RE) sources such as Bio-mass, Solar, Wind and other RE sources, Concessional power from Independent Power Producers (IPPs) through Chhattisgarh State Power Trading Company Limited (CSPTrDCL) and other sources such as Power Exchanges, etc., to meet the energy requirement of the State during FY 2022-23.

CSPDCL submitted that the net power purchase cost in FY 2022-23 as per Audited Accounts is Rs. 16,634.02 Crore, after removing the Delayed Payment Surcharge.

CSPDCL further submitted that it has purchased 673.62 MU through banking arrangement and has sold 360.54 MU through banking arrangement in FY 2022-23, and the cost of both the transactions has been considered as NIL, in line with the Judgment of the Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013.

CSPDCL has claimed the gross purchase cost of Rs. 17,881.94 Crore for purchase of 39.325.49 Crore, at an average rate of 4.55/kWh. CSPDCL has considered the revenue from sale of surplus power as Rs. 1,247.91 Crore for sale of 3,379.06 MU at an average rate of Rs. 3.69/kWh. The net power purchase cost claimed by CSPDCL for FY 2022-23 is Rs. 16.634.02 Crore, at an average rate of Rs. 4.63/kWh, including the Transmission Charges.

Commission's View

In reply to the Commission's query, CSPDCL submitted the details of source-wise fixed charges and variable charges of power purchase for FY 2022-23. CSPDCL also submitted the reconciliation of the power purchase expenses claimed in the true-up Petition with the power purchase expenses reported in the Audited Accounts of FY 2022-23.

The Commission has analysed the source-wise power purchase quantum and costs and approved the same after prudence check in the final truing up for FY 2022-23, as discussed in the paragraphs below.

CSPGCL Stations

CSPDCL has claimed purchase of 16,483.62 MU at a cost of Rs. 6,108.72 Crore from CSPGCL Stations, comprising 16,443.61 MU of thermal power at a cost of Rs. 6006.65 Crore, and 40.01 MU of Renewable Energy (RE) at a cost of 12.67 Crore.

In its initial reply to the Commission's queries, CSPDCL submitted that neither DPC nor Revenue Gap of previous years of CSPGCL was included in the claim of cost of power purchase from CSPGCL. The Commission observed that CSPDCL had claimed cost of power purchase from thermal sources of CSPGCL as Rs. 6,006.05 Crore, whereas CSPGCL has shown total amount billed to CSPDCL as Rs. 5852.88 Crore, including the previous year's Gap of Rs. 246.21 Crore. Hence, the Commission sought reconciliation of the power purchase cost claimed by CSPDCL towards purchase of thermal power from CSPGCL with the revenue from sale of power to CSPDCL in FY 2022-23, as claimed by CSPGCL in its True-up Petition for FY 2022-23.

In this regard, CSPDCL vide reply dated 22nd April 2024 submitted the desired reconciliation, and clarified as under:

a) CSPDCL has inadvertently included the Delayed Payment Surcharge of Rs. 44.30 Crore of CSPGCL within the power purchase cost;

b) CSPGCL has accounted for the past Revenue Gap of Rs. 246.21 Crore under cost of power purchase from CSPGCL as well as in the overall Revenue Gap computation, resulting in double accounting of the same.

CSPDCL submitted the revised computation of Revenue Gap/(Surplus) for FY 2022-23 after reducing the power purchase cost appropriately, by removing the above-stated inadvertent errors.

Thus, it is observed that in its initial reply, CSPDCL had categorically stated that both DPC as well as past Gaps were not included in the cost of purchase from CSPGCL, and in the subsequent reply, CSPDCL has admitted that both these costs are included, thereby inflating the costs by Rs. 290.51 Crore. **The Commission directs CSPDCL to ensure that the future submissions are verified for factual correctness before being submitted to the Commission.**

The Commission has examined the reconciliation of the cost of power purchase from CSPGCL with the revenue from sale of power to CSPDCL, as claimed by CSPGCL. Accordingly, the Commission has considered the cost of thermal power purchase from CSPGCL as 16,483.62 MU at a cost of Rs. 5,715.54 Crore at an average rate of Rs. 3.48//kWh, after reducing the DPC of Rs. 44.30 Crore and past Revenue Gap of Rs. 246.21 Crore, as the same has been considered in the computation of overall Revenue

Gap/(Surplus) for FY 2022-23. The Commission has approved RE purchase of 40.01 MU from CSPGCL at a cost of Rs. 12.97 Crore based on the revenue claimed by CSPGCL in this regard, at an average rate of Rs. 3.24/kWh.

The Commission has hence, approved power purchase of 16,483.62 MU at a total cost of Rs. 5,728.51 Crore from CSPGCL stations for FY 2022-23.

Central Generating Stations (CGS)

CSPDCL has claimed purchase of 15,928.93 MU at a cost of Rs. 7,006.83 Crore from CGS Stations.

The power purchase quantum and cost against other CGS sources, viz., NTPC, NTPC-SAIL, NPCIL and OHPCL, NHPCL, NEEPCO, etc., and the total cost of purchase from CGS Sources have been considered as submitted by CSPDCL in its reply dated 22nd February 2024.

The Commission has accordingly approved power purchase from CGS for FY 2022-23 as 15,928.93 MU costing Rs. 7,006.82 Crore at an average rate of Rs. 4.40/kWh in the true-up for FY 2022-23.

Renewable Energy Sources

The Commission has scrutinised the source-wise details of RE purchase during FY 2022-23 based on the details provided by CSPDCL in its reply dated 22nd February 2024. The Commission has verified the rates of power purchase based on tariffs approved by the Commission in the past.

In reply to the Commission's query regarding the expense of Rs. 30.41 Crore booked against 'Other Charges – new RE', CSPDCL clarified that these are payments made to solar rooftop generators against the banked power at the end of the financial year, which are credited in the bills of the rooftop generators.

The Commission has approved the quantum and cost of purchase from RE sources, viz., Biomass, Solar, and Hydel/Other RE as submitted by CSPDCL.

The Commission has accordingly approved the quantum and cost of power purchase from RE Sources for FY 2022-23 as 2,805.10 MU costing Rs. 1,587.15 Crore at an average rate of Rs. 5.66/kWh in the true-up for FY 2022-23.

Power Purchase from CSPTrdCL (Concessional Power)

It is observed that CSPDCL has claimed purchase of 2,351.96 MU of concessional power at the cost of Rs. 675.64 Crore during FY 2022-23 at an average rate of Rs. 2.87/kWh.

In response to the Commission's query, CSPDCL submitted the source-wise quantum and rate of power purchase from 'Concessional Power through CSPTrdCL' vide its reply dated 22nd February 2024.

CSPDCL submitted details of expenses towards power purchase from 'Concessional Power through CSPTrdCL' amounting to Rs. 686.98 Crore, whereas the amount claimed in the Petition is Rs. 675.64 Crore. In this regard, CSPDCL clarified that there exists a variance of Rs. 11.34 Crore in the amount recorded in R4 as compared to the amount recorded in the Audited Accounts, because some payments are made in the current financial year though the bills are raised in the previous financial year.

Thus, the **Commission after due prudence check has approved purchase of 2,351.96 MU of concessional power during FY 2022-23 at the cost of Rs. 675.64 Crore at an average rate of Rs. 2.87/kWh**. It is pertinent to mention here that the Commission has determined tariff in respect of concessional power of majority of generators. It is, therefore, clarified that for the generators whose tariff has been so determined, energy charges for FY 2024-25 shall be billed in accordance with the latest tariff determined by the Commission. For others whose tariff is yet to be determined by the Commission, the energy charges shall be billed at the rate of Rs. 1.60/kWh.

Other Sources

CSPDCL has purchased 479.25 MU from Power Exchanges at a cost of Rs. 424.09 Crore at an average rate of Rs. 8.85/kWh in FY 2022-23.

The **Commission, after due prudence check, has approved the purchase of 479.25 MU from Power Exchanges at a cost of Rs. 424.09 Crore in the true-up of FY 2022-23**.

Unscheduled Power

CSPDCL has purchased 31.29 MU of Unscheduled power at a rate of Rs. 1.34/kWh, with total cost of Rs. 4.19 Crore, in FY 2022-23. The **Commission, after due prudence check, has accepted the total cost of Unscheduled power of Rs. 4.19 Crore, as submitted by CSPDCL**.

UI Purchase

In the Petition, CSPDCL had submitted that during FY 2022-23, CSPDCL has purchased 569.97 MU under UI at a rate of Rs. 2.12/kWh, with total cost of Rs. 120.99 Crore. In response to the Commission's query, CSPDCL, vide its reply dated 22nd April 2024 clarified that the DSM Charges against purchase from CSPGCL are included in the cost of power purchase from CSPGCL, and are hence, not included under the UI purchase claimed separately.

The **Commission, after due prudence check, has accepted the total quantum of 569.97 MU and cost of UI power as Rs. 120.99 Crore, as submitted by CSPDCL**.

Banking Purchase and Sale

CSPDCL has submitted that it purchased 673.62 MU through banking arrangement and returned 360.54 MU of banked power during FY 2022-23. CSPDCL has stated that it has considered the cost of banking purchase and sale in FY 2022-23 as Nil, in accordance with the Judgment of the Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013.

In line with the regulatory principles, banking of power involves cashless transaction, where interchange of units has to be accomplished. The **Commission has considered the quantum of banking purchase and sale as submitted in CSPDCL's Petition, in the true-up for FY 2022-23**.

Reactive Charges and RRAS Settlement

CSPDCL has considered reactive charges of Rs. 0.58 Crore and credit amount of Rs. (29.65 Crore) against RRAS settlement. The Commission has verified CSPDCL's claim and considered the same in the true-up for FY 2022-23.

Transmission Charges

CSPDCL has claimed inter-State Transmission Charges of Rs. 1057.26 Crore, intra-State Transmission Charges of Rs. 1006.69 Crore, and CSLDC Charges of Rs. 7.84 Crore, totalling to Transmission Charges of Rs. 2071.79 Crore.

In response to the Commission's query, CSPDCL submitted the break-up of inter-State Transmission Charges in the same format as submitted in earlier years.

The Commission has scrutinized the Transmission Charges as submitted by CSPDCL for FY 2022-23 in its true-up Petition and verified the same from the audited Accounts of FY 2022-23.

CSPDCL submitted the reconciliation between amount claimed against Transmission Charges paid to CSPTCL and revenue from Transmission Charges claimed by CSPTCL. CSPDCL also submitted the reconciliation between amount claimed against SDLC Charges paid to CSPTCL and revenue claimed by SLDC.

In view of the above, after due prudence check, **the Commission approves the Transmission Charges of Rs. 2071.79 Crore in the true-up for FY 2022-23**.

Revenue from Sale of Surplus Power

CSPDCL has submitted the revenue from sale of surplus power of 3379.06 MU for FY 2022-23 with revenue of Rs. 1247.92 Crore. The Commission has considered the revenue from sale of surplus power as submitted by CSPDCL in its reply to the data gaps. However, the Commission has continued with the methodology adopted in previous Orders by separately accounting for revenue from sale of surplus power and revenue from retail sale of power, and considering the revenue from sale of surplus power under revenue rather than reducing the gross power purchase expenses. The revenue from sale of surplus power considered by the Commission is shown in the Table below:

Table 8-6: Revenue from Sale of Power as approved by the Commission

Particulars	MU	Rs. Crore	Rs/kWh
Sale of Surplus Power to Power Exchange	2670.32	1229.47	4.60
UI Sale	348.20	18.45	0.53
Banking Sale	360.54		
Grand Total	**3379.06**	**1247.92**	**3.69**

The source-wise power purchase quantum and cost considered by the Commission after true-up for FY 2022-23, is shown in the Table below:

Table 8-7: Approved Power Purchase Cost after True-up for FY 2022-23 (Rs. Cr.)

Source	Tariff Order			Petition			Final True-up		
	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)
Central Generating Stations	**15,125.67**	**5,047.07**	**3.34**	**15,928.93**	**7,006.82**	**4.40**	**15928.93**	**7006.82**	**4.40**
NTPC	14008.29	4442.42	3.17	14,558.66	6,439.47	4.42	14558.66	6439.47	4.42
NTPC-SAIL (NSPCL)	271.13	100.27	3.70	318.80	141.39	4.43	318.80	141.39	4.44
NPCIL	295.36	95.24	3.22	362.68	123.80	3.41	362.68	123.80	3.41
Others	550.89	409.14	7.43	688.79	302.17	4.39	688.79	302.16	4.39
CSPGCL	**19,094.39**	**6,716.87**	**3.52**	**16,483.62**	**6,018.72**	**3.65**	**16483.62**	**5728.51**	**3.48**
Total CSPGCL Thermal & Hydro	18721.81	6647.26	3.55	16,443.61	6,006.05	3.65	16443.61	5715.54	3.48
CSPGCL – Renewables	372.58	69.61	1.87	40.01	12.67	3.17	40.01	12.97	3.24
Short-term Purchase	**0.00**	**0.00**	**0.00**	**479.25**	**424.10**	**8.85**	**479.25**	**424.09**	**8.85**
Concessional Power - through CSPTrdCL	**2,395.56**	**444.52**	**1.86**	**2,351.96**	**675.64**	**2.87**	**2351.96**	**675.64**	**2.87**
Others - Renewables	**4,551.45**	**1,569.03**	**3.45**	**2,805.10**	**1,587.15**	**5.66**	**2805.10**	**1587.15**	**5.66**
Biomass	886.58	610.52	6.89	815.35	622.09	7.63	815.35	622.09	7.63
Solar	1994.01	498.50	2.50	1,479.11	575.59	3.89	1479.11	575.59	3.89
Hydel/Other RE	464.72	158.47	3.41	510.64	359.06	7.03	510.64	359.06	7.03
Other Charges – New RE					30.41			30.41	
Unscheduled Power				**31.29**	**4.19**	**1.34**	**31.29**	**4.19**	**1.34**
Transmission Charges		**1845.34**			**2071.79**			**2071.79**	
Inter-State Transmission Charges		724.69			1057.26			1057.26	
Intra-State Transmission Charges		1102.55			1006.69			1006.69	
CSLDC Charges		18.10			7.84			7.84	
UI Purchase				**569.97**	**120.99**	**2.12**	**569.97**	**120.99**	**2.12**

Source	Tariff Order			Petition			Final True-up		
	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./ kWh)
Border Villages				**1.74**	**1.61**	**9.23**	**1.74**	**1.61**	**9.25**
Banking Purchase				**673.62**	**0.00**	**0.00**	**673.62**	**-**	
Reactive Charges				**0.00**	**0.58**	**0.00**		**0.58**	
Gross Power Purchase Cost excluding Transmission Charges	**41,167.07**	**13,777.49**	**3.35**	**39,325.49**	**15,810.16**	**4.02**	**39,325.48**	**15,519.13**	**3.95**
Gross Power Purchase Cost including Transmission Charges	**41167.07**	**15,622.83**	**3.79**	**39,325.49**	**17,881.94**	**4.55**	**39,325.48**	**17,591.72**	**4.47**
Less: Adjustments				**3,379.06**	**1,247.91**	**3.69**			
Sale of Surplus power to Power Exchange*				2,670.32	1,229.47	4.60			
UI Sales				348.20	18.45	0.53			
Banking Sale				360.54	0.00				
RRAS Settlement					29.65				
Net Power Purchase Cost				**35,946.43**	**16,634.02**	**4.63**			

Note - **Sale of surplus power approved by the Commission is included in Revenue in subsequent Section of this Order*

The Commission approves Gross Power Purchase Cost of Rs. 17,591.72 Crore after final Truing-up of FY 2022-23.

8.6 O&M Expenses

CSPDCL's Submission

Based on audited accounts, CSPDCL submitted the actual O&M expenses of Rs. 1,597.85 Crore for FY 2022-23 excluding Terminal Benefits (pension and gratuity), as shown in the Table below:

Table 8-8: Actual O&M expenses as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order	Petition
1	Employee Costs (including outsourcing)	1,245.27	1,156.07
2	A&G Expenses	88.88	122.19
3	R&M Expenses	255.87	319.59
4	**Total O&M Expenses**	**1,590.02**	**1,597.85**

CSPDCL submitted that as per the MYT Regulations, 2021, the Operation and Maintenance Expenses includes HR Expenses and Maintenance and General (M&G) Expenses. HR Expenses comprise employee cost, impact of wage revision and manpower cost on outsourcing basis. CSPDCL requested the Commission to approve Employee expenses of Rs 1,156.07 Crore for FY 2022-23 based on Audited Accounts.

CSPDCL submitted that outsourced contract labour is engaged for operation of 33/11 kV substations, meter reading, bill distribution and revenue collection, secretarial assistance in offices, housekeeping, security, etc., the expenses against which are booked under the head of A&G expenses and R&M expenses in the Audited Accounts. Such expenses on employees deployed on outsourcing basis are considered under employee expenses as per the MYT Regulations, 2021.CSPDCL submitted the details of such expenditure as given in the Table below:

Table 8-9: Expenses on Contract Manpower in FY 2022-23 as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	A&G Expenses	R&M Expenses
1	Security Services		2.43
2	Meter Reading and other manpower service contracts	133.86	
3	33/11 kV operations and other manpower service contracts		71.98
4	**Total**	**133.86**	**74.41**

CSPDCL requested the Commission to approve actual M&G Expenses (sum of A&G expenses and R&M expenses) of Rs. 441.78 Crore, and total outsourced expenses of Rs. 208.28 Crore (Rs. 133.86 Crore + Rs. 74.41 Crore) for FY 2022-23 based on Audited Accounts.

Sharing of Gains/(Losses) on account of M&G Expenses

CSPDCL submitted that in accordance with the MYT Regulations, 2021, the HR Expenses including the Employee Expenses and outsourced employee costs have to be allowed at actuals in the truing up, and no sharing of gains/(losses) is to be done for the HR expenses.

CSPDCL submitted that the MYT Regulations, 2021 allow for sharing of A&G expenses and R&M expenses, between the revised normative expenses and actual normative expenses.

CSPDCL has calculated the revised normative A&G expenses and R&M expenses for FY 2022-23 by escalating the normative A&G expenses and R&M expenses of FY 2021-22 with the increase of 9.41% in Wholesale Price Index (WPI), as shown in the Table below:

Table 8-10: Normative M&G Expenses for FY 2022-23 as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order Dated 13.4.2022	Final True Up
1.	A&G Expenses	88.88	90.55
2.	R&M Expenses	255.87	264.61

CSPDCL submitted the sharing of efficiency gains/(losses) on account of M&G expenses for FY 2022-23, as shown in the Table below:

Table 8-11: Sharing of Gains/(Losses) in M&G Expenses for FY 2022-23 as submitted by CSPDCL (Rs. Crore)

Particulars	Revised Normative	Actual Expenses	Efficiency Gain/(Loss)	Share of Gain/(Loss)	
				CSPDCL	Consumers
A&G Expenses	90.55	122.19	31.64	21.09	10.55
R&M Expenses	264.61	319.59	54.98	36.65	18.33
Total	**355.16**	**441.78**	**86.62**	**57.75**	**28.87**

CSPDCL requested the Commission to approve the sharing of efficiency loss of Rs. 57.75 Crore against M&G expenses for FY 2022-23.

Commission's View

The Commission had approved O&M expenses of Rs. 1,590.02 Crore in the Tariff Order for FY 2022-23. As against this, CSPDCL has claimed actual O&M Expenses of Rs. 1,597.85 Crore for FY 2022-23 based on Audited Accounts.

Actual O&M Expenses

CSPDCL has claimed actual employee expenses of Rs 1156.07 Crore for FY 2022-23 based on the Audited Accounts, and after adding the employee expenses against outsourced contractual employees, which have been reduced from the corresponding A&G expenses and R&M expenses. The Commission has verified the actual employee expenses from the Audited Accounts of FY 2022-23.

As regards the employee expenses against outsourced contractual employees, the Commission observed that there appeared to be some discrepancy in the expenses shifted from A&G expenses and R&M expenses to employee expenses by CSPDCL. In response to the Commission's query, CSPDCL clarified vide its replies to the TVS Data Gaps that it had inadvertently claimed the amount of Rs. 1.26 Crore under employee expenses head as well as under outsourced manpower expenses of Rs. 208.28 Crore. Accordingly, the Commission has reduced the expenses of Rs. 1.26 Crore from the employee expenses, as the same are allowed under respective A&G expenses and R&M expenses. **The Commission, hence, approves actual employee expenses of Rs. 1,154.81 Crore in the truing up of FY 2022-23**.

CSPDCL has claimed A&G Expenses of Rs. 122.19 Crore in the final true-up for FY 2022-23. The Commission sought details from CSPDCL regarding 'Miscellaneous Expenses' of Rs. 12.82 Crore claimed under A&G expenses. The Commission also sought clarification from CSPDCL regarding the consideration of A&G expenses of Rs. 4.31 Crore capitalised in the Audited Accounts. Vide its reply dated 22nd February 2024, CSPDCL admitted that the capitalised expenses of Rs. 4.31 Crore had inadvertently not been reduced while claiming the actual A&G expenses.

Further, from the details of 'Miscellaneous Expenses' of Rs. 12.82 Crore submitted by CSPDCL vide reply dated 22nd February 2024, it is observed that the Miscellaneous Expenses include 'Compensation for Outsider Injury' of Rs. 4.80 Crore and 'Penalty Charges' of Rs. 6.2375 Crore. The Commission is of the view that 'Compensation for outsider injury' paid by CSPDCL for its unsafe operations cannot be recovered from the consumers and have to be borne by CSPDCL. Similarly, the 'Penalty Charges' of Rs. 6.2375 Crore cannot be recovered from the consumers and have to be borne by CSPDCL. Hence, the Commission has disallowed expenses of Rs. 11.04 Crore (Rs. 4.80 Crore + Rs. 6.2375 Crore) from the actual A&G expenses. The Commission has also reduced the capitalisation expenses of Rs. 4.31 Crore from the actual A&G expenses. **The Commission has thus, allowed actual A&G expenses as Rs. 239.44 Crore in the true-up of FY 2022-23**.

CSPDCL has claimed actual R&M Expenses of Rs. 319.59 Crore for FY 2022-23, after reducing the expenses of Rs. 74.41 Crore against outsourced employee cost. **The Commission has verified these expenses from the Audited Accounts of FY 2022-23, and allows the actual R&M expenses of Rs. 319.59 Crore as claimed by CSPDCL**.

Accordingly, the actual O&M Expenses considered by the Commission for sharing of gains and losses are given in the following Table:

Table 8-12: Actual O&M expenses as considered by the Commission (Rs. Crore)

Sl.	Particulars	Tariff Order	Petition	True-up
1	Employee Costs	1,245.27	1,156.07	1,154.81
2	A&G Expenses	88.88	122.19	106.84
3	R&M Expenses	255.87	319.59	319.59
4	**Total O&M Expenses**	**1,590.02**	**1,597.85**	**1,581.24**

Normative O&M Expenses

Regulation 83.4 of the MYT Regulations, 2021 specifies as under:

*"**83.4.1. Human Resource (HR) Expenses***

(a) HR Expenses shall include:

(i) employees costs;

(ii) impact of Pay revision;

(iii) manpower deployed on outsourcing basis;

…

*(e) **At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism**.*

…

83.4.2. Maintenance and General (M&G) Expenses

(a) Maintenance and General (M&G) expenses shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses

(b) The Commission shall stipulate a separate trajectory for each of the components of M&G expenses viz., R&M and A&G expenses for the Control Period.

(c) The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses (excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses (excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non- recurring nature shall be excluded while determining normalized average for the previous five (5) years.

(d) The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.

(e) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in Inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21.

(f) The projected base year value shall be escalated by the above inflation rate to estimate the A&G and R&M expenses for each year of the control period.

(g) Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry gf Commerce & Industry, Government of India {Base Year: 2011-12 Series};

(h) Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of lndia {Base Year: 2001:100}.

*(D **At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period**."(**emphasis added**)*

Thus, in accordance with the MYT Regulations, 2021, at the time of true up, the HR expenses have to be considered at actuals and shall not be subjected to sharing of gains/(losses). Accordingly, the **Commission has not computed the sharing of gains/(losses) for HR expenses, and has allowed the actual HR expenses of Ras. 1,154.81 Crore, as approved earlier in this Chapter**.

Based on the above Regulations, the Commission has computed the revised normative A&G expenses and R&M expenses for FY 2022-23. The MYT Regulations, 2021 specify that at the time of true-up, only the actual inflation has to be considered instead of the projected inflation rate considered at the time of the MYT Order, which has to be applied to the base A&G expenses and R&M expenses for FY 2021-22, as determined in the MYT Order in accordance with the MYT Regulations, 2021.

The base A&G expenses and R&M expenses for FY 2021-22, as determined in the MYT Order are Rs. 85.48 Crore and Rs. 249.93 Crore, respectively.

The Commission has considered escalation factor of 7.39% equal to the actual increase in WPI and CPI for FY 2022-23, with 40:60 weightage to WPI:CPI, for projecting the revised normative A&G Expenses for FY 2022-23.

The Commission has considered escalation factor of 9.40% equal to the actual increase in WPI for FY 2022-23 for projecting the revised normative R&M expenses for FY 2022-23.

The revised normative A&G expenses and R&M expenses approved for FY 2022-23 are shown in the Table below:

Table 8-13: Revised Normative R&M and A&G Expenses for FY 2021-22 (Rs. Crore)

Sl.	Particulars	Petition	True-up
1	A&G Expenses	90.55	91.80
2	R&M Expenses	264.61	273.42

As per the provisions in the MYT Regulations, 2021 for sharing of gains/(losses) of M&G expenses, the Commission has computed the efficiency gains/(losses) for FY 2022-23 on the basis of revised normative A&G expenses and R&M expenses, as shown in the following Table:

Table 8-14: Sharing of Gain/(Loss) for FY 2022-23 (Rs. Cr.)

Particulars	Revised Normative	Actual Expenses	Efficiency Gain/(Loss)	Share of Gain/(Loss)	
				CSPDCL	Consumers
A&G Expenses	91.80	106.84	(15.04)	(10.03)	(5.01)
R&M Expenses	273.42	319.59	(46.18)	(30.79)	(15.39)
Total	**365.21**	**426.43**	**(61.22)**	**(40.81)**	**(20.41)**

The Commission approves the sharing of efficiency loss of Rs. (40.81) Crore to be borne by CSPDCL, after true-up for FY 2022-23.

Further, the Commission observed that though in its Petition, CSPDCL has requested the Commission to approve the sharing of efficiency loss of Rs. 57.75 Crore against M&G expenses for FY 2022-23, while summarising the ARR, CSPDCL has reduced its ARR by only Rs. 28.87 Crore (i.e., 1/3rd of the efficiency losses), instead of Rs. 57.75 Crore (1/3rd of the efficiency losses), based on its computation of efficiency losses. In reply to the Commission's query in this regard, CSPDCL admitted its error and submitted the revised computations of ARR and Revenue Gap. While summarising the ARR, the Commission has retained the original submission under 'Petition', in order to ensure appropriate comparison with the Petition values.

8.7 Contribution to Pension and Gratuity

CSPDCL's submission

CSPDCL submitted that the Commission in its Tariff Order dated 13th April 2022 allowed contribution to Pension and Gratuity fund as Rs. 702.18 crore. In addition to the above, the Commission vide Order dated 13th April 2022 allowed an impact of Rs. 83.51 Crore on account of under-statement of contribution to Pension and Gratuity Trust for the previous year. CSPDCL submitted that it has accordingly contributed the total amount of Rs. 785.69 towards Pension and Gratuity in FY 2022-23.

Commission's View

The Commission has considered the contribution to Pension and Gratuity of Rs. 785.69 Crore for FY 2022-23 as claimed by CSPDCL, as the same are in accordance with the amount approved by the Commission in the Tariff Order dated 13th April 2022.

8.8 Capital Structure

CSPDCL's submission

CSPDCL has determined the capital structure for FY 2022-23 based on the following principles:

(a) The actual loan addition for FY 2022-23 has been considered as Rs. 67.27 Crore based on the Audited Accounts;

(b) Addition in consumer contribution/grants has been considered as Rs. 293.26 Crore as per the Audited Accounts for FY 2022-23;

(c) Normative equity addition has been considered based on capital restructuring methodology as approved by the Commission in the Tariff Order dated July 12, 2013;

(d) GFA addition has been considered as Rs. 1,206.44 Crore on cash basis, after reducing the liability of Rs. 90.81 Crore out of total GFA addition of Rs. 1297.25 Crore as per the Audited Accounts for FY 2022-23.

CSPDCL submitted the Capital Structure for FY 2022-23 as given in the Table below:

Table 8-15: Capital Structure for FY 2022-23 as submitted by CSPDCL (Rs. Crore)

Particulars	Legend	Petition
Gross Fixed Assets (GFA)		
Opening GFA	A	11,571.66
Opening CWIP	B	2,275.83
Opening CAPEX	C=A+B	13,847.49
Capitalization during the year	D	1,206.44
Closing GFA	E=D+A	12,778.11
Closing CWIP	F	1,755.75
Closing CAPEX	G=F+E	14,533.86
Grants and Consumer Contribution		
Opening Grant and Contribution	H	6169.19
Consumer contribution/grants during the year	I	293.26
Closing Consumer Contribution	J=H+I	6,462.45
Consumer Contribution in Opening GFA	K=H*A/C	5,155.29
Consumer Contribution in Closing GFA	L=J*E/G	5,681.76
Loan Borrowed		
Opening Borrowed Loan	M	3,320.86
Loan Borrowed during the year	N	67.27
Closing Borrowed Loan	O=M+N	3388.13
Borrowed Loan in Opening GFA	P=M*A/C	2,775.08
Borrowed Loan in Closing GFA	Q=MAX (O*E/G, P)	2,978.83
Equity		
Opening Gross Equity	R=C-H-M	4,357.44
Equity Addition During the Year	T=S-R	325.84
Closing Gross Equity	S=G-J-O	4,683.28
Gross Equity in Opening GFA	U=A-K-P	3,641.30
Gross Equity in Closing GFA	V=C-L-Q	4,117.52
Average Gross Equity During the year	W=Avg. (U, V)	3,879.41
Funding of Capitalized Assets		
Total Capitalization		1,206.44
Contribution of Grant in Capitalized Assets		526.47
Contribution of Equity in Capitalized Assets		203.99
Contribution of Loan in Capitalized Assets		475.98

Commission's View

The approved closing balance after final True-up of FY 2021-22 has been considered as the opening balance of FY 2022-23 for Gross Fixed Assets (GFA), Capital Work in Progress (CWIP), Capital Expenditure, Grants/Consumer Contribution, Loan and Equity.

The addition to GFA on cash basis has been considered as submitted by CSPDCL, as CSPDCL has reduced the liability of Rs. 90.81 Crore out of total GFA addition of Rs. 1297.25 Crore reported in the Audited Accounts for FY 2022-23.

The addition to Grant/Consumer Contribution has been considered for FY 2022-23 based on the Audited Accounts. The consumer contribution and grants have been reduced from the GFA addition, before considering the normative debt:equity ratio, in accordance with the MYT Regulations, 2021 and approach adopted in previous Tariff Orders.

The GFA and its funding considered by the Commission for FY 2022-23 are shown in the Table below:

Table 8-16: Approved GFA and Funding for FY 2022-23 (Rs. Crore)

Sl.	Particulars	Petition	True-Up
	Gross Fixed Assets (GFA)		
1	Opening GFA	11,571.66	11,571.66
2	Capitalisation during the year	1,206.44	1,206.44
3	Closing GFA	12,778.11	12,778.10
	Funding of Capitalisation		
4	Grant	526.47	526.47
5	Equity	203.99	203.99
6	Debt	475.98	475.98
7	**Total Capitalisation**	**1,206.44**	**1,206.44**

The Commission approves the total capitalization of Rs. 1,206.44 Crore and its funding after true-up for FY 2022-23 as shown in the Table above.

8.9 Depreciation

CSPDCL's Submission

CSPDCL submitted that depreciation has been calculated as per Regulation 25 of the MYT Regulations, 2021. CSPDCL has claimed depreciation of Rs. 340.54 Crore for FY 2022-23.

Commission's View

For the purpose of final true-up for FY 2022-23, the Commission has computed the depreciation as per Regulation 25 of the MYT Regulations, 2021. The Regulation provides for separate depreciation rates for each asset group. Accordingly, the weighted average depreciation rates has been computed as 5.51% for FY 2022-23.

The Commission has considered the depreciation on fully depreciated assets for FY 2022-23 as submitted by CSPDCL. The depreciation on fully depreciated assets has been deducted in accordance with the approach adopted in the previous Tariff Orders. Also, the depreciation on consumer contribution/Grants on live assets has been deducted as per Regulation 25 of the MYT Regulations, 2021. Similarly, depreciation on assets converted from loan to grant under UDAY has been deducted.

The depreciation approved after final True-up for FY 2022-23 is shown in the Table below:

Table 8-17: Approved Depreciation for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening GFA	10069.35	11571.66	11571.66
Additional Capitalisation during the Year	240.07	1206.44	1206.44
Closing GFA	10309.42	12778.11	12778.10
Average GFA for the year	10189.39	12174.89	12174.88
Depreciation Rates (%)	5.53%	5.51%	5.51%
Gross Depreciation	563.70	671.07	670.81
Less: Depreciation on consumer contribution on live assets	226.50	261.76	261.76
Less: Depreciation on Fully Depreciated Assets	16.51	22.58	22.58
Less: Depreciation on assets converted from loan to grant under UDAY	46.20	46.20	46.20
Net Depreciation	**274.49**	**340.54**	**340.27**

The Commission approves the total depreciation of Rs. 340.27 Crore after true-up for FY 2022-23 as shown in the Table above.

8.10 Interest on Loan Capital

CSPDCL's Submission

CSPDCL submitted that the Interest on loan capital has been computed in accordance with Regulation 24 of the MYT Regulations, 2021. The allowable depreciation for the year has been considered as the normative repayment for the year. The actual weighted average interest rate of 10.98% has been considered for FY 2022-23 based on the actual loan portfolio for the year. CSPDCL claimed the interest on loan capital as Rs. 243.69 Crore for FY 2022-23.

Commission's View

The closing net normative loan approved in final True-up for FY 2021-22 has been considered as opening net normative opening loan for FY 2022-23. Loan addition during FY 2022-23 has been considered based on the approved capitalisation and funding for FY 2022-23, as discussed in the Capital Structure earlier. The allowable depreciation for the year has been considered as normative repayment for the year.

The Commission sought the documentary evidences for the opening loan balance and applicable interest rate for each source of loan and the computation of weighted average rate of interest for FY 2022-23. In its reply dated 22nd April 2024, CSPDCL submitted that in the Tariff Petition, it had mistakenly not considered interest expenses of Rs. 7.30 Crore against restatement of State Government loans, and hence, the weighted average interest rate on actual loans in FY 2022-23 works out to 11.38%. CSPDCL submitted the corresponding computations in support of its claim. The Commission has verified CSPDCL's additional submission and observes that the interest expense of Rs. 7.30 Crore on State Government loan due to restatement is reported under Note 27: Exceptional Items of the Audited Accounts. Hence, the Commission has accepted CSPDCL's submission and considered the actual weighted average interest rate as 11.38% for FY 2022-23, based on the interest expenses paid against the outstanding debt. The Other Finance Charges have been allowed as Rs. 4.32 Crore as per actuals, as claimed by CSPDCL.

The interest expense approved after true-up for FY 2022-23 is shown in the Table below:

Table 8-18: Approved Interest Expenses for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening Net Normative Loan	1847.74	2112.01	2112.01
Repayment during the year	272.11	340.54	340.27
Normative loan addition during the year	40.74	475.98	475.98
Closing Net Normative Loan	1616.37	2247.45	2247.72
Average Normative loan during the year	1732.06	2179.73	2179.86
Weighted Average Rate of Interest	9.96%	10.98%	11.38%
Interest Expenses	**172.51**	**239.29**	**248.07**
Add: Other Finance Charges		4.32	4.32
Total Interest on Loan	**172.51**	**243.69**	**252.39**

The Commission approves the Interest on Loan of Rs. 252.39 Crore after true-up for FY 2022-23, as shown in the Table above.

8.11 Interest on Working Capital

CSPDCL's Submission

CSPDCL submitted that Interest on Working Capital (IoWC) has been computed as per Regulation 26(1)(e) of the MYT Regulations, 2021. For computation of working capital requirement, CSPDCL has considered O&M expenses for 15 days, maintenance spares @ 20% of R&M expenses, and one month of receivables equal to one month of revenue from sale of power. CSPDCL has considered the actual sanctioned interest rate of 7.50% for computing the IoWC in the truing up for FY 2022-23.

CSPDCL submitted the normative IoWC as Rs. 120.65 Crore for FY 2022-23.

Commission's View

The normative IoWC has been computed in accordance with the MYT Regulations, 2021. The Commission has considered the revised normative O&M expenses for computing the working capital requirement. The maintenance spares have been considered as 20% of the revised normative O&M expenses. The receivables have been considered equivalent to one month's actual revenue received.

The interest rate for computing IoWC has been considered as 7.50%, based on the actual sanctioned interest rate, as submitted by CSPDCL. The normative IoWC approved in the true-up for FY 2022-23 is shown in the Table below:

Table 8-19: Approved IoWC for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
O&M Expenses for 15 days	94.20	62.11	62.47
Maintenance spares @ 20% of R&M expenses	68.95	71.03	54.68
Receivables equal to 1 month of revenue from sale of power	1426.10	1474.86	1474.86
Total Working Capital	**1589.25**	**1607.99**	**1592.00**
Rate of Interest (%)	9.00%	7.50%	7.50%
Interest on Working Capital requirement	**143.03**	**120.65**	**119.40**

The Commission approves the Interest on Working Capital of Rs. 119.40 Crore after true-up for FY 2022-23, as shown in the Table above.

8.12 Return on Equity

CSPDCL's Submission

CSPDCL has computed the Return on Equity (RoE) as per the capital structure proposed by CSPDCL and as per Regulation 17.1 of the MYT Regulations, 2021. CSPDCL has excluded consumer contribution, deposit work and grant from the asset addition during the year for computation of normative debt:equity. CSPDCL has considered rate of Return on Equity as 16% for FY 2022-23. CSPDCL has claimed Return on Equity of Rs. 396.15 Crore for FY 2022-23.

Commission's View

The RoE has been computed in accordance with Regulation 17 of the MYT Regulations, 2021. The Commission has considered the closing permissible equity approved in the true-up for FY 2021-22, as the opening permissible equity for FY 2022-23. The equity portion of the additional capitalisation for FY 2022-23 has been considered as the equity addition for the year. The Commission has considered rate of return as 16% on average equity for the year. The RoE approved after true-up for FY 2022-23 is shown in the Table below:

Table 8-20: Approved RoE for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Permissible Equity in Opening GFA	2,224.11	2,373.95	2,373.95
Permissible Equity in Closing GFA	2,241.57	2,577.94	2,577.94
Average Equity during the year	2,232.84	2,475.95	2,475.95
Rate of Return (%)	16%	16%	16%
Return on Equity	**357.25**	**396.15**	**396.15**

The Commission approves Return on Equity of Rs. 396.15 Crore after true-up for FY 2022-23, as shown in the Table above.

8.13 Non-Tariff Income

CSPDCL's Submission

CSPDCL submitted Non-Tariff Income (NTI) of Rs. 350.59 Crore for FY 2022-23 based on the Audited Accounts, comprising Rs. 64.89 Crore towards Non-Tariff income and Rs. 285.69 Crore towards revenue from Meter Rent, Wheeling Charges, and Parallel Operation Charges.

Commission's View

The Commission notes that CSPDCL has claimed Non-Tariff Income of Rs. 350.59 Crore for FY 2022-23.

The Commission has considered the actual Non-Tariff income for FY 2022-23 based on the audited accounts.

The Commission observed that CSPDCL has not considered the income from 'Reactive Energy Charges' of Rs. 8.96 Crore in the Non-Tariff Income. In reply to the Commission's query in this regard, vide its reply dated CSPDCL submitted that the income from 'Reactive Energy Charges' has not been considered as Non-Tariff Income because Reactive power charges are applied to recover the additional costs incurred by the DISCOM for supplying reactive power, and are directly related to the technical requirement of the grid, which is not typically viewed as revenue stream for the DISCOMs. CSPDCL added that excluding reactive power charges from Non-Tariff Income will encourage consumers to improve their power factor and overall electrical efficiency, which will benefit both DISCOM and the consumer by reducing system losses and improving grid stability.

The Commission does not find any merit in the justification submitted by CSPDCL for non-inclusion of the income from 'Reactive Energy Charges' in the Non-Tariff Income. There is no unrecovered 'additional cost' incurred by CSPDCL, as all costs are recovered through the ARR. Further, the levy of the reactive power charges to the concerned consumers will incentivise them to improve their power factor, while the revenue earned by CSPDCL has to be considered under the Non-Tariff Income, to reduce the burden on the consumers of CSPDCL, who are bearing all the costs of CSPDCL. Hence, the Commission has added the income of Rs. 8.96 Crore from 'Reactive Energy Charges' in the Non-Tariff Income, in the true-up for FY 2022-23.

The Non-Tariff Income approved after true-up for FY 2022-23 is shown in the Table below:

Table 8-21: Approved Non-Tariff Income for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Non-Tariff Income		64.89	64.89
Wheeling Charges, Open Access & CSS		88.05	88.05
Parallel Operation Charges		151.01	151.01
Meter rent		46.63	46.63
Reactive Energy Charges			8.96
Total Non-Tariff Income	**185.43**	**350.59**	**359.54**

The Commission approves Non-Tariff Income of Rs. 359.54 Crore after true-up for FY 2022-23.

8.14 Aggregate Revenue Requirement

The summary of ARR approved after the True-up for FY 2022-23, based on the approved values of different components of the ARR, is shown in the Table below:

Table 8-22: Approved ARR for FY 2022-23 (Rs. Crore)

Sl.	Particulars	Tariff Order	Petition	True-up
A	**Gross Power Purchase Expenses**	**15,622.84**	**17,881.94**	**17,591.72**
1	Power Purchase Cost	13,777.50	15,810.16	15,519.93
2	Inter-State Transmission Charges	724.69	1,057.26	1,057.26
3	Intra-State Transmission Charges	1,102.55	1,006.69	1,006.69
4	CSLDC Charges	18.10	7.84	7.84
B	**Operation & Maintenance Expenses**	**2,292.21**	**2,383.54**	**2,366.93**
1	Net Employee Expenses	1,245.27	1,156.07	1,154.81
2	Net A&G Expenses	88.88	122.19	106.84
3	Net R&M charges	255.87	319.59	319.59
4	Pension & Gratuity	702.18	785.69	785.69
C	**Interest & Finance Expenses**	**315.55**	**364.35**	**371.79**
1	Interest on Loan	172.51	243.69	252.39
2	Interest on Working Capital Requirement	143.03	120.65	119.40
D	**Other Expenses**	**631.75**	**736.69**	**736.42**
1	Depreciation	274.49	340.54	340.27
2	Return on Equity	357.25	396.15	396.15
E	**Gain/(Loss) on Efficiency**		**(281.35)**	**(288.73)**
1	Gain/(Loss) on Sharing O&M Efficiency		(28.87)	(40.81)
2	Gain/(Loss) on account of Distribution Losses		(252.48)	(247.92)
F	**Less: Non-Tariff Income**	**185.43**	**350.59**	**359.54**
1	Non-Tariff Income		64.89	64.89
2	Wheeling Charges, Open Access & Cross Subsidy Charges, POC, Meter rent		285.69	294.65
G	**Aggregate Revenue Requirement**	**18,676.92**	**20,734.58**	**20,418.59**

Note: The revenue from sale of surplus power and UI sale have been considered under Revenue, in the true-up for FY 2022-23

8.15 Revenue from Sale of Power

CSPDCL's Submission

CSPDCL submitted the total revenue from sale of power as Rs. 18,946.18 Crore for FY 2022-23 as per Audited Accounts, including the revenue of Rs. 1,247.91 Crore from sale of surplus power.

Commission's View

The Commission notes that CSPDCL has submitted the revenue from sale of power to various categories as Rs. 17,698.26 Crore for FY 2022-23. The Commission has verified the revenue from sale of power to various categories as Rs. 17,698.26 Crore for FY 2022-23 based on the audited accounts of FY 2022-23.

As per the methodology adopted in previous Tariff Orders, the Commission has considered the actual revenue of Rs. 1,247.91 Crore on account of sale of surplus power as reported in the Audited Accounts, as revenue in the true-up for FY 2022-23.

Further, the Commission observes that the actual Average Billing Rate (ABR) realised for Agriculture category continues to be lower than the approved ABR. CSPDCL has submitted in the past that the variation in the actual ABR and approved ABR is because of implementation of Government of Chhattisgarh notification on flat rate tariff. Government of Chhattisgarh (GoCG) is providing subsidy to Agriculture consumer up to 5 HP since November 2, 2009. After this, directive was issued vide Notification dated September 19, 2013 permitting the farmers to option of billing on flat rate basis for agriculture pumpsets. In the present Petition, CSPDCL submitted that Appeal No. 161/2021 has been filed before the Hon'ble APTEL against an earlier Order of the Commission in this regard, with prayer to reconsider the deductions made against this head. CSPDCL submitted that as the matter is under consideration of the Hon'ble APTEL, deductions on account of any difference in approved and billed Energy Charges may not be made.

From the subsidy notification, it is observed that if the consumer opts for subsidy against flat rate tariff, then there is no consumption limit for the consumer, however, the subsidy to CSPDCL has been capped at the level equivalent to 6000 units per year and 7500 units per year for 3 HP and 5 HP pumpsets, respectively. This anomaly in capping of consumption is leading to the under-recovery of revenue against this category.

The Commission, in the previous Tariff Orders, has adopted the approach of consideration of additional revenue for Agriculture Category, as CSPDCL is bound to levy the tariff approved by the Commission in its respective Tariff Order for all categories including Agriculture consumers. Any form of subsidy given by the State Government is a relief to that category of consumers and therefore, part of the approved tariff is to be recovered in the form of subsidy from the Government and the balance part is to be levied to consumers of that category. Overall, CSPDCL is liable to recover the tariff approved by the Commission. Further, there is no Stay granted in this matter based on the Appeal filed by CSPDCL against a previous Tariff Order. As and when the matter is decided by the Hon'ble APTEL, the Commission shall take the necessary consequential actions, as appropriate.

Accordingly, the additional revenue to be considered against the Agriculture category is shown in the Table below:

Table 8-23: Additional Revenue from Agriculture Category for FY 2022-23

Consumer Category	No. of Consu-mers	Unit Sold (MU)	Energy Charge Billed (Rs. Crore)	Average Actual Energy Charge (Rs./kWh)	Approved Energy Charge (Rs./kWh)	Difference between Approved & Actual Energy Charge (Rs./kWh)	Additional Revenue to be considered (Rs. Crore)
1	3	4	5	6	7	8	9
A - Metered KJJY	156100	1000.22	490.02	4.90	5.05	0.15	15.09
B - Flat rate KJJY	180473	2182.71	656.14	3.01	5.05	2.04	446.13
General/Other Pump Consumers	179420	2272.85	1139.05	5.01	5.05	0.04	8.74
Temporary Category	165718	1336.11	549.51	4.11	5.05	0.94	125.23
TOTAL	**681711**	**6791.89**	**2834.72**	**4.17**	**5.05**	**0.88**	**595.18**

Thus, there is under-recovery of energy charge, i.e., of Rs. 0.88/kWh for FY 2022-23, which translates to under-recovery of Rs. 595.18 Crore for FY 2022-23.

In view of the above, the Commission has considered the amount of Rs. 595.18 Crore as an additional revenue, while approving the final true-up for FY 2022-23.

The Commission has accordingly considered total Revenue for FY 2022-23 as shown in the Table below:

Table 8-24: Approved Revenue for FY 2022-23 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Revenue from Retail Sale of Electricity	16,726.60	17,698.26	17,698.26
Add: Additional revenue for Agriculture Metered category			595.18
Add: Revenue from sale of Surplus Power		1,247.91	1,247.91
Total Revenue from Sale	**16,726.60**	**18,946.18**	**19,541.35**

The Commission approves total revenue of Rs. 19,541.35 Crore after true-up for FY 2022-23, including the revenue from sale of surplus power.

8.16 Revenue Gap/(Surplus)

CSPDCL's Submission

CSPDCL has submitted a standalone Revenue Gap of Rs. 1,788.41 Crore for FY 2022-23. Further, after considering the adjustment of past Revenue Gaps/(Surplus), impact of Review Petition filed by CSPDCL, and the associated carrying cost, Revenue Gap/(Surplus) after true-up for FY 2022-23 for CSPGCL and CSPTCL, CSPDCL has submitted the cumulative Revenue Gap at the end of FY 2022-23 as Rs. 4,848.91 Crore.

Commission's View

The Commission has considered the ARR approved for CSPDCL after true-up for FY 2022-23 and the Revenue approved in the earlier Sections of this Chapter, to compute the Revenue Gap/(Surplus) for FY 2022-23. Further, the Commission has considered the Past Gap/(Surplus) considered by the Commission for CSPDCL, CSPGCL, CSPTCL and CSLDC, while approving the ARR and Tariff of CSPDCL for FY 2022-23, for correct computation of the Revenue Gap/(Surplus) after true-up. The Revenue Gap/(Surplus) after true-up for FY 2022-23 for CSPGCL, CSPTCL, and CSLDC have been considered while approving the Revenue Requirement of CSPDCL for FY 2024-25 (as elaborated in the next Chapter), along with the associated carrying/(holding) cost as per usual practice, rather than including the same in the true-up Revenue Gap/(Surplus) of CSPDCL for FY 2022-23. The impact of Review Petition has been considered as approved in this Order, based on the reasoning elaborated in the previous Chapter of this Order.

The summary of Revenue Gap/(Surplus) approved after true-up of FY 2022-23 for CSPDCL is shown in the Table below:

Table 8-25: Approved Revenue Gap/(Surplus) for FY 2022-23 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	Petition	True-up
1	Net ARR	18,676.92	20,734.59	20,418.59
2	Revenue from Sale of Power		18,946.17	19,541.35
3	**Standalone Revenue Gap/(Surplus)**		**1,788.42**	**877.23**
4	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2020-21 for CSPGCL	246.21	246.21	246.21
5	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2020-21 for CSPTCL	(90.32)	(90.32)	(90.32)
6	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2020-21 for CSLDC	(3.32)	(3.32)	(3.32)
7	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2020-21 for CSPDCL	1,679.82	1,679.82	1,679.82
8	Add: Revenue Gap/(Surplus) after true-up of FY 2022-23 for CSPGCL		159.76	-
9	Add: Revenue Gap/(Surplus) after true-up of FY 2022-23 for CSPTCL		37.02	-
10	Add: Revenue Gap for Review Petition after Final True Up for FY 2021-22		939.47	763.93
11	Less: VCA Adjustment for July 2022 including Carrying Cost		(45.72)	(45.72)
9	**Closing Revenue Gap/(Surplus)**		**4,711.33**	**3,427.84**
10	Rate of Interest (%)		7.50%	7.50%
11	Carrying/(Holding) cost		137.59	128.54
12	Total Closing Revenue Gap/(Surplus) at end of the year		**4,848.92**	**3,556.38**

The Commission approves cumulative Revenue Gap of Rs. 3,556.38 Crore at the end of FY 2022-23 for CSPDCL. This Revenue Gap has been adjusted against the ARR of CSPDCL for FY 2024-25, along with the due Carrying Cost, as discussed in subsequent Chapter.

9 ARR OF CSPDCL FOR FY 2024-25

9.1 Background

CSPDCL submitted the revised ARR for FY 2024-25 under various heads, viz., Sales, and Power Purchase expenses, with all other components, viz. O&M expenses, depreciation, interest on loans, interest on working capital, etc., as approved in the MYT Order, in accordance with the MYT Regulations, 2021. The Commission has approved the revised ARR for FY 2024-25 in accordance with the provisions of the MYT Regulations, 2021, in the following sections.

9.2 Sales Projections

CSPDCL's Submission

CSPDCL submitted that there are various factors, which can have an impact on the actual consumption of electricity and are often beyond the control of the Licensee, such as Government Policy, economic climate, weather conditions, force-majeure events like natural disasters, change in consumption mix, etc. Hence, various factors affecting electricity consumption were considered and interrelationships have been estimated among them to arrive at the forecast of energy sales within a range for the purpose of estimating future costs/revenues. CSPDCL submitted that in the MYT Regulations, 2021, sales mix and quantum of sales are considered as uncontrollable.

CSPDCL submitted that for projecting the category-wise energy sales for FY 2024-25, it has considered the past growth trends for each consumer category as per the categorisation approved in the latest Tariff Order.

CSDPCL submitted that Compounded Annual Growth Rates (CAGR) of sales have been computed from the past sales for each category, corresponding to different lengths of time in the past five years, i.e., FY 2017-18 to FY 2022-23.

Subject to the specific characteristics of each consumer category, CAGR for different period has been chosen as the basis of sales projection for that category. For example, if an abnormal growth rate (high or low), relative to the current trend, is observed at the beginning of the five-year period considered, the 4-year CAGR is considered for the trend analysis and projections. In cases where the past data shows a declining trend, nil growth has been considered. Similarly, an inconsistent trend has been substituted with assumptions of growth.

Further, for projection of number of consumers, sales and connected load of sub-categories/slabs of any consumer category, CSPDCL has used the ratio of sales in the sub-category to total sales of the category observed in FY 2022-23. Further, the actual sales, connected load and number of consumers has been shown as per old categories/ sub-categories as approved in the MYT Order dated 13th April, 2022.

CSPDCL has projected the category-wise sales for FY 2024-25, as shown in the Table below:

Table 9-1: Category-Wise Sales Projected by CSPDCL for FY 2024-25

Sl. No.	Category Description	Category	CAGR (%)	FY 2024-25
A	**LV**		**7.39%**	**17,878.69**
1	Domestic Including BPL Consumers	LV 1	5.80%	7,009.56
2	Non-Domestic Normal	LV 2.1	0.00%	312.87
3	Non-Domestic Demand Based	LV 2.2	8.00%	934.09
4	Agriculture	LV 3	5.37%	6,057.82
5	Agriculture Allied Activities	LV 4	14.50%	44.93
6	Industry	LV 5	8.44%	913.13
7	Public Utilities	LV 6	10.00%	833.47
8	IT & Textile Industries	LV 7	10.00%	1.13
9	Temporary	LV 8	10.00%	1,771.70
B	**HV**		**6.53%**	**15,996.67**
1	Railway Traction	HV 1	8.32%	1,472.76
2	Mines	HV 2	2.84%	744.43
3	Other Industrial & General Purpose Non-Industrial	HV 3	2.47%	2,373.90
4	Steel Industries	HV 4	12.50%	10,933.10
6	Irrigation & Agriculture Allied Activities, PWW	HV 5	12.57%	276.01
7	Residential	HV 6	1.23%	179.64
8	Start Up Power	HV 7	0.50%	8.99
9	Industries related to manufacturing of equipment for RE power generation	HV 8	10.00%	5.51
10	IT & Textile Industries	HV 9	10.00%	2.34
C	**Total (A+B)**			**33,875.36**

Commission's View

The Commission has obtained the actual sales in the 9-month period from April to December 2023, and estimated the category-wise sales for FY 2023-24. The Commission has considered the estimated sales for FY 2023-24 as the base year sales, for the purpose of projection of revised sales for FY 2024-25.

The Commission has computed the 5-year/4-year/3-year/2-year CAGR and Year-on-Year (YoY) growth in sales for each LT and HT category based on the actual category-wise sales up to FY 2022-23. The most appropriate growth rate has been considered for projecting the category-wise sales for the Control Period, over the sales estimated for FY 2023-24, as discussed above. For instance, for categories where a clear and consistent trend in sales is seen, the 5-year CAGR reflecting the longer-term trend has been considered for projecting the sales for FY 2024-25. In cases where there is no clear trend visible, the shorter-term trend has been considered for making the estimates.

For projection of sales for sub-categories/consumption slabs of any consumer category, the ratio of sales in the sub-category/consumption slab to total sales of the category estimated for FY 2023-24 has been applied to the sales projected for the category for FY 2024-25.

The category-wise connected load/Contract Demand and number of consumers have been accepted as projected by CSPDCL.

The sales projected by CSPDCL and the sales approved by the Commission for each consumer category is shown in the Table below:

Table 9-2: Approved Category-Wise Sales for FY 2024-25 (MU)

Sl. No.	Category Description	CSPDCL Petition	Approved
A	**LV**	**17,878.69**	**17,908.96**
1	Domestic Including BPL Consumers	7,009.56	7,156.77
2	Non-Domestic Normal	312.87	376.53
3	Non-Domestic Demand Based	934.09	1,086.88
4	Agriculture	6,057.82	5,701.49
5	Agriculture Allied Activities	44.93	43.84
6	Industry	913.13	755.62
7	Public Utilities	833.47	914.17
8	IT & Textile Industries	1.13	1.00
9	Temporary	1,771.70	1,872.66
B	**HV**	**15,996.67**	**16,182.03**
1	Railway Traction	1,472.76	1,450.87
2	Mines	744.44	821.17
3	Other Industrial & General Purpose Non-Industrial	2,373.90	2,179.37
4	Steel Industries	10,933.10	11,237.67
6	Irrigation & Agriculture Allied Activities, PWW	276.01	285.06
7	Residential	179.64	192.90
8	Start Up Power	8.99	7.94
9	Industries related to manufacturing of equipment for RE power generation	5.51	5.90
10	IT & Textile Industries	2.34	1.15
C	**Total (A+B)**	**33,875.36**	**34,090.99**

It is observed that the total sales approved by the Commission is not significantly different from the total sales projected by CSPDCL, and even the total LV and HV category sales are similar. However, there are some differences in the sales projected to certain categories, depending on the base value of FY 2023-24 and the growth rate considered.

The Commission, thus, approves the total sales for FY 2024-25 as 34,090.99 MU.

9.3 Inter-State Transmission Losses

CSPDCL's Submission

CSPDCL has considered actual weighted average transmission loss of the 12-month period from April 2022 to March 2023 of the Western Region. CSPDCL requested the Commission to consider the inter-State transmission losses as 3.57%.

Commission's View

The inter-State transmission losses have been considered as 3.57%, as proposed by CSPDCL, for the purpose of computing the energy available to CSPDCL from its inter-State generation sources

9.4 Intra-State Transmission Losses

CSPDCL's Submission

CSPDCL has considered the intra-State Transmission Loss as 3.00% for FY 2024-25 based on the Transmission Loss approved by the Commission in the MYT Order dated 13th April 2022.

Commission's View

The intra-State transmission losses have been considered as 3.00% for FY 2024-25, as approved in the MYT Order dated 13th April 2022, for the purpose of computing the energy requirement for CSPDCL.

9.5 Energy Losses

CSPDCL's Submission

CSPDCL submitted that Regulation 98 of the MYT Regulations, 2021 specifies that the Distribution Losses shall be approved by the Commission in the Tariff Order. CSPDCL has considered the Energy Loss target of 15% for FY 2024-25 as approved by the Commission vide its MYT Order dated 13th April 2022.

Commission's View

The Commission has considered the Energy Loss level of 15% for FY 2024-25, as approved in the MYT Order dated 13th April 2022.

Table 9-3: Approved Energy Losses for FY 2024-25 (%)

Sl. No.	Particulars	CSPDCL Petition	Approved
A	Energy Losses below 33 kV	15%	15%

9.6 Energy Balance

CSPDCL's Submission

CSPDCL submitted the Energy Balance for FY 2024-25 based on the projected sales, and trajectory proposed for Distribution Losses, inter-State Transmission Losses, and intra-State Transmission Losses, as shown in the Table below:

Table 9-4: Energy Balance Projected by CSPDCL for FY 2024-25 (MU)

Sl.	Particulars	Legend	CSPDCL Petition
1	LV Sales	A	17,878.69
2	HV Sales	B	10,022.70
3	Total Below EHV Level	C=A+B	27,901.38
4	**Energy Loss below 33 kV (in %)**	**D**	**15.00%**
5	Energy Loss below 33 kV (in MU)	E	4,185.21
6	Gross Energy requirement at 33 kV Level	F=C+E	32,086.59
7	Less: Direct Input to distribution at 33 kV Level	G	351.77
8	Net Energy Input required at Distribution Periphery at 33 kV Level	H=F-G	31,734.82
9	Sales to EHV consumers	I	5,973.98
10	**Net energy requirement at Distribution periphery**	**J=H+I**	**37,708.79**
11	**Distribution loss including EHV Sales**	**K**	**11.00%**

Commission's View

The Commission observed that CSPDCL has incorrectly computed the Gross Energy requirement at 33 kV Level, as CSPDCL has not grossed up the Sales with the approved losses, but has multiplied the losses with the Sales, thereby understating the energy requirement, and hence, power purchase cost, ARR, and Revenue Gap. In its reply dated 22nd April 2024, CSPDCL admitted its computational error, and submitted the revised computation of Energy Balance, as shown in the Table below:

Table 9-5: Revised Energy Balance Projected by CSPDCL for FY 2024-25 (MU)

Sl.	Particulars	Legend	CSPDCL Petition
1	LV Sales	A	17,878.69
2	HV Sales	B	10,022.70
3	Total Below EHV Level	C=A+B	27,901.38
4	**Energy Loss below 33 kV (in %)**	**D**	**15.00%**
5	Energy Loss below 33 kV (in MU)	E	4,923.77
6	Gross Energy requirement at 33 kV Level	F=C+E	32,825.15
7	Less: Direct Input to distribution at 33 kV Level	G	351.77

Sl.	Particulars	Legend	CSPDCL Petition
8	Net Energy Input required at Distribution Periphery at 33 kV Level	H=F-G	32,473.38
9	Sales to EHV consumers	I	5,973.98
10	**Net energy requirement at Distribution periphery**	**J=H+I**	**38,447.36**
11	**Distribution loss including EHV Sales**	**K**	**12.69%**

The Commission has approved the Energy Balance for FY 2024-25 based on the approved sales, and approved trajectory for Distribution Losses, inter-State Transmission Losses, and intra-State Transmission Losses, as shown in the Table below:

Table 9-6: Approved Energy Balance for FY 2024-25

Particulars	Legend	CSPDCL Petition*	Approved
LV Sales	A	17,878.69	17,908.96
HV Sales	B	10,022.70	10,132.49
Total Below EHV Level	C=A+B	27,901.38	28,041.45
Energy Loss below 33 kV (in %)	**D**	**15.00%**	**15.00%**
Energy Loss below 33 kV (in MU) Gross	E=C/(1-D)	4,185.21	4,948.49
Energy requirement at 33 kV level	F=E-C	32,086.59	32,989.94
Less: Direct Input to distribution at 33 kV Level	G	351.77	351.77
Net Energy Input required at Distribution Periphery at 33 kV Level	H=E-G	31,734.82	32,638.17
EHV Sales	I	5,973.98	6,049.54
Net energy requirement at Distribution periphery	**J=H+I**	**37,708.79**	**38,687.71**
Distribution loss including EHV Sales (in %)	**K**	**11.00%**	**12.68%**
Intra-State Transmission loss (in %)	L		3.00%
Intra-State Transmission loss (in MU)	M		1,196.53
Net energy requirement at Transmission periphery	**N=J+M**		**39,884.24**
Inter-State Transmission loss (in %)			3.57%
Inter-State Transmission loss (in MU)	O		554.74
Net Power Purchase requirement	**P = N + O**		**40,438.98**

Note: ** The Petition values have been considered as submitted in the original Petition and the revised numbers submitted in the Reply dated 22nd April 2024 have not been considered, in order to show appropriate comparison between the values originally sought in the Petition*

9.7 Power Purchase Quantum and Cost

CSPDCL's Submission

CSPDCL submitted that it had broadly categorised the sources of energy into Allocation (firm and non-firm) from Central Generating Stations (CGS), State-Owned Generation, i.e., Generation from CSPGCL, Solar Power Plants, Independent Power Producers (IPPs), and Short-Term/Bilateral purchases, etc. CSPDCL added that the plants, which are scheduled to commence generation during FY 2024-25 are Renewable Energy (RE) plants only and it has considered the availability from such new plants.

CSPDCL has projected the purchase of power from various sources as detailed below:

Central Generating Stations

CSPDCL submitted that it has firm allocation of power from Central Generating Stations (CGS) like Korba Super Thermal Power Station (STPS), Vindhyachal Thermal Power Station, Sipat Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Mauda Super Thermal Power Station, Solapur Super Thermal Power Station, Tarapur Atomic Power Stations and Lara Super Thermal Power Station (STPS) Unit I, etc. to meet its energy requirement.

The power purchase cost mainly comprises fixed charges and energy charges for two-part tariff stations, i.e., NTPC, NPCL, and others.

CSPDCL has considered the rate approved by the Commission in the MYT Order dated 13th April 2022 for projecting power purchase expenses for FY 2024-25. CSPDCL, while estimating the costs, has considered only the fixed and energy charge and has estimated that any cost over and above would be passed through on actual basis.

CSPDCL has estimated the gross energy availability from the existing stations based on the allocated capacity and the actual average Plant Load Factor (PLF) for the past five years sourced from CEA and same has been considered for FY 2024-25 for calculating the gross energy availability for the State.

State Generating Stations

CSPDCL submitted that it mainly relies on the power from CSPGCL stations. Currently, it has tied-up 2985 MW from CSPGCL.

Availability of State Generating Stations other than Marwah has been considered on actual basis, with availability from Marwah being considered at 70% PLF based on conservative approach after commissioning of Captive Coal mine.

For estimating the cost of power purchase from CSPGCL, CSPDCL has considered the fixed charges and energy charges as approved by the Commission in the Tariff Order dated 13th April 2022. CSPDCL has estimated that any cost over and above would be passed though on actual basis.

CSPDCL has not considered any sale of the power of Marwah to Telangana at State periphery for FY 2024-25 as no power is supplied to Telangana State unless the State pays the long-pending dues to CSPDCL.

Power Purchase from RE Sources

CSPDCL submitted that the Commission in its CSERC (Renewable Purchase Obligation and REC Framework Implementation) Regulations, 2021 notified on 29th October 2021 has specified the RPO trajectory till FY 2024-25. Accordingly, CSPDCL has considered the RPO obligation for FY 2024-25, as shown in the Table below:

Table 9-7: RPO Target for FY 2024-25 (%)

Sl. No.	Particulars	FY 2024-25
1	Solar	12.50%
2	Non-Solar (HPO)	0.66%
3	Non-Solar (Others)	10.50%

CSPDCL has also considered purchase from new RE plants. CSPDCL has envisaged that additional RE capacity of 2373 MW would be commissioned in the Control Period from FY 2022-23 to FY 2024-25. The details of RE capacity addition with expected commissioning date is given in the Table below:

Table 9-8: RE Capacity Addition envisaged for FY 2024-25

Sl. No.	Source	Capacity (MW)	Expected Commissioning Date
1	SECI (Wind)	300	01-12-2023
2	SECI(Hybrid)	400	Already commissioned; supply started from December 2022
3	SECI (Solar+BESS)	100	Partly commissioned by Nov 2023
4	NHPC (Solar)	400	01-04-2025
5	SECI (Hybrid)	400	01-03-2025
6	SECI (Blended wind)	170	01-07-2024
7	MBPCL	113	01-04-2024
8	SECI (Solar +Manufacturing)	300	01-09-2024
9	NTPC Solar	190	Already commissioned; supply started from November 2023
10	**Total**	**2373**	

CSPDCL submitted that after availability of cheaper non-solar RE sources due to expected commissioning of dedicated wind as well as blended wind source during the Control Period, CSPDCL has not considered availability from biomass generating stations for estimation of power purchase expenses. This estimation is in line with the Commission's views in the Tariff Order dated 13th April 2022 on management of surplus power sale and economic despatch principles. CSPDCL requested the Commission to consider biomass stations under the purview of Merit

Order Despatch in the best interest of power purchase cost as these stations contain two-part Tariff and are not intermittent in nature like Wind Generating Stations. CSPDCL stated that there would be a fixed cost liability arising out of non-scheduling of electricity and CSPDCL may be allowed to claim actual expenditure towards payment of its fixed cost towards biomass generators at the time of True up for FY 2024-25.

Concessional Power Purchase

The quantum and rate of concessional power purchase for FY 2024-25 have been considered as approved by the Commission in the MYT Order dated 13th April 2022.

Transmission – Inter, Intra & CSLDC Charges

CSPDCL has to pay Transmission Charges to PGCIL for use of transmission facilities enabling power drawal from the Western and Eastern Region. CSPDCL has considered the PGCIL charges at same levels as approved by the Commission in the Tariff Order dated 13th April 2022 for FY 2024-25.

The Intra-State Transmission Charges and CSLDC charges have also been considered at the same level as approved by the Commission in the Tariff Order dated 13th April 2022 for FY 2024-25.

Inter-State sale

CSPDCL submitted that the sale of electricity other than to retail consumers is not within the regulatory purview of the Commission. As electricity cannot be stored, the surplus energy has to be sold as and when available at the market realised rates. The availability of surplus energy is dependent on the consumption of the consumers and not on the Licensee. The sale of surplus energy is always ensured to be sold with the objective of maximising the revenue from such sale and to pass on the accrued benefit to the retail consumers.

CSPDCL projected total purchase of 38,840.06 MU costing Rs. 14,627.55 Crore, at an average rate of Rs. 3.77/kWh.

Commission's View

As stated earlier, in its reply dated 22nd April 2024, CSPDCL corrected the computation of Energy Balance and hence, the power purchase requirement and cost. In its revised submission, CSPDCL projected total purchase of 39,600.78 MU costing Rs. 14,903.53 Crore, at an average rate of Rs. 3.76/kWh.

CSPDCL's submissions and assumptions have been analysed in detail and additional information was asked on the same.

In reply to the Commission's queries, CSPDCL submitted the following data:

a) The provisional actual source-wise and station-wise power purchase expenses incurred in FY 2023-24;
b) The provisional actual inter-State Transmission Charges incurred in FY 2023-24;
c) Expected generation from each new RE source identified by CSPDCL and the corresponding rate of power purchase approved by the Commission;
d) Revised cost of power purchase and inter-State Transmission charges based on actual rates prevalent in the first half of FY 2023-24.

In its reply dated 22nd April 2024, CSPDCL submitted that it has considered the power purchase rates as approved by the Commission in the MYT Order dated 13th April 2022, despite the increase in rates in FY 2022-23 and FY 2023-24, as the power purchase costs are on projection basis, and the actual costs shall be recovered at the time of truing up. CSPDCL projected an increase of Rs. 2882.82 Crore in the power purchase expenses based on the prevalent rates, without considering the inter-State Transmission Charges based on prevalent rates.

The Commission is of the view that CSPDCL's approach of projecting the power purchase expenses based on the rates approved in the MYT Order two years (April 2022), when CSPDCL is well aware that the power purchase rates as well as the Transmission Charges have increased significantly, is leading to under-statement of the ARR and hence, the Revenue Gap. While CSPDCL would be able to recover the difference in the power purchase costs through the Fuel & Power Purchase Price Adjustment Surcharge (FPPPAS), the purpose of revising the ARR based on the revised sales projection and latest power purchase rates is not achieved, under the approach adopted by CSPDCL.

The Commission has estimated the power purchase expenses based on the power purchase requirement as approved above. CSPDCL's projections of quantum of power available from different sources and the rate of purchase from different sources have been modified as under:

a) The quantum of power purchase from different CGS stations has been considered based on the average PLF in the previous years, while the rate for power purchase from different CGS stations have been considered based on the prevalent rates as submitted by CSPDCL; the average rate of purchase from CGS has thus, been considered as Rs. 4.01/kWh as compared to Rs. 3.33/kWh considered by CSPDCL in its Petition;

b) The quantum and rate of power purchase from CSPGCL thermal Stations have been considered based on the actual rates in FY 2023-24;

c) The quantum of power purchase from CSPGCL RE Stations have been considered based on the actual purchase in the previous years, as compared to CSPDCL Petition, which has considered a very high quantum of purchase from these sources; the Commission has considered purchase of 79.81 MU as compared to CSPDCL projection of 674.25 MU; the rate of purchase from these sources has been considered same as approved in the MYT Order;

d) The quantum of concessional power purchase have been considered as projected by CSPDCL; however, the rate for such purchase has been considered same as the actual rate approved in the true-up for FY 2022-23; the Commission has considered the rate for such purchase as Rs. 2.87/kWh, as compared to the rate of Rs. 1.86/kWh considered by CSPDCL in its Petition;

e) The Commission has considered the quantum of purchase from biomass power sources based on actuals of FY 2022-23; the rate of purchase from biomass sources has been considered based on the actual rates in FY 2023-24;

f) The Commission has considered the quantum from existing and new RE sources other than biomass sources, as projected by CSPDCL for FY 2024-25; the rates for purchase from these sources has been considered based on the prevalent rates;

g) The effective rate of purchase considered by the Commission for all RE sources including biomass is Rs. 4.45/kWh, as against Rs. 3.34/kWh considered by CSPDCL in its Petition;

h) Purchase from Traders/Power Exchanges and other short-term sources have been considered as Nil for FY 2024-25 in view of the overall surplus power availability;

i) The inter-State transmission charges payable to PGCIL have been considered based on the actual Transmission Charges for FY 2023-24; the Commission has considered the inter-State Transmission Charges as Rs. 1,094.38 Crore as against Rs. 724.69 Crore considered by CSPDCL in its Petition;

j) The Intra-State Transmission Charges also have been considered as same as approved in the Tariff Order dated 13th April 2022;

k) The CSLDC charges have been considered as same as approved in the Tariff Order dated 13th April 2022;

l) The revenue from sale of surplus energy has been considered at the rate of Rs. 4.27/kWh based on the actual rates in FY 2023-24, for the balance quantum of energy, and has been considered under Revenue and has not been shown as a reduction of power purchase costs.

The approved quantum and cost of power purchase from different sources of power for FY 2024-25 are given in the Table below:

Table 9-9: Approved Power Purchase Quantum and Cost for FY 2024-25

Sl.	Particulars	CSPDCL Petition			Approved		
		Quantum (in MU)	Amount (in Rs. Crore)	Per unit Rate (Rs/ kWh)	Quantum (in MU)	Amount (in Rs. Crore)	Per unit Rate (Rs/ kWh)
A	**Purchase from Central Generating Stations**						
1	NTPC	13579.58	4297.80	3.16	14301.96	5735.09	4.01
2	NTPC – SAIL	267.39	93.05	3.48	307.97	133.66	4.34
3	NPC Limited	288.76	93.14	3.23	288.76	99.05	3.43
4	Others	648.28	442.78	6.83	648.28	272.80	4.21
	Sub Total A	**14784.01**	**4926.77**	**3.33**	**15546.97**	**6240.59**	**4.01**
B	**Purchase from Thermal and Hydel State Generating Stations**						
5	CSPGCL – Thermal	18023.59	6335.11	3.51	18040.37	6191.02	3.43
6	CSPDCL – Renewables	674.25	126.08	1.87	79.81	18.44	2.31
	Sub Total B	**18697.84**	**6461.20**	**3.46**	**18120.18**	**6209.46**	**3.43**
C	**Purchase from Traders, IPPs, and others sources**						
7	Short-term Purchase	-	-	-	-	-	-
8	Concessional Power	2395.56	444.52	1.86	2395.56	688.16	2.87
	Sub Total C	**2395.56**	**444.52**	**1.86**	**2395.56**	**688.16**	**2.87**
D	**Purchase from Renewable Sources**						
9	Biomass	0.00	0.00	0.00	815.35	624.56	7.66
10	Solar	1293.21	323.30	2.50	1773.69	580.62	3.27
11	Hydel/Other RE	464.72	158.47	3.41	662.70	489.87	7.39
12	Other/New RE	2187.96	546.99	2.50	1509.50	424.44	2.81
	Sub Total D	**4695.64**	**1472.73**	**2.61**	**4761.24**	**2119.49**	**4.45**

Sl.	Particulars	CSPDCL Petition			Approved		
		Quantum (in MU)	Amount (in Rs. Crore)	Per unit Rate (Rs/ kWh)	Quantum (in MU)	Amount (in Rs. Crore)	Per unit Rate (Rs/ kWh)
E	**Gross power purchase Cost**	**39823.30**	**12861.25**	**3.23**	**40823.95**	**15257.69**	**3.74**
F	**Transmission & Other Charges**						
13	Inter-State Transmission Charges	-	724.69	-	-	1094.38	-
14	Intra-State Transmission Charges	-	1226.30	-	-	1226.30	-
15	CSLDC Charges	-	22.21	-	-	22.21	-
	Sub Total F	**-**	**1973.20**	**-**	**-**	**2342.89**	**-**
G	**Gross Power Purchase Cost inclusive of transmission charges**	**39823.30**	**14834.45**	**3.73**	**40823.95**	**17600.58**	**4.31**
H	**Adjustments/Revenue from Sale of Surplus Power**						
16	Inter-State Transmission Losses	527.52					
17	Sale to Telangana	0.00	0.00	0.00			
18	Sale of Surplus Power	455.72	206.90	4.54			
	Sub-total G	**983.24**	**206.90**	**2.10**			
I	**Net Power Purchase Cost**	**38840.06**	**14627.55**	**3.77**			

9.8 Other heads of ARR

CSPDCL Submission

CSPDCL submitted that in accordance with the MYT Regulations, 2021, only the power purchase cost component of the ARR can be revised through the present regulatory process, and all other components of the ARR have to be considered as approved by the Commission in the MYT Order dated 13th April 2022. Hence, in order to determine the revised ARR for FY 2024-25, the Petitioner has considered the projected sales and revised projection of power purchase cost for FY 2024-25, while all other components of the ARR have been considered as approved in the MYT Order dated 13th April 2022.

Vide its Additional Submission dated 9th February 2024, CSPDCL submitted the copy of the Actuarial Valuation Report. CSPDCL cited Regulation 34.1 of the MYT Regulations, 2021, as under:

"34.1. For meeting up the past unfunded liabilities of employees appointed before 01.01.2004 erstwhile CSEB State Power Companies, a pension and gratuity trust has been constituted and funding to the same has been allowed in the past by the Commission. The contribution to this fund shall be specified by the Commission on the basis of actuarial analysis, expected pension outflow for the State Power Companies and availability of fund with the Pension trust at the time of determination of MYT / ARR for each year of the control period. The pension

outflow shall be met from the Pension and Gratuity Fund. Contribution to the pension fund as approved by the Commission shall be recoverable as specified in this regulations….”

CSPDCL submitted that the MYT Regulations, 2021 specify that the Contribution to the Pension Fund shall be specified by the Commission based on the actuarial analysis. CSPDCL submitted that the Actuarial Valuation of the Gratuity and Pension liability for the period April 1, 2022 to March 31, 2023 has been carried out, which is submitted to the Commission, and summarised in the Table below:

Table 9-10: Actuarial Valuation Report for FY 2022-23 (Rs. Crore)

Sl.	Particulars	As on 31.03.2022	As on 31.03.2023
1	Present value of obligation	9,633.26	10,103.62
2	Fair value of plan assets	3,405.39	3,778.41
3	Net assets/(liability) recognized in balance sheet as provision	(6,227.87)	(6,325.21)

CSPDCL requested the Commission to approve an additional/incremental amount of contribution towards Pension & Gratuity for FY 2024-25 over and above the amount approved in the MYT Order, keeping in view the interests of the consumers as well as that of CSPDCL’s employees. CSPDCL requested the Commission to allow recovery of the full liability in a phased manner.

Commission’s View

The Commission has noted that CSPDCL has considered all the components of the ARR, other than power purchase costs, as approved by the Commission in the MYT Order dated 13th April 2022. This is in accordance with the MYT Regulations, 2021 as well as the past practice of the Commission.

As regards CSPDCL’s Additional Submission requesting for approval of an additional contribution to the Pension Fund, the Commission asked CSPDCL to clearly state the amount of additional claim being made by CSPDCL in this regard. In reply, CSPDCL submitted that the Commission may consider allowing an optimal additional amount after prudence check, so as to recover the backlog in a phased manner.

The Commission is of the view that the MYT Regulations, 2021 do not allow pass through of additional amount of contribution to the Pension Fund at the time of tariff determination, as the amount has already been determined in the MYT Order for each year of the Control Period, based on CSPDCL’s submissions in this regard in the MYT Petition. Further, CSPDCL has not quantified the amount of additional contribution being sought for approval. CSPDCL may seek specific amounts of additional contribution along with the MYT Petition to be submitted for the next Control Period.

Hence, in order to determine the revised ARR for FY 2024-25, the Commission has considered the projected sales and power purchase cost for FY 2024-25 as detailed earlier in this Chapter. The Commission has considered all other components of ARR as approved in the MYT Order dated 13th April 2022.

9.9 Revised Aggregate Revenue Requirement for FY 2024-25

The summary of the ARR claimed by CSPDCL and the ARR approved by the Commission for CSPDCL for FY 2024-25 is shown in the Table below:

Table 9-11: Approved ARR for CSPDCL for FY 2024-25 (Rs. Crore)

Sl.	Particulars	MYT Order	CSPDCL Petition	Approved
A	**Power Purchase Expenses***	**16,647.98**	**14,834.45**	**17,600.58**
1	Power Purchase Cost	14,674.78	12,861.25	15,257.69
2	Inter-State Transmission Charges	724.69	724.69	1,094.38
3	Intra-State Transmission Charges	1,226.30	1,226.30	1,226.30
4	CSLDC Charges	22.21	22.21	22.21
B	**Operation & Maintenance Expenses**	**2,564.55**	**2,564.55**	**2,564.55**
1	Net Employee Expenses	1,373.97	1,373.97	1,373.97
2	Net A&G Expenses	96.09	96.09	96.09
3	Net R&M charges	268.17	268.17	268.17
4	Pension & Gratuity	826.32	826.32	826.32
C	**Interest & Finance Expenses**	**277.63**	**277.63**	**277.63**
1	Interest on Loan	134.67	134.67	134.67
2	Interest on Working Capital Requirement	142.96	142.96	142.96
D	**Other Expenses**	**706.16**	**706.16**	**706.16**
1	Depreciation	334.26	334.26	334.26
2	Return on Equity	371.90	371.90	371.90
E	**Less: Non-Tariff Income**	**185.43**	**185.43**	**185.43**
F	**Less: Revenue from Sale of Surplus Power**	**3,087.90**	**206.90**	**164.38**
G	**Aggregate Revenue Requirement**	**16,922.99**	**17,990.46**	**20,799.11**

***Note:* *** *Gross Power Purchase Costs have been considered for appropriate comparison, though in its Petition, CSPDCL has considered Net Power Purchase cost; the revenue from sale of surplus power has been considered as a separate row entry in above Table*

9.10 Revenue from sale of power at Existing Tariff

CSPDCL's Submission

CSPDCL submitted that the Revenue from Sale of Power for FY 2024-25 has been calculated based on the tariff approved by the Commission in the Tariff Order for FY 2023-24 dated 28th March, 2023 and the projected sales to each category. CSPDCL submitted the category-wise revenue from sale of power for FY 2024-25 at existing tariff as shown in the Table below:

Table 9-12: Revenue from sale of power at existing tariff for FY 2024-25 as submitted by CSPDCL (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**10,649.05**
1	LV 1	Domestic Including BPL Consumers	3,589.58
2	LV 2	Non-Domestic (Normal Tariff)	239.13
3	LV 2.1	Non-Domestic (Demand Based)	983.65
4	LV 3	Agriculture Metered	3,292.30
5	LV 4	Agriculture allied	31.66
6	LV 5	LT Industry	639.13
7	LV 6	Public Utilities	569.72
8	LV 7	IT & Textile Industries	0.74
9	LV 8	Temporary	1,303.15
HV Categories (B)			**10,967.72**
10	HV 1	Railway Traction	787.62
11	HV 2	Mines (Coal & Others)	702.61
12	HV 3	Other Industry & General Purpose Non-Industrial	2,219.08
13	HV 4	Steel Industries	6,889.32
14	HV 5	PWW, Irrigation & Agriculture allied	211.96
15	HV 6	Residential Purpose	142.54
16	HV 7	Start-up Power Tariff	10.39
17	HV 8	Industries related to manufacturing of RE power generation equipment	2.88
18	HV 9	IT & Textile Industries	1.29
19	HV 10	Temporary	-
Total (A + B)			**21,616.77**

Commission's View

The Commission observed that CSPDCL had incorrectly computed the revenue from sale of power to different categories at existing tariff. The Commission, in its queries, asked CSPDCL to submit the revised revenue from sale of power to different categories at existing tariff, after addressing the following issues:

- The revenue from Fixed Charges to be computed based on the telescopic Fixed Charges approved by the Commission;
- The Time of Day (ToD) tariff applicable to HV-2, HV-3 and HV-4 category to be considered as approved in the Tariff Order for FY 2023-24.

In reply, CSPDCL submitted revised revenue from existing tariff as Rs. 21,481.23 Crore, thereby showing reduced revenue to the extent of Rs. 135.54 Crore.

For comparison purposes, CSPDCL Petition values are being considered, in order to avoid confusion.

The Commission has computed the revenue from sale of power at the prevailing tariffs approved in the Tariff Order dated 28th March, 2023 and the sales approved for each category in this Order. The revenue from sale of power for FY 2024-25 at existing tariff, considering the higher sales projected by the Commission, works out to Rs. 21,775.25 Crore, as shown in the Table below:

Table 9-13: Revenue from sale of power at existing tariff for FY 2024-25 as computed by the Commission (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**9,986.07**
1	LV 1	Domestic Including BPL Consumers	3,725.19
2	LV 2	Non-Domestic (Normal Tariff)	283.78
3	LV 2.1	Non-Domestic (Demand Based)	1,034.23
4	LV 3	Agriculture Metered	3,112.35
5	LV 4	Agriculture allied	31.06
6	LV 5	LT Industry	576.48
7	LV 6	Public Utilities	620.16
8	LV 7	IT & Textile Industries	0.67
9	LV 8	Temporary	1,372.29
HV Categories (B)			**11,019.04**
10	HV 1	Railway Traction	778.18
11	HV 2	Mines (Coal & Others)	753.75
12	HV 3	Other Industry & General Purpose Non-Industrial	2,043.74
13	HV 4	Steel Industries	7,060.84
14	HV 5	PWW, Irrigation & Agriculture allied	217.85
15	HV 6	Residential Purpose	151.46
16	HV 7	Start-up Power Tariff	9.42
17	HV 8	Industries related to manufacturing of RE power generation equipment	3.06
18	HV 9	IT & Textile Industries	0.73
19	HV 10	Temporary	
Total (A + B)			**21,775.25**

9.11 Stand-alone Revenue Gap/(Surplus) for FY 2024-25

CSPDCL's Submission

CSPDCL submitted that there would be a Revenue Surplus of Rs. 3626.31 crore in FY 2024-25 on a standalone basis, based on the projected ARR and revenue from existing tariffs.

In its revised submissions as a part of its replies to queries, CSPDCL revised the standalone Revenue Surplus to Rs. 3,214.79 Crore. For comparison purposes, CSPDCL Petition values are being considered, in order to avoid confusion.

Commission's View

The Commission has computed the standalone Revenue Gap for FY 2024-25 based on the ARR approved and Revenue from existing tariff as computed earlier, as shown in the Table below:

Table 9-14: Standalone Revenue Gap/(Surplus) for FY 2024-25 (Rs. Crore)

Particulars	CSPSCL Petition	Approved
Aggregate Revenue Requirement	17,990.46	20,799.11
Revenue from sale of power at existing tariff	21,616.77	21,775.25
Standalone Revenue Gap/(Surplus) for FY 2024-25	**(3,626.31)**	**(976.14)**

The Commission has thus, approved a more realistic standalone Revenue Surplus of Rs. 976.14 Crore for FY 2024-25 for CSPDCL, as compared to the huge Revenue Surplus of Rs. 3,626.31 Crore projected by CSPDCL in its Petition based on the under-estimated power purchase costs and higher estimated revenue from existing tariff.

9.12 Cumulative Revenue Gap/(Surplus) for FY 2024-25

CSPDCL's Submission

CSPDCL submitted that there is net standalone Revenue Surplus of Rs. 3,626.31 Crore for FY 2024-25. However, considering the net Revenue Gap carried forward from true up along with carrying cost, there is overall Revenue Gap of Rs. 4420.35 Crore for FY 2024-25 as shown in the Table below:

Table 9-15: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2024-25 as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	Petition
1	Aggregate Revenue Requirement (A)	17,990.46
2	Income from sale of Power at Existing Tariff (B)	21,616.77
3	**Standalone Revenue Gap/(Surplus) (C=A-B)**	**(3,626.31)**
4	Gap/(Surplus) from true-up of FY 2022-23 including Review Petition (D)	4,848.91
5	Gap/(Surplus) carried forward from FY 2023-24 (E)	2,924.53
6	Total Gap/(Surplus) carried forward (F = D + E)	8,046.66
7	**Cumulative Revenue Gap/(Surplus) (G = F – C)**	**4,420.35**

CSPDCL submitted that there is net standalone Surplus of Rs. 3626.31 Crore in FY 2024-25. However, considering the net Revenue Gap of Rs 8,046.66 crore carried forward from True up of FY 2022-23 and for FY 2023-24 as approved by the Commission vide Order dated 28th March 2023 along with carrying cost, there is overall Revenue Gap of Rs 4,420.35 Crore in FY 2024-25. CSPDCL requested the Commission to approve the same.

CSPDCL also requested the Commission to approve the net Revenue Gap after considering Gap/(Surplus) position of CSPGCL/CSPTCL/CSLDC.

In its revised submissions as a part of its replies to queries, CSPDCL revised the cumulative Revenue Gap to Rs. 4,473.51 Crore, after reducing the Revenue Gap of FY 2022-23 due to correction of the power purchase costs and reducing the standalone Revenue Surplus of FY 2024-25 as stated above, and also revising the Carrying Cost. For comparison purposes, CSPDCL Petition values are being considered, in order to avoid confusion.

Commission's View

The standalone Revenue Surplus of CSPDCL for FY 2024-25 has been combined with the Revenue Gap/(Surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL after truing up for FY 2022-23 and the impact of the Review Petition filed by CSPDCL on the Tariff Order for FY 2023-24, along with carrying cost, as discussed in Chapter on Review of Order for FY 2023-24 by CSPDCL.

The Commission observed that the Adjusted ARR for recovery in FY 2024-25 shown as Rs. 22,410.81 Crore by CSPDCL is an incorrect representation, as CSPDCL has added the Cumulative Gap of Rs. 4420.35 Crore to the Standalone ARR for FY 2024-25, rather than the Revenue at existing tariff of FY 2024-25. The actual Adjusted ARR sought by CSPDCL in its Petition is Rs. 26,037.13 Crore (Rs. 4,420.36 Crore + Rs. 21,616.77 Crore).

The Government of Chhattisgarh has provided financial assistance of Rs. 1000 Crore to partly compensate the cumulative revenue deficit of FY 2024-25 for CSPDCL approved by the Commission, in order to reduce the burden on the consumers of the State.

The cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2024-25, after considering all the above Revenue Gap/(Surplus) of CSPDCL, CSPGCL, CSPTCL, and SLDC, and the financial support of Rs. 1000 Crore from the State Government, is given in the Table below:

Table 9-16: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2024-25 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	CSPDCL Petition	Approved
1	Aggregate Revenue Requirement for FY 2024-25	17,990.46	20,799.11
2	Income from sale of power at existing tariff	21,616.77	21,775.25
3	Standalone Revenue Gap/(Surplus) (1-2)	**(3,626.31)**	**(976.14)**
4	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPGCL*	-	24.28
5	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPTCL*	-	(48.52)
6	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSLDC*	-	(4.11)
7	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPDCL, including impact of Review Petition filed by CSPDCL on the Tariff Order for FY 2023-24, along with Carrying Cost$	8046.66	3,823.11

Sr. No.	Particulars	CSPDCL Petition	Approved
8	Total Gap/(Surplus) carried forward (4+5+6+7)	8046.66	3,794.76
9	**Cumulative Revenue Gap/(Surplus) (3-8)**	**4,420.35**	**2,818.63**
10	**Less: Financial Support from State Government**		**1,000.00**
11	**Net Cumulative Revenue Gap/(Surplus) (9-10)**		**1,818.63**
12	**Additional Revenue from approved tariff for FY 2024-25**		**1,820.06**
13	Revenue (Surplus) for FY 2024-25		(1.43)
14	**Adjusted ARR for Recovery (1+3+11)**	**22,410.81[$$]**	**23,593.87**
15	Total estimated sales (MU)	33,875	34,091
16	Stand alone cost of supply	5.31	6.10
17	**Adjusted Cost of supply after considering Gap**	**6.62**	**6.92**

Note: ** included in the true-up Revenue Gap/(Surplus) of CSPDCL for FY 2022-23, in CSPDCL Petition*
$ - Carrying Cost for FY 2023-24 on the True-up Revenue Gap for FY 2022-23 has been computed at 7.50% (Rate of Interest for Working Capital)
$$ *actual Adjusted ARR sought by CSPDCL in its Petition is Rs. 26,037.13 Crore*

10 TARIFF PRINCIPLES AND TARIFF DESIGN

10.1 Approach for Tariff for FY 2024-25

CSPDCL's Submission

CSPDCL submitted that determination of tariff for retail sale is the prerogative of the Commission under Section 62(3) of the Electricity Act, 2003, hence, the Commission may adopt a rationalized tariff across all consumer categories except for Domestic category, in order to meet the Revenue Gap. CSPDCL submitted the Revenue Requirement for FY 2024-25 as shown in the Table below:

Table 10-1: Revenue Gap/(Surplus) for CSPDCL for FY 2024-25 as submitted by CSPDCL (Rs. Crore)

Sr. No.	Particulars	Legend	Amount (Rs. Crore)
1.	Aggregate Revenue Requirement	A	17,990.46
2.	Income from Sale of Power at Existing Tariff	B	21,616.77
3.	Standalone (Deficit) / Surplus	C=B-A	3,626.31
4.	*(Deficit) / Surplus carried forward (including carrying cost)*	D	(8,046.66)
5.	Net (Deficit) / Surplus for the year*	E=D-C	(4,420.35)
6.	Sales (MU)	F	33,875.36
7.	Cumulative Revenue Requirement	G	22,410.81
8.	Revenue with existing tariff	H	21,616.77

Note: ** Including carrying cost*

Commission's View

The primary objective of the Commission is to protect the interest of the consumer and at the same time ensure recovery of reasonable and justified cost by the Utilities. The Commission in the previous Orders as well as this Order has taken various steps to protect public interest and provided relief to the consumers and Utilities in the State of Chhattisgarh.

The cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2024-25, after considering all the above Revenue Gap/(Surplus) of CSPDCL, CSPGCL, CSPTCL, and SLDC, and the financial support of Rs. 1000 Crore from the State Government, and the approved Average Cost of Supply (ACoS) is given in the Table below:

Table 10-2: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2024-25 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	CSPDCL Petition	Approved
1	Aggregate Revenue Requirement for FY 2024-25	17,990.46	20,799.11
2	Income from sale of power at existing tariff	21,616.77	21,775.25
3	Standalone Revenue Gap/(Surplus)	**(3,626.31)**	**(976.14)**
4	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPGCL*	-	24.28
5	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPTCL*	-	(48.52)
6	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSLDC*	-	(4.11)
7	Gap/(Surplus) carried forward from final true-up of FY 2022-23 for CSPDCL, including impact of Review Petition filed by CSPDCL on the Tariff Order for FY 2023-24, along with Carrying Cost[$]	5,122.14	3,823.11
8	Gap/(Surplus) carried forward from FY 2023-24	2,924.53	-
9	Total Gap/(Surplus) carried forward	8,046.66	3,794.76
10	**Cumulative Revenue Gap/(Surplus)**	**4,420.35**	**2,818.63**
11	**Less: Financial Support from State Government**		**1,000.00**
12	**Net Cumulative Revenue Gap/(Surplus)**		**1,818.63**
13	**Adjusted ARR for Recovery**	**22,410.81[$$]**	**23,593.87**
14	Total estimated sales (MU)	33,875	34,091
15	Stand alone cost of supply	5.31	6.10
16	**Adjusted Cost of supply after considering Gap**	**6.62**	**6.92**

Note: ** included in the true-up Revenue Gap/(Surplus) of CSPDCL for FY 2022-23, in CSPDCL Petition*

$ - Carrying Cost for FY 2023-24 on the True-up Revenue Gap for FY 2022-23 has been computed at 7.50% (Rate of Interest for Working Capital)

$$ *actual Adjusted ARR sought by CSPDCL in its Petition is Rs. 26,037.13 Crore*

The Commission has not created any regulatory Assets for FY 2024-25. The Commission has ensured that the entire Revenue Requirement approved for FY 2024-25, including the Revenue Deficit arising after true-up of FY 2022-23, shall be recovered through the revised tariffs applicable FY 2024-25.

10.2 Voltage-wise Cost of Supply for FY 2024-25

The Commission has computed the Voltage-wise Cost of Supply (VCoS) for FY 2024-25 as per the methodology adopted in the Tariff Order for FY 2018-19, after taking into account the ruling of the Hon'ble APTEL in its Judgment dated March 24, 2015 in Appeal No. 103 of 2012, on the issue of determination of tariff and cross-subsidy with reference to the VCoS.

The Commission notes that at present, the voltage-wise losses available are based on certain assumptions. The actual voltage-wise losses would be available only after the studies carried out by CSPDCL. In view of the above, the Commission determines the VCoS on the basis of available data.

Further, the framework prescribed by the Hon'ble APTEL requires that the category-wise tariffs be determined on the basis of ACoS as well as VCoS, and also the tariffs for all categories should be within ±20% of the overall ACoS for the Distribution Licensee. The Commission feels that in the absence of a realistic assessment of the voltage-wise losses, the determination of VCoS may lead to incorrect conclusions. However, the Hon'ble APTEL has directed that the tariffs and cross-subsidies have to be determined keeping in view the VCoS, while ensuring that the tariffs are within +20% of ACoS. Further, there is no denying that the cost of supply at higher voltages, i.e., 220 kV, 132 kV, etc., will be lower than the cost of supply at lower voltages, i.e., LT, 11 kV, etc., on account of the lower distribution losses at higher voltages and non-utilisation of the assets at lower voltages for supplying electricity to the consumers at higher voltages.

Hence, in this Order, the Commission has determined category-wise tariffs on the basis of ACoS, while at the same time ensuring that the tariffs for the consumers taking supply at higher voltages is lower than that for consumers taking supply at lower voltages. The gradual movement initiated in previous Orders in this regard has been carried forward in this Order.

The VCoS for FY 2024-25, as calculated by the Commission based on approved ARR and available data, is given in the Table below:

Table 10-3: VCoS for FY 2024-25 as calculated by Commission

Sr. No.	Particulars	EHV	33 kV	11 kV and LV	Total
1	Energy Sales (MU)		9,373.50	18,667.95	28,041.45
2	Distribution Loss (%)		4.25%	19.54%	15.00%
3	Energy input at 33 kV (MU)		9,789.56	23,200.38	32,989.94
4	Less: Direct Input to Distribution at 33/11 kV (MU)		104.39	247.38	351.77
5	Energy input to Discom level (MU)		9,685.17	22,953.00	32,638.17
6	EHV Sales (MU)	6,049.54			
7	Energy requirement for Distribution (MU)	6,049.54	9,685.17	22,953.00	38,687.71
8	Transmission Loss (%) (intra-State)	3.00%	3.00%	3.00%	
9	Transmission Loss (%) (inter-State)	86.74	138.88	329.12	554.74

Sr. No.	Particulars	EHV	33 kV	11 kV and LV	Total
10	Energy requirement at G<>T Interface (MU)	6,323.39	10,123.59	23,992.01	40,438.98
11	Avg. Power Purchase Cost Rate (Rs. /kWh)	4.31	4.31	4.31	
12	Power Purchase Cost (Rs. Cr.)	2,726.47	4,365.02	10,344.71	17,436.20
13	Other Cost (Rs. Cr.)	525.85	841.88	1,995.18	3,362.91
14	Past Revenue Gaps (Rs. Cr.)	437.01	699.65	1,658.10	2,794.76
15	Total Cost (Rs. Cr.)	3,689.34	5,906.54	13,997.99	23,593.87
16	Energy Sales (MU)	6,049.54	9,373.50	18,667.95	34,090.99
16	**Cost of Supply (Rs. /kWh)**	**6.10**	**6.30**	**7.50**	**6.92**

10.3 Tariff Philosophy for FY 2024-25

As discussed earlier, the Commission has determined the Cumulative Revenue Gap of Rs. 1,818.63 Crore for FY 2024-25. In order to recover the Revenue Gap, the Commission has approved increase in the category-wise Tariff for FY 2024-25.

In its Petition, CSPDCL had requested the Commission to approve 'rationalised tariff across all consumer categories except Domestic category' in order to meet the Revenue Gap. The Commission sought justification from CSPDCL regarding its proposal to not increase the tariff for Domestic category with respect to the mandate of cross-subsidy reduction. CSPDCL submitted that considering the socio-economic condition of the State and considering that 80% of the consumers belong to the Domestic category, it is proposed not to raise the tariff for Domestic category, and the balance of ARR along with the Gap of FY 2023-24 and Gap arising after true-up of FY 2022-23 may be met through tariff increase for the other categories.

After revising the estimates of category-wise sales and power purchase costs and considering the Revenue Gap/(Surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL after true-up for FY 2022-23, the Commission has approved a Cumulative Revenue Gap of Rs. 1818.63 Crore, and Cumulative ARR of Rs. 23,593.87 Crore for FY 2024-25.

The Average Billing Rate (ABR) estimated by the Commission at the existing tariff for FY 2024-25 is Rs. 6.39/kWh. Hence, the Commission has approved average tariff increase across all consumer categories of 8.35%, which corresponds to Rs. 0.53/kWh, with the adjusted ACoS of Rs. 6.92/kWh.

The Commission has increased the Energy Charges across different categories/slabs from Rs. 0.10/kWh to Rs. 0.70/kWh, with no change being made in the Fixed/Demand Charges. The Commission has revised the category-wise tariffs in such a manner that the cross-subsidies are reduced and are brought within +20% of ACoS as stipulated in the Tariff Policy, 2016, to the extent possible.

10.4 Power Factor Incentive and Surcharge for LV category

The Commission has retained the Power Factor Incentive and Surcharge as approved in the previous Tariff Order for FY 2023-24, wherein, in order to improve the overall

Power Factor, the Commission has retained floor level of Power Factor of 0.90, below which Power Factor surcharge shall be applicable on the entire consumption of the month at the rate of 35 paise/kWh or 75 paise/kWh as per existing dispensation.

Further, Power Factor incentive for Power Factor above 0.95 is retained for all categories of LV consumers in whose case Power Factor surcharge is applicable. Such incentive is payable @ 1% of the energy charges for each 0.01 increase or part thereof in Power Factor above 0.95 up to unity Power Factor. For example, consumers with Power Factor of 0.965 shall be considered as 0.97 and be eligible for Power Factor incentive of 2% of energy charges. Consumers with Power Factor of 0.964 shall be considered as 0.96 and be eligible for Power Factor incentive of 1% of energy charges.

10.5 Method of payment of Bills

The consumers shall have the option to pay bills online or offline. However, bill amounts of more than five thousand rupees shall mandatorily be paid online.

For bill amount less than or equal to five thousand rupees, consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system. Further, the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to five thousand rupees.

The distribution licensee shall establish online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

10.6 Billing on accumulated meter reading

The Commission has retained the dispensation related to billing on accumulated meter reading, as approved in the previous Tariff Order, as under:

In order to alleviate the difficulties related to billing based on accumulated meter reading and to improve the accountability of CSPDCL's officers, henceforth, if the bills are not issued consecutively for three months or more for any LT Consumer, billing on accumulated meter reading shall not be raised without approval of concerned Executive Engineer of CSPDCL.

10.7 Category-wise tariff

The approach of the Commission for determination of tariff for FY 2024-25 for various consumer categories is discussed below.

10.7.1 LV 1: Domestic

The applicability and tariff of this category has been retained as approved in the previous Tariff Order for FY 2023-24.

At present, tariff for this category is telescopic in nature with five consumption slabs. It is settled practice to subsidise the low-income groups through intra-category cross-subsidy mechanism. Similar approach has been taken for FY 2024-25. The

Commission has retained the slabs for fixed charges and energy charges as approved in the Tariff Order for FY 2023-24.

The energy charges of all consumption slabs have been increased by 20 paise/kWh. Both energy charges and fixed charges have been kept telescopic, which will enable the consumers in higher consumption slabs to also get the benefit of the lower energy charges in the lower consumption slabs and lower fixed charges in the lower slabs. Further, Domestic consumers shall be entitled for subsidy as per State Government Order, and their consumption shall be billed as per tariff LV-1.

Based on the above, the monthly minimum charges are now same as the fixed charges in Rs/kW/month.

Further, if the Recorded Demand exceeds the Connected Load for any three consecutive months, then the Connected Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Connected Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

Also, if the Recorded Demand is lower than the Connected Load for any three consecutive months, then the Connected Load can be restated to the highest demand recorded in these three months at the option of the consumer.

10.7.2 LV 2: Non-Domestic

The load limit for single-phase connection for LV 2 category has been retained as 5 kW.

Furniture manufacturing units have been re-classified from LV-2: Non-Domestic to LV-5: Industry. The laboratories of Engineering colleges, ITIs and Polytechnics have been removed from “LV-5: Industry”, and they shall be categorized under “LV-2: Non-Domestic Category” as applicable for the parent Engineering college, ITIs and Polytechnics.

Non-Domestic tariff category has two sub-categories, i.e., consumption-based and demand-based, which has been retained.

The Energy Charges for all sub-categories and consumption slabs have been increased by 20 paise/kWh.

The Commission has reduced the rebate in energy charges for new mobile towers, set up in remote left-wing extremism affected districts after April 1, 2019, from 50% to 25%.

The Commission has rationalised the Tariff for charging stations of electric vehicles, and flat rate single part tariff of Rs. 6.92/kWh, i.e., equal to the ACoS, has been approved.

The discount of 10% on Energy Charges for commercial activities being run exclusively by registered women self-help groups has been retained.

The Commission has retained the discount of 5% on Energy Charges applicable for private clinics, hospitals and nursing homes including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005.

Further, if the Recorded Demand exceeds the Connected Load for any three consecutive months, then the Connected Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Connected Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

Also, if the Recorded Demand is lower than the Connected Load for any three consecutive months, then the Connected Load can be restated to the highest demand recorded in these three months at the option of the consumer.

10.7.3 LV 3: Agriculture

The Energy Charges for this category has been increased by 25 paise/kWh.

Consumers opting for flat rate billing under KJJY scheme shall pay Rs. 100/HP/month as flat rate charges; in addition to fixed charges on billing demand plus energy charges on consumption payable by State Government under KJJY scheme up to the applicable ceiling limit of 6000/7500 units annual consumption.

The concession of 20% provided to the consumers having second pump, which does not receive Government Subsidy, has been retained.

10.7.4 LV 4: Agriculture Allied Activities

The applicability of this category has been retained as approved in the previous Tariff Order for FY 2023-24.

The Energy Charges for load up to 25 HP, i.e., LV 4.1, has been increased by 25 paise/kWh, whereas the Energy Charges for load above 25 HP and Demand Based Tariff, i.e., LV 4.2 and LV 4.3, have been increased by 60 paise/kWh.

10.7.5 LV 5: LT Industries

Furniture manufacturing units have been re-classified from “LV-2: Non-Domestic” to “LV-5: Industry”. The laboratories of Engineering colleges, ITIs and Polytechnics have been removed from “LV-5: Industry”, and they shall be categorized under “LV-2: Non-Domestic Category” as applicable for the parent Engineering college, ITIs and Polytechnics.

The Energy Charges for all sub-categories have been increased by 60 paise/kWh.

The discount of 5% on Energy Charges for Poha and Murmura mills under LV-5 category is retained.

The lower tariff fixed for consumers located in the areas covered under "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran"(both notified vide Order dated August 22, 2005) has been retained. The Commission has continued with the rebate of 5% in energy charges for LT industries located in rural areas. In order to promote Women Empowerment, the Commission has continued with 10% rebate on energy charges for industrial activities being run exclusively by registered women self-help groups.

10.7.6 LV 6: Public Utilities

The energy charges have been increased by 60 paise/kWh.

10.7.7 LV 7: IT Industries & Export Oriented Textiles

The energy charges have been increased by 60 paise/kWh.

10.7.8 LV 8: Temporary Supply

The Tariff structure for temporary supply has been retained as determined in previous Orders, i.e., Fixed Charge and Energy Charge shall be billed at one and half times the normal tariff as applicable to the corresponding consumer categories.

The Commission's approach for determination of tariff for FY 2024-25 for HV categories is discussed below:

10.7.9 HV 1: Railway Traction

The energy charges have been increased by 70 paise/kVAh.

CSPDCL's proposal for discontinuation of the Load Factor rebate of 20% for HV-1: Railway Traction category has been accepted.

The rebate of 10% in energy charges for new railway traction projects that was allowed for a period of five years from the date of connection for such new projects for which Agreements for availing supply from the Licensee were finalised during FY 2018-19, has been discontinued, as the five-year period has been completed.

10.7.10 HV 2: Mines

The energy charges for all sub-categories have been increased by 10 paise/kVAh.

10.7.11 HV 3: Other Industrial and General Purpose Non-Industrial

The energy charges for all sub-categories have been increased by 10 paise/kVAh.

The Commission has rationalised the Tariff for charging stations of electric vehicles, and flat rate single part tariff of Rs. 6.92/kWh, i.e., equal to the ACoS, has been approved.

The discount of 5% on Energy Charges applicable for private clinics, hospitals and nursing homes including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005, has been continued.

The discount of 15% on Energy Charges applicable for defence establishments under Government of India has been continued.

The discount of 5% on Energy Charges applicable for rice mills/Poha and murmura mills has been continued.

10.7.12 HV 4: Steel Industries

The energy charges for all sub-categories have been increased by 25 paise/kVAh.

CSPDCL has requested the Commission to provide load factor rebate only if the monthly load factor is 65% and above, at a flat rate of 5% on normal energy charge calculated on entire energy consumption. CSPDCL's proposal for rationalization of the Load Factor rebate for HV-4 Steel category has been partly accepted, keeping in view that the sales to this category have stabilized based on the incentivization through higher Load Factor rebate given in the earlier Tariff Orders. The Load Factor rebate for HV-4 Steel category will now commence from Load Factor of 65% and above, as proposed by CSPDCL in its Petition. However, in order to incentivize increase in load factor beyond 65%, the Commission has rationalized the Load Factor rebate for HV-4 category, such that the consumers will receive Load Factor rebate in energy charges for every 1% improvement in load factor above 65%, with the maximum Load Factor rebate capped at 10% of energy charges.

CSPDCL's proposal to withdraw the rebate for HV-4 Steel category connections above 150 MVA in the areas covered under "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran" has not been accepted, as the Commission is of the view that the entire area needs to be developed, and discrimination in rebate to HV-4 Steel category consumers based on the load is not appropriate. Hence, the special rebate of 5% on energy charge being provided, to boost industrialization, to the HV-4 Steel category consumers starting production on or after April 1, 2017 in the areas covered under "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" (notified vide Order dated August 22, 2005) and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran" (notified vide Order dated August 22, 2005), has been retained.

The monthly power-off hours to be considered for computation of load factor of HV-4 Steel category has been retained as approved in the Tariff Order for FY 2023-24.

The Licensee and consumers shall ensure compliance with all safety requirements specified under the applicable laws and amendments thereof from time to time.

10.7.13 HV 5: Irrigation, Agriculture Allied Activities & Public Water Works

The energy charges have been increased by 50 paise/kVAh.

10.7.14 HV 6: Residential

The energy charges have been increased by 50 paise/kVAh.

10.7.15 HV 7: Start up Power

The energy charges have been increased by 50 paise/kVAh.

The generators and captive generating plants who have not availed start up connection and eventually draw power are not required to be billed separate demand charges. The rate for such industries which eventually draws power has been prescribed at @ Rs. 13 per kVAh and this rate factors in the demand charges and the energy charges both.

10.7.16 HV 8: Industries related to manufacturing of equipment for power generation from renewable energy sources

The energy charges have been increased by 50 paise/kVAh.

10.7.17 HV 9: Information Technology & Export Oriented Textile Industries

The energy charges have been increased by 50 paise/kVAh.

10.7.18 HV 10: Temporary Connection at HV

The Tariff structure for temporary supply has been retained as determined in previous Orders, i.e., Fixed Charge and Energy Charge shall be billed at one and half times the normal tariff as applicable to the corresponding consumer categories.

10.8 Minimum Billing Demand

The minimum Billing Demand for the relevant LV categories and all HV categories has been retained at 80% level.

10.9 Time of Day Charges

CSPDCL proposed to re-design the ToD tariff structure, in order to optimize the power procurement expenses and also encourage demand response schemes.

CSPDCL submitted that the earlier objective of ToD tariff was to flatten the load curve, so that the generation capacity to be tied-up could be optimised and the power purchase during peak hours could be minimised, to optimise the power purchase cost. However, due to increasing contribution of power purchase from Solar and Wind Sources, the objective of ToD tariff is no longer flattening of the load curve but to fit the load curve to the available supply mix, in order to optimise the power purchase cost. The time slot for which incentive has to be provided and extent of incentive to be provided would depend on the reduction in power purchase expenses due to shift in the load curve to match the supply curve to the extent possible.

CSPDCL submitted that ToD tariff comprises separate tariffs for peak hours and off-peak hours, in order to encourage reduction in the consumption during peak hours, when the availability of power is low, and, incentivise increased use of power, during off-peak hours, when the availability of power is relatively high.

CSPDCL submitted that the scenario has changed drastically after solar power generation started increasing. This increase in solar power production has led to a situation, when there is maximum availability of power during day time, i.e., 10:00 to 16:00 hours with normal demand, but contrastingly this period has been denoted as “normal period” in the existing ToD tariff structure, in spite of the fact that power availability is much higher as compared to “off-peak hours”. In fact, power availability, both in the State and in the open market is low during the presently designated “off-peak hours” as bulk consumers try to use maximum power to avail benefits of low tariff. So effectively the “normal period” becomes off-peak period owing to this massive influx of solar generation. Hence, there is an immediate need to reclassify/redefine the “period of use”, in a way that it takes into account the generation aspect.

CSPDCL submitted that it is presently receiving 935 MW Solar Power from various solar power developers, under its Renewable Power Obligation (RPO), and in future, additional 1624 MW power is expected from ‘under-development’ Solar Projects.

It has been observed that during solar generation period of 10:00 hours to 16:00 hours, there is surplus availability throughout the year. This is evidence that this period is no more a “normal period” but an “off-peak period”. Hence, during this solar generation period, thermal generators have to back down, which pushes up per unit cost of purchase and therefore, the ACoS. In addition, due to RPO and for promotion of solar power, solar generators have “must run status”, and cannot be asked to back down.

In the scenario of rising solar input during the day time period of 10:00 hours to 16:00 hours (peak production period of solar power), surplus power is available, whereas during the present "off-peak period" at night time, there is actually a power shortage period or power is just sufficient, due to rise in industrial consumption, which happens in order to take advantage of the low tariff. The power purchase data for FY 2022-23 shows that maximum power has been purchased either during the "peak load period" or during "off-peak period".

CSPDCL submitted the following benefits of restructuring the ToD tariff structure:

a) By shifting "off peak period" to the day time, the consumers shall benefit as they shall get power at 20% rebate (on energy charges) during daytime in normal working hours;
b) Due to provision of 20% rebate during daytime, i.e., during off-peak period, industrial load may shift from present "off-peak period" (23:00 hours to 05:00 hours) to new "off-peak period" (10:00 hours to 18:00 hours), which shall help to synchronize the availability of power and flatten the load curve and CSPDCL will not be required to purchase costly power;
c) Further, the cost of procuring costly power during the present "off-peak load period" will reduce, which can be passed on to the consumers in form of reduced tariff;
d) Day time backing down of thermal power generators can be avoided, which shall increase the load factor, thus, decreasing the per unit cost of generation and thereby the ACoS to the consumers.

Therefore, looking to above justification, CSPDCL proposed the following modification to the ToD tariff structure for consumers covered under HV-2, HV-3, and HV-4 category:

Existing ToD time period	Proposed ToD time period	Applicable Tariff
Normal Period (05:00 to 18:00 hours)	Non- Solar Hours (23:00 to 10:00 hours)	Normal rate of energy charges
Evening Peak Load Period (18:00 to 23:00 hours)	Peak Load Period (16:00 to 23:00 hours)	120% of normal rate of energy charge
Off-Peak Load Period (23:00 to 05:00 hours)	Solar Hours (10:00 to 16:00 hours)	80% of normal rate of energy charges.

CSPDCL also proposed removal of the Provision of allowing additional demand up to 20% excess above the Contract Demand, for consumers who are covered under TOD tariff.

Commission's Analysis

The MoP vide Amendment to the Electricity Rules, 2023 dated 14th June 2023 has added new Rule 8A regarding the ToD Tariff, as reproduced below:

> *"(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall*

be made effective immediately after installation of smart meters, for the consumers with smart meters:

Provided that, the Time-of-Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:

*Provided further that**, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers**:*

Provided also that the Time-of-Day Tariff shall be applicable on energy charge component of the normal tariff:

Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.

*Explanation: - For the purposes of this rule, the expression **"solar hours " means the duration of eight hours in a day as specified by the State Commission.**"*

Accordingly, the ToD tariffs have been rationalized in accordance with the Rules notified by the Ministry of Power and the proposal submitted by CSPDCL. The Solar Hours have been stipulated as the 8-hour period from 09:00 hours to 17:00 hours, considering the State-specific requirement, which are now identified as 'off-peak hours', with energy charges being levied at 80% of normal rate. The period from 17:00 hours to 23:00 hours has been stipulated as 'peak hours', with energy charges being levied at 120% of normal rate. The remaining period, i.e., from 23:00 hours to 09:00 hours has been stipulated as 'normal hours', with energy charges being levied at normal rate.

Further, CSPDCL will require certain time for re-programming all the ToD meters in line with the revised ToD time-slots for normal, peak and off-peak hours. In order to avoid a discriminatory situation, wherein some consumers are charged the revised ToD tariffs based on the re-programmed ToD meters and balance consumers are charged the existing ToD tariffs till their ToD meters are re-programmed, the Commission has decided that the ToD tariff will be suspended for a maximum period of three (3) months after issue of this Tariff Order, i.e., for the months of June, July and August 2024, for enabling CSPDCL to complete the preparatory work. CSPDCL should ensure that 100% of the ToD meters are re-programmed during this period of three months. In case, CSPDCL is able to achieve re-programming of 100% of the ToD meters in two (2) months' time after the issue of this Tariff Order, then the revised ToD tariff shall be implemented from the month of August 2024, under intimation to the Commission. It is clarified that the revised ToD tariff shall be implemented only after 100% of the ToD meters are re-programmed.

The dispensation that no additional charge will be levied for exceeding Contract Demand during off-peak hours up to a maximum limit of 20% has been discontinued, in view of the rationalization of the ToD usage of power.

10.10 Wheeling Charges

The Wheeling Charges have been computed by considering 35% of the Wires ARR, in line with the approach adopted in previous Tariff Orders. The total energy requirement at 33 kV has been considered as 32,638.17 MU based on the approved Energy Balance for FY 2024-25.

For long-term, medium-term and short-term open access customers, Wheeling Charges shall be Rs. 271.20/MWh (or Rs. 0.2712 per kWh) for the energy computed as per the provisions made in Regulation 33 of the CSERC (Connectivity and Intra State Open access) Regulations, 2011 and its subsequent amendment(s)/revision, if any, at 100% load factor for wheeling. The same charges shall be applicable for both collective and bilateral transactions at the point of injection.

Energy losses shall be applicable as under, for conventional as well as RE Open Access transactions:

a) The Open Access customers availing long-term/medium-term/short-term open access customers shall bear the energy loss specified as under:
   i) Energy Losses for using only the Transmission system of CSPTCL shall be 3%.
   ii) Energy Losses/for using only distribution system of CSPDCL shall be 6%.
   iii) Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 6%.

10.11 Revenue at Approved Tariff

The approved Tariff Schedule is given in the next Chapter.

The revised tariff will be applicable with effect from June 1, 2024, for the consumers of the State, for FY 2024-25 and till such date as revised by the next Tariff Order issued by the Commission. The category-wise revenue at revised tariffs approved in this Order is shown in the Table below:

Table 10-4: Revenue in FY 2024-25 at Tariffs approved by the Commission

Sl.	Category Name	Category	Revenue
LV Categories (A)			**11,188.41**
1	LV 1	Domestic Including BPL Consumers	3,844.47
2	LV 2	Non-Domestic (Normal Tariff)	290.05
3	LV 2.1	Non-Domestic (Demand Based)	1,052.35
4	LV 3	Agriculture Metered	3,231.13
5	LV 4	Agriculture allied	33.25
6	LV 5	LT Industry	613.91
7	LV 6	Public Utilities	665.87
8	LV 7	IT & Textile Industries	0.72
9	LV 8	Temporary	1,456.65
HV Categories (B)			**12,405.47**
10	HV 1	Railway Traction	979.84
11	HV 2	Mines (Coal & Others)	774.96

Sl.	Category Name	Category	Revenue
12	HV 3	Other Industry & General Purpose Non-Industrial	2,099.20
13	HV 4	Steel Industries	8,146.13
14	HV 5	PWW, Irrigation & Agriculture allied	231.05
15	HV 6	Residential Purpose	160.39
16	HV 7	Start-up Power Tariff	9.79
17	HV 8	Industries related to manufacturing of RE power generation equipment	3.34
18	HV 9	IT & Textile Industries	0.78
19	HV 10	Temporary	-
Total (A + B)			**23,593.88**

The computation of category-wise revenue from revised tariff approved for CSPDCL for FY 2024-25 is given as **Annexure V** to this Order.

10.12 Cross-subsidy

An element of cross-subsidy is inherent in the present and revised tariff structure. The tariffs of different consumer categories in relation to the approved adjusted ACoS of Rs. 6.92 per kWh is such that the tariffs for some categories of consumers are higher than the ACoS while the tariffs for other categories are lower than the ACoS. The Commission has rationalised the cross-subsidy in this Order as shown in the Table below:

Table 10-5: Cross-subsidy with Existing tariff and Approved tariff

Consumer Category		Approved in Tariff Order FY 2023-24		Approved in Tariff Order for FY 2024-25	
		ABR (Rs. /kWh)	ABR/ ACOS (%)	ABR (Rs. /kWh)	ABR/ ACOS (%)
LV	Domestic	5.22	79%	5.37	78%
	Non-Domestic	9.06	138%	9.17	133%
	Agriculture	5.45	83%	5.67	82%
	Industry	7.56	115%	8.12	117%
	Public Utilities	6.94	106%	7.28	105%
HV	Railway Traction	5.25	80%	6.75	98%
	Mines	9.21	140%	9.44	136%
	Other Industrial & General Purpose Non-Industrial	9.15	139%	9.63	139%
	Steel Industries	6.21	94%	7.25	105%

10.13 Cross-Subsidy Surcharge

The Commission has determined the Cross-Subsidy Surcharge (CSS) to be paid by the Open Access consumers, in accordance with CSERC (Connectivity and Intra-State Open Access) Regulations, 2011. Accordingly, the Commission has done away with the differential Open Access charges applicable for Conventional Open Access and RE Open Access, and has made the Open Access charges uniform.

The approved Cross-Subsidy Surcharge (for conventional and RE Open Access) is as under:

- Rs. 0.64 per kWh for 220 kV/132 kV consumers;
- Rs. 0.92 per kWh for 33/11 kV consumers.

10.14 Standby Charges

The Standby Charges shall not be applicable to consumers having contract demand with CSPDCL and using solar power under open access route.

10.15 Green Energy Tariff

CSPDCL submitted that many corporates do not wish to go through the process of sourcing RE because either they are not eligible to avail Open Access under the current Regulatory framework or they do not have the resources, expertise and the bandwidth required for carrying out this activity.

CSPDCL submitted that the MoP has notified the Electricity Rules (Promoting renewable energy through Green Open Access) 2022, wherein a separate Green Energy tariff is to be determined by the Appropriate Commission.

Green Energy Tariff, being totally voluntary in nature, will give choice to the consumers to opt for green energy.

CSPDCL submitted that for supplying exclusive round-the-clock green energy for the consumers, the Licensee will incur additional cost, for additional RE procurement as well as to handle the intermittent nature of RE. There would be large variation during a day between RE generation and consumption on real-time basis. Therefore, even if the quantum of RE generation and consumption is matching on monthly basis, there would be additional cost implication on CSPDCL. Such additional cost components have been identified as under:

a) Marginal Purchase Cost
b) Banking/Storage Cost
c) Backing Down Cost of Conventional Generator to absorb RE
d) DSM Charges

CSPDCL submitted the computation of Green Tariff, based on the above-identified cost components, as under:

Sl. No.	Particulars	Cost (Rs/ kWh)
1	Marginal Purchase cost	1.64
2	Banking/ Storage Cost	2.09
3	Backing Down Cost of Conventional Generator to absorb RE	0.98
4	**Total**	**4.71**

CSPDCL submitted that the actual premium for Green Tariff works out to Rs. 4.71/kWh, however, in order to promote Green Energy, CSPDCL is proposing Green Premium equivalent to only marginal purchase cost, i.e., Rs. 1.64/kWh. The proposed Green Energy Tariff is a premium charge over existing retail tariff, and all other charges as approved in the Tariff Order shall be applicable to respective category of consumers. This Green Tariff shall be proposed for annual revision, on a Petition by CSPDCL, subject to approval by the Commission. Further, Green Tariff being a new concept, it is not possible to ascertain the number of consumers who may opt for this tariff.

The consumers requiring Green Tariff for meeting their RPO may apply to CSPDCL six months in advance with their requirement and the duration of required supply. The consumers opting for Green Tariff for meeting their RPO shall have to avail it for a minimum period of 1 year. Therefore, it is not possible to quantify the sales quantum under this category presently. However, CSPDCL will capture and present the impact of this new tariff during the truing up of FY 2024-25. In view of the above, CSPDCL requested the Commission to approve Green Energy tariff of Rs. 1.64/kWh, over and above the retail supply tariffs of respective categories of consumers, who have opted for Green Power Tariff for FY 2024-25.

The Commission observed that the Green Energy Tariff proposed by CSPDCL in its Petition was not strictly in accordance with the formulation stipulated in the MoP Rules, and directed CSPDCL to submit its revised Proposal for Green Energy Tariff, in accordance with the formulation stipulated in the MoP Rules.

In reply, CSPDCL submitted its revised Proposal for Green Energy Tariff, as under:

CSPDCL proposed two (2) types of Green Energy Tariff, viz.,

i) **Green Energy Charges for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint (excluding RPO) and seeking certification to this effect only.**
Considering the practices adopted in other States like Maharashtra and Madhya Pradesh, CSPDCL requested the Commission for determination of Green Energy Tariff for such consumers as shown under:

RE Power Procurement for FY 2024-25			**Non-RE Power Procurement (only variable) for FY 2024-25**			**Difference between RE & Non-RE**	**Proposed Green Energy Tariff**
MU	**Rs. Cr.**	**Rs/kWh**	**MU**	**Rs. Cr.**	**Rs/kWh**	**Rs/kWh**	**Rs/kWh**
A	**B**	**C**	**D**	**E**	**F**	**G=(C-F)**	**H=G**
4620.14	1154.85	2.50	35183.78	6084.64	1.73	0.77	0.77

ii) **Tariff for Green Energy and Modalities for consumers availing Green Energy from Distribution Licensee to meet the RPO Compliance**
CSPDCL submitted that as per the MoP Rules, the components for Green Energy Tariff for meeting RPO of an entity are:

a) Average Pooled Power Purchase Cost of RE

b) Cross Subsidy Charges, if any, and

c) Service Charge covering prudent cost of distribution licensee for providing Green Energy.

CSPDCL submitted that the consumer requisitioning the Green Energy will remain the consumer of the licensee and for such consumer, the ABR has already been approved, which not only take care the current level of cross subsidy but also covers the service charges of the Distribution Licensee such as O&M, Interest on loan, etc., and also covers the average pooled power purchase cost. Hence, the existing tariff takes care of the component (a), (b) and part of component (c) of Green Energy Tarif as stipulated in the MoP Rules. Therefore, CSPDCL has adopted a simplistic approach wherein it has calculated the incremental prudent cost, which is envisaged to be incurred while procuring and supplying additional RE power as requisitioned by the consumer to fulfil his RPO Obligation. Such incremental cost has been termed as Green Energy Tariff and is proposed to be levied over and above the existing Tariff structure.

CSPDCL has proposed Green Energy Tariff separately for Wind RPO, HPO and Others (mainly Solar), in line with the revised RPO targets specified by the Commission.

CSPDCL has considered the additional marginal cost of procuring RE power from Wind, HPO and Other Sources, based on the prevalent prices. CSPDCL has further identified the following components of additional cost that may be incurred by CSPDCL to supply additional RE power to the consumers:

a) Backing Down Cost of conventional generator to absorb RE, at Rs. 0.98/kWh
b) Banking / Storage Cost @Rs. 1.51/kWh
c) DSM Cost – not considered for now
d) Marginal Purchase Cost – considered as Rs. 0.92/kWh for Wind, Rs. 3.30/kWh for Hydro, and Rs. 0.93/kWh for Other RE.

Based on the above components, CSPDCL proposed the Green Energy Tariff for RPO Compliance, as under:

Green Energy Source	Backing Down Charges	Banking/ Storage Cost	DSM Charges	Marginal Balancing Cost	Proposed Green Energy Tariff (Rs/kWh)
	A	B	C	D	E=A+B+C+D
Wind	0.98	1.51	-	0.92	3.41
Hydro	0.98	1.51	-	3.30	5.79
Others	0.98	1.51	-	0.93	3.42

Commission's Analysis

The Commission, after considering the submissions of the Petitioner, stakeholders' comments and the MoP Rules, has separately determined the Green Energy Tariff and Modalities for two types of Green Energy transactions as follows:

a. Green Energy Tariff and Modalities for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect.

b. Tariff for Green Energy and Modalities for consumers availing Green Energy from Distribution Licensee as per CSERC Regulations.

a) Green Energy Tariff and Modalities for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect

Applicability

The Green Energy Tariff is an optional / voluntary arrangement for the all category of consumers who are willing to procure power from RE sources from the licensee for the purpose of reducing their carbon footprint.

The consumers may procure RE power quantum minimum of 25% their monthly consumption of electricity during any billing month. The consumers shall be permitted to increase their consumption from RE Power in steps of 5% of their monthly consumption over and above 25% up to 100% from RE sources during any billing month.

Such consumers shall also be permitted to avail power from licensees for any number of days in a billing month subject to meeting consumption criteria as mentioned above.

The consumers shall have to place a requisition for availing power from RE sources with CSPDCL, at least 3 months in advance.

Treatment of RPO

The RE power supplied by the Petitioners for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification from Distribution Licensee to this effect shall only be considered towards RPO compliance of CSPDCL and shall not be considered for fulfilment of RPO for Obligated Entities. If the consumer is also an obligated entity, then he may make its own arrangement or submit requisition to Distribution Licensee for procuring RE power from Distribution Licensee for the purpose of meeting their RPO compliance for the entity as per the second Option detailed below.

Green Energy Tariff

The Commission has determined Green Energy Charges for the consumers who wish to procure RE Power for the purpose of reducing their carbon footprint and seeking Certification to this effect as 75% of the difference in weighted average rate of RE power and weighted average rate of Energy charge (Variable Charges) of Non-RE sources as shown in the following table:

RE Power Procurement for FY 2024-25			Non-RE Power Procurement (only variable) for FY 2024-25			Difference between RE & Non-RE	Approved Green Energy Tariff
MU	**Rs. Cr.**	**Rs/kWh**	**MU**	**Rs. Cr.**	**Rs/kWh**	**Rs/kWh**	**Rs/kWh**
A	**B**	**C**	**D**	**E**	**F**	**G=(C-F)**	**H=Gx25%**
4761.24	2119.49	4.45	36062.71	5005.50	1.39	3.06	0.77

The Commission has approved the Green Energy Tariff for consumers as Rs. 0.77/kWh, i.e., equal to 25% of the difference between the average rate of RE and Non-RE power purchase, in order to encourage the consumers to procure additional RE power, while at the same time, contributing to CSPDCL's RPO achievement. This will also result in additional revenue to CSPDCL.

b) Tariff for Green Energy and Modalities for consumers availing Green Energy for meeting their RPO from Distribution Licensee as per CSERC RPO-REC Regulations

The Commission has detailed the Green Energy Tariff and modalities applicable for Obligated Entities who choose to consume RE in accordance with CSERC RPO-REC Regulations, 2021, through requisition from Distribution Licensee.

The CSERC DRE Regulations, 2019 and its subsequent amendments specifies that any requisition for green energy from a Distribution Licensee shall be for a minimum period of one year and the quantum of green energy shall be pre-specified for at least one year. Accordingly, the consumers seeking additional RE power from the Licensee to meet their RPO, have to submit their requisition for a minimum period of one year.

Green Energy Tariff

As per the provisions of the MoP Rules, the components for determining Tariff for Green Energy for consumer shall include:

a. Average Pooled Power Purchase Cost of RE
b. Cross Subsidy Charges, if any, and
c. Service Charge covering prudent cost of distribution licensee for providing Green Energy.

As per provisions of CSERC DRE Regulations, 2019 and its subsequent amendments, Green Energy can be requisitioned by any consumer having contracted demand or sanctioned load of 100 kW and above.

The tariffs approved in this Order covers all the costs of the licensee, including power purchase cost from all the sources, element of cross-subsidy, and all other costs of Licensee approved as part of ARR, which also includes Service Charges.

The Commission has accordingly determined the Green Energy Tariff for consumers purchasing Green Energy from CSPDCL based on the incremental cost basis for availing RE power from Wind, HPO and Others, which shall be applicable to consumers over and above the normal tariff of the respective category.

The Commission observed that CSPDCL, while proposing Tariff for Green Energy has only asked for Green Energy Tariff for RPO compliance of an entity whereas the MoP Rules stipulates that any consumer may elect to purchase Green Energy.

The approach adopted by the Commission for determining Green Energy Tariff for consumers electing to purchase Green Energy from CSPDCL is as follows:-

i) The Average Pooled Power purchase cost of RE sources (Wind, HPO and Others,) and its contribution to ACoS has been worked out separately considering the normative losses, Intra-State Transmission losses and Inter-State and Intra-State Transmission Charges as shown in the table below:

Table 10-6: Effective Cost of Pooled Power Purchase of RE sources

Particulars	Unit	Wind	HPO	Others
Power Purchase Cost of RE	Rs. Crore	1,205.18	424.44	489.87
Quantum of RE	MU	2,589.04	1,509.50	662.70
Weighted Avg. Rate of RE	**Rs/kWh**	**4.65**	**2.81**	**7.39**
Distribution Loss	%	15.00%	15.00%	15.00%
RE Rate after considering Distribution Loss	Rs/kWh	5.48	3.31	8.70
Intra-State Transmission Loss	%	3.00%	3.00%	3.00%
RE Rate after considering Intra-State Transmission Loss	Rs/kWh	5.65	3.41	8.97
Inter and Intra-State Transmission Charges	Rs/kWh	0.58	0.58	0.58
Contribution of Pooled Power Purchase Rate of RE in ACoS	**Rs/kWh**	**6.23**	**3.99**	**9.54**

ii) In order to determine the Cross Subsidy Charges, the difference between ACoS and ABR of respective categories have been considered.

iii) Service Charges pertain to the cost of the licensee other than the power purchase cost, i.e., Other ARR components, and the fixed cost of power purchase including Transmission Charges as the power purchase from RE is at single-part tariff only. Hence, the fixed cost of power purchase has also been considered while determining the Service Charges of the Licensee.

iv) In the ACoS approved by the Commission, the contribution of other components of ARR excluding power purchase cost works out to be Rs 1.76/kWh, and the same is considered as Service Charges covering prudent cost of the licensee for supplying power to the consumers.

v) In case the Licensee procures more RE power to meet the requisitions of consumers opting for procuring RE power, the thermal capacity contracted by the licensee will become stranded and hence, the fixed cost due to stranded power also needs to be considered as part of Service Charges of the Licensee for providing Green Energy, which works out to Rs. 2.39/kWh.

vi) The Service Charges related to other ARR components and fixed cost of power purchase takes care of all the other costs that the Licensee will incur in supplying Green Energy for consumer. Hence, the Commission has not considered any other cost separately as proposed by the Petitioners while determining the Green Energy Tariff.

vii) The Green Energy Tariff applicable for different category of consumers for different RE Sources has been computed considering effective cost of pooled power purchase cost from RE, Cross Subsidy Charges and Services Charges in accordance with the MoP Rules.

viii) Based on the above, incremental Green Energy Tariff has been determined (i.e., Green Energy Tariff applicable minus applicable ABR).

ix) Further, the Green Energy Tariff, computed based on the above approach, works out to quite high, and it may be impractical to expect consumers to pay such additional Green Energy Tariff, in addition to the base tariff applicable for the category. Hence, the Commission has approved the Green Energy Tariff for different RE sources at 50% of the rate computed as above.

x) Accordingly, incremental Green Energy Tariff for different RE sources is as shown below:

Green Energy Source	Approved Green Energy Tariff (Rs/kWh)
Wind	0.61
Hydro	3.38
Others	1.72

Treatment of RPO

The treatment of RPO for consumers availing Green Energy shall be as per CSERC DRE Regulations, 2019 and its subsequent amendments. The Green Energy purchased by Obligated Entity from Distribution Licensees shall be first considered to meet the RPO of the Obligated Entity. The green energy purchased from Licensee or from RE sources other than Licensee in excess of RPO of Obligated Entity shall be accounted for as provisions specified in CSERC DRE Regulations 2019 and its subsequent amendments.

The revenue earned by CSPDCL from sale of power from Green Energy for the purpose of reducing their carbon footprint and seeking Certification to this effect shall be considered as Tariff Income at the time of truing up. Such treatment of revenue shall also ensure that the benefit of same is passed on to other consumers of the State.

The revenue earned by CSPDCL from sale of power to consumers under Green Energy Tariff shall be considered as revenue from sale of power. CSPDCL is directed to separately maintain tariff category and sub-category wise accounting of number of consumers, connected load, sale and revenue from sale under Green Energy Tariff for consumers, and the same shall be shown separately by CSPDCL at the time of truing-up.

The above arrangement is optional / voluntary and shall only be provided on the request of the Consumer. The modalities specified above may be amended by the Commission suitably as and when required.

10.16 Fuel and Power Purchase Adjustment Surcharge (FPPAS)

The Commission has introduced the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt.

FPPAS shall be levied on the energy charges on all the LV and HV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.

Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the nth month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2024-25 is being implemented with effect from 1st June 2024, the base rate for computation of FPPAS for the month of April 2024 shall be as approved in the Tariff Order for FY 2023-24, whereas the base rate for computation of FPPAS for the month of May 2024 shall be as approved in the Tariff Order for FY 2024-25.

CSPDCL shall work out the amount of FPPAS and shall intimate the same and manner of determination of the same to the Commission. The gist of FPPAS computation shall be widely publicized by CSPDCL in the leading newspapers of the State. Calculations of the FPPAS for the particular month shall be displayed by CSPDCL on its website for the information of the consumers.

The values of various parameters required for calculation of FPPAS are given below:

i. Average Billing Rate (ABR) – Rs. 6.92/ kWh

ii. Intra-State Losses – 3%

iii. Distribution Losses – 12.68%

iv. Inter-State Losses – 3.57%

v. Projected average Power Purchase Cost (PPC) – Rs. 3.74/kWh

vi. Base Cost of Monthly Transmission Charges - Rs. 195.24 Crore

10.17 Parallel Operation Charges

The Commission has retained the Parallel Operation Charges (POC) as 13 paise/kWh as determined in the previous Tariff Order.

10.18 Applicability of Order

The approved Tariff Schedule for FY 2024-25 is given in the next Chapter.

The Order will be applicable from 1st June, 2024 and will remain in force till March 31, 2025 or till the issue of next Tariff Order, whichever is later. The Commission directs the Companies to take appropriate steps to implement the Tariff Order.

11 TARIFF SCHEDULE FOR FY 2024-25

This Tariff Schedule shall be applicable from June 1, 2024.

11.1 Tariff Schedule for Low Voltage (LV) Consumers

This tariff schedule is applicable to all LV consumers as follows:

a) Single-phase, 230 Volts up to a maximum Sanctioned Load of 5 kW (excluding agriculture and industrial consumers), and

b) Three-phase, 400 Volts for maximum demand up to 112 kW in case of demand-based tariff or for maximum Sanctioned load of 150 HP in case of other tariff, as applicable.

11.1.1 LV-1: Domestic

Applicability

This tariff is applicable to domestic light and fan and power used for all domestic appliances, in residential premises, orphanages, homes for old/physically challenged people and homes for destitute, dharamshalas and working women's hostels run by charitable Trust, Government student hostels, ashrams, offices of National Cadet Core (NCC), Public Libraries and reading rooms, educational institutions and hospitals (including X-rays, etc.) run by charitable trusts / non-profit organizations / societies registered under the Firms and Societies Act, homes for differently abled and mentally retarded, de-addiction and rehabilitation centres, Government hospitals/dispensaries, (excluding private clinics and nursing homes), facilities like prayer hall, gymnasium and club house within the housing society, Government Schools, farm houses for own use, mosques, temples, churches, gurudwaras, religious and spiritual institutions, water works and street lights in private colonies and cooperative societies, common facilities such as lighting in staircase, lifts, fire-fighting in multi-storied housing complex, light and fan in gauthan and khalihan, kothar, byra where agriculture produce is kept, post office at residence of a villager, residential premises of professionals such as advocates, doctors, artists, consultants, weavers, bidi makers, beauticians, stitching and embroidery workers including their chambers, public toilets, fractional HP motors used for Shailchak by Kumhars in their residences, zero waste centre compost unit.

Tariff:

Category of Consumers	Units Slab	Fixed Charge (Rupees per kW)	Energy Charge (Rs. per kWh)
LV-1: Domestic			
Domestic including BPL Consumers	0 -100 units	Rs. 20/- per kW/month for Sanctioned Load up to 5 kW; Rs. 30/- per kW/month for Sanctioned Load above 5 kW and up to 10 kW; Rs. 40/- per kW per month for Sanctioned Load above 10 kW	3.90
	101-200 units		4.10
	201 - 400 units		5.50
	401 – 600 units		6.50
	601 and above units		8.10

Notes:

i. Energy Charges are telescopic. For example, if consumption in any month is 150 units, then for first 100 units, rate of slab 0-100 shall be applicable and for remaining 50 units, rate of slab 101-200 shall be applicable;

ii. Fixed Charges is a monthly minimum charge, whether any energy is consumed during the month or not;

iii. Fixed Charges are telescopic. For example, if Sanctioned Load is 7 kW, then the rate of Rs. 20/- per kW/month shall be applicable for the first 5 kW and the rate of Rs. 30/- per kW/month shall be applicable for the balance 2 kW;

iv. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

v. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

vi. Domestic consumers shall be entitled for subsidy as per State Government Order, and their consumption shall be billed as per tariff LV-1.

vii. If a portion of the dwelling is used for the conduct of any business other than those stipulated above, the entire consumption shall be billed under Non-domestic tariff LV-2.

11.1.2 LV-2: Non-Domestic

Applicability

This tariff is applicable to light and fan and power to shops, showrooms, business houses, offices, educational institutions (except those included in LV-1 and LV-5), public buildings, Warehouses, town halls, clubs, gymnasium and health clubs, meeting halls, places of public entertainment, circus, hotels, cinemas, railway stations, private clinics and nursing homes including X-rays plant, diagnostic centres, pathological labs, juice centres, billboards/hoardings and advertisement services, typing institutes, internet cafes, STD/ISD PCO's, Mobile Towers, coaching centres, FAX/photocopy shops, tailoring shops, photographers and colour labs, laundries, cycle shops, compressors for filling air, nickel plating on small scale, restaurants, eating establishments, Government circuit houses/rest houses, guest houses, marriage gardens, farmhouses being used for commercial purposes, book binders, offset printers, bakery shop, banks, parlours, printing press, computer centre, petrol pumps and service stations, electric charging centres for Vehicles, HV industrial consumers seeking separate independent LV connection in the same premises of HV industrial connection and other consumers not covered under any other category of LV consumers.

Tariff:

Category of Consumers	Units Slab	Fixed Charge (Rs per kW of Contracted load/Billing Demand)	Energy Charge (Rs. per kWh)
LV-2.1: Single Phase Non-Domestic- (up to 5 kW)	0 – 100 units	Rs. 50 per kW per month	6.05
	101 - 400 units		7.05
	401 and above units		8.45
LV-2.2: Three Phase Non-Domestic			
(A) Up to 15 kW	0-400 units	Demand Charges- Rs 120/kW/month on billing demand	7.05
	401 and above units		8.45
(B) Above 15 kW	All units	Demand Charges- Rs 200/kW/month on billing demand	7.75

Notes:

i. Fixed Charges of LV-2.1 and Demand Charge on contract demand of tariff LV-2.2 is a monthly minimum charge, whether any energy is consumed during the month or not.

ii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

iii. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

iv. For charging stations of electric vehicles, a flat rate single part tariff of Rs. 6.92 per unit shall be applicable.

v. The discount of 25% on Energy Charges applicable for mobile towers set up after 1st April 2019 in Government notified left-wing extremism affected districts shall continue.

vi. A discount of 10% on Energy Charges shall be applicable for commercial activities being run exclusively by registered women self-help groups.

vii. A discount of 5% on Energy Charges shall be applicable for private clinics, hospitals and nursing homes including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005.

11.1.3 LV-3: L.V. Agriculture

Applicability

This tariff is applicable to agricultural pumps/tube wells used for irrigation (including drip and sprinkler system) for crops, nursery, baadi, horticulture crops (growing vegetables and fruits), floriculture (growing flowers), growing of herbs/medicinal plants and mushroom, jatropha plantation, chaff cutters, thresher, winnowing
machines, sugarcane crushers used on agricultural land, lift irrigation pumps/tube wells of State Government or its agencies, water drawn by agriculture pumps used by labour, cattle, and farm houses in the premises of agriculture farms for drinking purposes only and packaging of agriculture produce at farm, khalihan, etc.

Tariff:

Category of Consumers	Fixed Charge	Energy Charge (Rs. per kWh)
LV-3: Agriculture	Rs. 100/HP/month	5.30

The load of 100 W for light and fan is permitted in hutment at or near the motor pump set.

Notes:

i. Fixed Charge is monthly minimum charge, whether any energy is consumed during the month or not.

ii. For non-subsidized agriculture pump connection, a concession of 20% on energy charges shall be allowed.

iii. Consumers opting for flat rate billing under KJJY scheme shall pay Rs. 100/HP/month as flat rate charges; in addition to fixed charges on billing demand plus energy charges on consumption payable by State Government under KJJY scheme up to the applicable ceiling limit of 6000/7500 units annual consumption.

11.1.4 LV- 4: L.V. Agriculture Allied Activities

Applicability

This tariff is applicable to pump/tube well connections, other equipment and light and fan for tree plantation, fisheries, hatcheries, mushroom cultivation, bee farming, poultry farms, dairy, cattle breeding farms, sericulture, tissue culture, aquaculture laboratories and milk chilling plant.

Tariff:

Category of Consumers	Fixed Charge	Energy Charge (Rs. per kWh)
LV-4.1 (A): Up to 25 HP	Rs. 100 per HP per month or Rs. 134 per kW per month	5.30

Category of Consumers	Fixed Charge	Energy Charge (Rs. per kWh)
LV-4.1 (B): Above 25 HP up to 150 HP	Rs. 110 per HP per month or Rs. 147 per kW per month	6.05
LV-4.2: Demand based tariff for Contract Demand of 15 to 112.5 kW	Rs. 200 per kW per month on billing demand	6.25

Note:

Fixed Charge is monthly minimum charge. Demand Charge on contract demand is monthly minimum charge, whether any energy is consumed during the month or not.

11.1.5 LV-5: L.V. Industry

Applicability

i. These tariffs are applicable to power, light and fan for industries such as flour mills, hullers, grinders for grinding masala, textile industries including power looms and handlooms, rice mills, poha and murmura mills, daal-mills, oil mills, ice factories, cold storage plants, ice candies, terracotta, Jute industries, handicraft, agro-processing units, ethanol industries, aluminium based factory, bakery/biscuit industries, bottling plant, cable/insulation industries, Cement Based Factory, Chemical Plant, Coal Based Industries, Conductor Wire Industries, Cutting & Polishing Of Marble, Fabrication Workshop, Food Processing Industry, minor forest produce based units, Forest Product based factory, GI Wire Industries, Glass Industries, Hot Mixing Plant, IT based industries, Mineral based factory, Plastic Industries, Plywood factory, Pulverize industries, Rolling Mill, Saw Mill, furniture manufacturing/making units, mines, mines with stone crusher unit, stone crusher, mixer, mixer with stone crushers, Toy Industries, Wire Drawing / Steel Industries, Wire Product, industries run by Registered Women self-help group, workshops, fabrication shop, Gramin Aoudyogik Park established under Narwa, Garua, Ghurwa, Bari Sankalpana Yojana of the Government of Chhattisgarh, etc.

Tariff:

Category of Consumers		Demand Charge	Energy Charge (Rs. per kWh)
LV-5: L.V. Industry			
5.1	Flour mills, Hullers, power looms, grinders for grinding masalas, terracotta, handloom, handicraft, agro-processing units, minor forest produce up to 25 HP or 18.7 kW	Rs. 80/kW/month on billing demand	4.75
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 80/kW/month on billing demand	4.25

Category of Consumers		Demand Charge	Energy Charge (Rs. per kWh)
5.2	Other Industries		
5.2.1	Up to 25 HP or 18.7 kW	Rs. 120/kW/month on billing demand	5.75
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 100/kW/month on billing demand	4.75
5.2.2	Above 25 HP up to 150HP (18.7 kW to 112.5 kW)	Rs. 150/kW/month on billing demand	6.50
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 130/kW/month on billing demand	6.00

***Notified Vide Order dated August 22, 2005**

Notes:

i. Demand Charge on contract demand is monthly minimum charge, whether any energy is consumed during the month or not.

ii. A rebate of 5% in energy charges for consumers specified under tariff category shall be allowed for LV industries located in rural areas notified by Government of Chhattisgarh..

iii. A rebate of 10% on Energy Charges shall be applicable for industrial activities being run exclusively by registered women self-help groups.

iv. A discount of 5% on Energy Charges shall be applicable for Poha and Murmura mills.

11.1.6 LV-6: Public Utilities

Applicability

This tariff is applicable to colonies developed by Chhattisgarh State Housing Board and Public Utilities such as water supply schemes, sewage treatment plants and sewage pumping installations, crematorium, traffic signals and lighting of public streets including public parks and archaeological and other monuments when requisition for supply is made by Public Health Engineering Department, Local Bodies, Gram Panchayats or any organization made responsible by the Government to maintain these services.

Tariff:

Category of Consumers	Fixed Charge	Energy Charge (Rs. per kWh)
LV-6: Public Utilities	Rs. 142/HP/month or Rs. 190/kW/month	6.85

Notes:

i. Fixed Charge is monthly minimum charge whether any energy is consumed during the month or not.

ii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

iii. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

11.1.7 LV-7: Information Technology & Export Oriented Textile Industries

Applicability

This tariff is applicable to Information Technology Industries and Export Oriented Textile Industries having minimum Contract Demand of 50 kW.

Tariff:

Category of Consumers	Demand Charge on billing demand (Rs./kW/Month)	Energy Charge (Rs. per kWh)
LV-7: Information Technology & Export Oriented Textile Industries	150	5.75

Note:

Demand Charge is payable as monthly minimum charge whether any energy is consumed during the month or not.

11.1.8 LV 8: Temporary Supply

Applicability

This tariff is for connections that are temporary in nature. The tariff applicable shall be as given for the respective category of consumer.

Provided that for construction purpose, a consumer shall be given a temporary connection only.

Provided further that for a farmer requiring temporary agriculture pump connection more than once within a period of one year from the date of disconnection of the previous connection, no fresh paper formalities would be required.

Temporary supply cannot be demanded by a prospective consumer as a matter of right but will normally be arranged by the Licensee when a requisition is made subject to technical feasibility.

Tariff:

Fixed Charge and Energy Charge shall be billed at one and half times the normal tariff as applicable to the corresponding consumer categories.

Provided that for Agricultural pump connections, the Fixed Charge and Energy Charge shall be billed at the normal tariff applicable for LV-3 category.

Notes:

i. An amount equal to estimated bill for 3 months or for the period of temporary connection requisitioned, whichever is less, is payable before serving the temporary connection, subject to replenishment from time to time and adjustment in the last bill after disconnection.

ii. No temporary connection shall be served without a meter.

iii. Connection and disconnection charge shall be paid as per the schedule of miscellaneous charges.

iv. No rebates/concessions under any head shall be applicable to temporary connections.

v. A month for the purpose of billing of temporary supply shall mean 30 days from the date of connection or part thereof.

vi. In case connected load/maximum demand is found more than Sanctioned load/contract demand, then the billing of excess load/supply shall be done for the amount calculated as per para 1.1.11.

vii. Any expenditure made by the Licensee for providing temporary supply up to the point of supply, shall be paid for by the consumer as per prescribed procedure.

viii. Temporary connections shall not be served unless suitable capacitors, wherever applicable, are installed so as to ensure Power Factor of not less than 0.85 lagging.

ix. Surcharge at the rate of 2% per month or part thereof on the outstanding amount of the bill shall be payable in addition, from the due date of payment of bill, if the bill is not paid by the consumer within the period prescribed.

11.1.9 Terms and Conditions of L.V. Tariff

1. Energy will be supplied to the consumer ordinarily at a single point for the entire premises of the consumer.

2. Sanctioned Load or Contract Demand/Maximum Demand infraction shall be rounded off to the next whole number.

3. If the bills are not issued consecutively for three months or more for any LT Consumer, billing on accumulated meter reading shall not be raised without approval of concerned Executive Engineer of CSPDCL.

4. For the purpose of separate independent LV connection to HV Industrial

consumer in the same premises of HV industrial connection, to meet out its essential load during emergency or non-availability of supply in HV connection under LV-2 category, conditions as mentioned in Clause 4.40 of the Chhattisgarh State Electricity Supply Code and its amendment, if any, shall be applicable.

5. For the purpose of Demand Based Tariff (LV-2.2, LV-4 and LV-5)

   i. **Determination of Maximum Demand**- The maximum demand means the highest load measured by sliding window principle of measurement in average kVA or average kW as the case may be at the point of supply of a consumer during any consecutive period of 30 minutes during the billing period.

   ii. **Billing Demand** – The billing demand for the month shall be the actual maximum kW demand of the consumer recorded during the month or 80% of the Contract Demand, whichever is higher. The billing demand shall be rounded off to the next whole number.

   iii. **Minimum Charge** – The demand charge on contract demand (CD) is a monthly minimum charge whether any energy is consumed during the month or not.

6. The recorded demand for the respective month shall be reflected in the consumer bill.

11.1.10 Power Factor Incentive and Surcharge

i. Consumers, falling under tariff categories LV-4: LV Agriculture Allied Activities, LV 5- LV Industry, LV 6: Public Utilities and LV-7: Information Technology and Export Oriented Textile Industries, shall arrange to install suitable low-tension capacitors of appropriate capacity at their cost. The consumer also shall ensure that the capacitors installed by them properly match with the actual requirement of the load so as to ensure average monthly Power Factor of 0.9 or above. A consumer who fails to do so shall be liable to pay Power Factor surcharge @ 35 paise per kWh on the entire consumption of the month.

ii. All LV non-domestic consumers with Contracted Load of 15 kW or above shall arrange to install suitable Low Tension capacitors of appropriate capacity at their cost. The consumer shall ensure that the capacitors installed by him properly match with the actual requirement of the load so as to ensure average monthly Power Factor of 0.9 or above. A consumer who fails to do so will be liable to pay Power Factor surcharge @ 35 paise per kWh on the entire consumption of the month.

iii. All LV installations having welding transformer are required to install suitable Low Tension capacitors so as to ensure Power Factor of not less than 0.9. Consumers not complying with the above shall have to pay Power Factor surcharge of 75 paise per kWh on the entire monthly consumption, provided the load of the welding transformer(s) exceeds 25% of the total Sanctioned load.

Note - For the purposes of computing the connected load of welding transformers in kW, a Power Factor of 0.6 shall be applied to the kVA rating of such welding transformers. The kVA rating can also be calculated on the basis of load voltage and maximum load current on secondary side of welding machine.

iv. The average monthly Power Factor recorded in the meter shall be considered for billing of Power Factor surcharge or Power Factor incentive, as the case maybe.

v. Levy of Power Factor surcharge as indicated above, shall be without prejudice to the rights of CSPDCL to disconnect the consumer's installation after issue of 15 days' notice if the average monthly Power Factor remains 0.7 or below for a period of more than two consecutive months. It shall remain disconnected till the consumer makes suitable arrangements to improve the Power Factor.

vi. Notwithstanding the above, if the average monthly Power Factor of a new consumer is found to be less than 0.9 at any time during the first six months from the date of connection and if he maintains average monthly Power Factor continuously in subsequent three months at not less than 0.9, then the surcharge billed on account of low Power Factor during the said period shall be withdrawn and credited in next month's bill.

vii. All categories of LV consumers in whose case power factor surcharge is applicable; shall be eligible for Power Factor incentive for Power Factor of above 0.95. Such incentive shall be payable @ 1% of the energy charges for each 0.01 increase or part thereof in power factor above 0.95 up to unity power factor. For example, consumers with Power Factor of 0.965 shall be considered as 0.97 and be eligible for power factor incentive of 2% of energy charges. Consumers with Power Factor of 0.964 shall be considered as 0.96 and be eligible for power factor incentive of 1% of energy charges.

11.1.11 Provisions of billing in case of Excess Supply

1. For Sanctioned load-based tariff

i. The consumers, except the domestic (LV-1) consumers, availing supply at Sanctioned load-based tariff shall restrict their actual connected load within the Sanctioned load. However, in case the actual connected load in any month exceeds the Sanctioned load, the Sanctioned load-based tariff shall apply only to the extent of Sanctioned load and corresponding units of energy. The connected load in excess of Sanctioned load and corresponding units of energy shall be treated as excess supply except the domestic
(LV-1) consumers. The excess supply so consumed in any month, shall be charged at the rate of one and half times of the Sanctioned load based tariff applicable to the consumer (fixed and energy charges and FPPAS charges) for the excess connected load to the extent of 20% of Sanctioned load and at the rate of two times of Sanctioned load based tariff if the excess connected load is found beyond 20% of Sanctioned load for actual

period of enhancement of load or 6 months whichever is less, including the month in which the existence of excess load is detected and shall be continued to be billed till excess load is removed or Sanctioned load is enhanced.

ii. Where the recording facility of demand is available, the billing on account of excess supply shall be restricted to the recorded month only.

iii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load, as applicable, shall automatically be restated to the highest demand recorded in these three months;

iv. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall be restated to the highest demand recorded in these three months at the option of the consumer.

2. For Demand Based tariff consumers

i. Consumers availing supply at demand-based tariff (LV-2.2/LV-4.2/LV-5) should at all times restrict their maximum demand to the contract demand or Sanctioned load, whichever is applicable. However, contract demand for the demand-based tariff consumer can be less than Sanctioned load. In case the maximum demand in any month exceeds the contract demand, the said demand-based tariff (LV–2.2/LV-4.2/LV-5) shall apply only to the extent of the contract demand and corresponding units of energy. The demand in excess of contract demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed in any month, shall be charged at the rate of one and half times of the normal tariff applicable to the consumer (fixed and energy charges and FPPAS) for the excess demand to the extent of 20% of contract demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of contract demand.

ii. For the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:

a) Billing Demand: The demand in excess of the contract demand in any month shall be the billing demand.

b) Units of Energy: the units of energy corresponding to kW portion of the demand in excess of the contract demand shall be:-

EU= TU (1-CD/MD)

Where

EU – denotes excess units,

TU – denotes total units supplied during the month,

CD – denotes contract demand, and

MD – denotes actual maximum demand.

I. The excess supply availed in any month shall be charged along with the monthly bill and shall be payable accordingly.

II. The above billing of excess supply at one and half times/two times of the normal tariff shall be applicable to consumers without prejudice to CSPDCL's right to discontinue supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011, as amended from time to time.

iii. If the Recorded Demand exceeds the Contracted Demand for any three consecutive months, then the Contracted Demand, as applicable, shall automatically be restated to the highest demand recorded in these three months.

3. Delayed Payment Surcharge

If the bill is not paid by the consumer within the period (due date) prescribed for payment of the bill, a surcharge @ 1.5% per month or part thereof, on the total outstanding amount of the bill (including arrears, if any, but excluding amount of surcharge), subject to minimum of Rs. 5 shall be payable in addition, from the due date of payment as mentioned in the bill.

4. Additional Charges

Every Local Body shall pay an additional charge equivalent to any tax or fee levied by it under the provisions of any law including the Corporation Act, District Municipalities Act or Gram Panchayat Act on the poles, lines, transformers and other installations through which the Local Body receives supply.

5. Advance Payment Rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount which remains with the Licensee at the end of the calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee subject to the net amount of advance being not less than Rs.1000 and shall be adjustable in next month's bill.

6. Rounding off

The bill shall be rounded off to the nearest multiple of Rs.10. Difference, if any, between the bill amount before and after rounding off, shall be adjusted in next month's bill.

For example: - If the total amount of bill is Rs. 235.00, then the bill shall be rounded off to Rs. 240 and Rs. 5.00 will be credited in next month's bill, whereas if the total amount of bill is Rs. 234.95, then the bill will be rounded off to Rs. 230 and Rs. 4.95 will be debited in next month's bill. In view of the above provision, no surcharge will be levied on outstanding amount, which is less than Rs. 10.

7. Applicability of tariff

In case of any dispute about applicability of tariff to a particular LV category, the decision of the Commission shall be final and binding.

8. Tax or Duty

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

9. Meter Hire

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of LV consumers except the consumers of domestic light and fan category. Domestic light and fan category consumer shall not be required to pay such charges.

10. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

FPPAS shall be levied on the energy charges on all the LV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.

Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the n^{th} month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2024-25 is being implemented with effect from 1^{st} June 2024, the base rate for computation of FPPAS for the month of April 2024 shall be as approved in the Tariff Order for FY 2023-24, whereas the base rate for computation of FPPAS for the month of May 2024 shall be as approved in the Tariff Order for FY 2024-25.

CSPDCL shall work out the amount of FPPAS and shall intimate the same and manner of determination of the same to the Commission. The gist of FPPAS computation shall be widely publicized by CSPDCL in the leading newspapers of the State. Calculations of the FPPAS for the particular month shall be displayed by CSPDCL on its website for the information of the consumers.

11. Method of payment of Bills

(1) Consumer shall have the option to pay bills online or offline.

(2) Bill amount of more than **five thousand rupees** shall mandatorily be paid online.

(3) For bill amount less than or equal to **five thousand rupees**, consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or

debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system.

Provided that the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to **five thousand rupees**.

(4) The distribution licensee shall establish online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

12. Conditions to have over-riding effect

All the above conditions of tariff shall be applicable to the consumer notwithstanding the provisions, if any, in the agreement entered into by the consumer with the Licensee.

11.2 Tariff Schedule for High Voltage (HV) Consumers

11.2.1 HV-1: Railway Traction

Applicability:

This tariff is applicable to the Railways for traction loads only.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
Railway Traction on 132 kV / 220 kV	375	5.25

Specific terms and conditions:

1. The maximum demand means the highest load measured by sliding window principle of measurement in average kVA at the point of supply of a consumer during any consecutive period of 15 minutes during the billing period.
2. Provided that if as a result of an emergency in the consumer's installation or in the transmission lines supplying energy to the said traction sub-station, extra load is availed by the consumer with prior intimation to the Licensee, the period of such emergency shall not be taken into account for the purpose of working out the maximum demand.
3. Provided further that as a result of emergency in the traction sub-station (TSS) or in the transmission line supplying power, if the entire load of the TSS or part thereof is transferred to adjacent TSS, the maximum demand (MD) of the TSS for the month shall not be taken as less than the average MD recorded for the previous three months during which no emergency had occurred.

4. Other terms and condition shall be as mentioned in the general terms and conditions of HV tariff.

11.2.2 HV-2: Mines

Applicability

This tariff is applicable to all types of mines, mines with stone crusher unit, stone crusher, mixer, mixer with stone crushers, coal mines, coal washery, etc., for power, lights, fans, cooling ventilation, etc., which shall mean and include all energy consumption for mining purpose, and consumption for residential and general use therein including offices, stores, canteen compound lighting, etc.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
220 kV supply	500	6.85
132 kV supply	500	7.00
33 kV supply	500	7.25
11 kV supply	500	7.55

11.2.3 HV-3: Other Industrial and General Purpose Non-Industrial

Applicability

1. This tariff is applicable to all types of industries including cement industries and industries not covered under HV-1, HV-2 and HV-4 for power, lights, fans, cooling ventilation, etc., which shall mean and include all energy consumption in factory, and consumption for residential and general use therein including offices, stores, canteen compound lighting, etc.
2. This tariff is also applicable for bulk supply at one point to establishment such as Railways (other than traction), hospitals, offices, hotels, bakery, shopping malls, electric charging centres for Vehicles, power supplied to outside of State (border villages), educational institutions and other institutions, etc., having mixed load or non-industrial and/or non-residential load. This tariff is also applicable to all other HT consumers not covered specifically in any other HV tariff category.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
220 kV supply	375	6.55
132 kV supply	375	6.70
33 kV supply (Load factor >15%)	375	6.95
33 kV supply (Load factor <=15%)	190	7.15
11 kV supply (Load Factor >15%)	375	7.35
11 kV supply (Load Factor <=15%)	190	7.65

Notes:-

i. For charging stations of Electric Vehicles, a flat rate single part tariff of Rs. 6.92 per unit shall be applicable.

ii. A discount of 5% on Energy Charges shall be applicable for private clinics, hospitals and nursing homes including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005.

iii. A discount of 15% on Energy Charges shall be applicable for defence establishments under Government of India.

iv. A discount of 5% on Energy Charges shall be applicable for rice mills/Poha and Murmura mills.

11.2.4 HV-4: Steel Industries

Applicability

This tariff is applicable to steel industries, mini-steel plant, rolling mills, sponge iron plants, ferro alloy units, steel casting units, pipe rolling plant, iron ore pellet plant, iron beneficiation plant and combination thereof including wire drawing units with or without galvanizing unit, for power, lights, fans, cooling ventilation, etc., which shall mean and include all energy consumption in factory, and consumption for residential and general use therein including offices, stores, canteen compound lighting, etc.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
220 kV supply	375.00	5.95
132 kV supply	375.00	6.10
33 kV supply (Load factor >15%)*	375.00	6.35
33 kV supply (Load factor <=15%)*	190.00	6.85
11 kV supply (Load Factor >15%)*	375.00	6.45
11 kV supply (Load Factor <=15%)*	190.00	7.25

Notes:-

*The applicable Load Factor limit for 33 kV and 11 kV supply for exclusive Rolling mills consumers shall be 35%.

Further, to boost industrialization in the areas covered under **"Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran"** (notified vide Order dated August 22, 2005) and "**Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran"** (notified vide Order dated August 22, 2005), a special rebate of 5% on energy charge is being provided to the consumers starting production on or after April 1, 2017.

Load Factor Rebate

The consumers of this category shall be eligible for Load Factor rebate on Energy Charges:

Monthly Load Factor (LF)	Rebate
65% – 65.99%	rebate of 1% on normal Energy Charge calculated on entire energy consumption
66% - 66.99%	rebate of 2% on normal Energy Charge calculated on entire energy consumption
67% - 67.99%	rebate of 3% on normal Energy Charge calculated on entire energy consumption
68% - 68.99%	rebate of 4% on normal Energy Charge calculated on entire energy consumption
69% - 69.99%	rebate of 5% on normal Energy Charge calculated on entire energy consumption
70% - 70.99%	rebate of 6% on normal Energy Charge calculated on entire energy consumption
71% - 71.99%	rebate of 7% on normal Energy Charge calculated on entire energy consumption
72% - 72.99%	rebate of 8% on normal Energy Charge calculated on entire energy consumption
73% - 73.99%	rebate of 9% on normal Energy Charge calculated on entire energy consumption
74% and above	rebate of 10% on normal Energy Charge calculated on entire energy consumption

Provided that in case the monthly Load Factor is 64.99% or below, then no Load Factor Rebate shall be payable in that month:

Provided further that flat 30 hours per month of power-off (non-supply) shall be considered for calculation of Load Factor only in case of industries connected at 33 kV and 11 kV:

Provided also that the Load Factor Rebate shall not be applicable on the FPPPA component of Energy Charges:

Provided also that the Load Factor Rebate shall not be payable on the excess energy consumed corresponding to exceeding contract demand for that billing month:

Provided also that the monthly Load Factor shall be rounded off to the lowest integer.

The licensee and consumers shall comply with all safety requirements specified under the applicable laws and amendments thereof from time to time.

11.2.5 HV-5: Irrigation & Agriculture Allied Activities, Public Water Works

Applicability

1. This tariff shall be applicable for pump connections of Chhattisgarh State Housing Board, agriculture pump connections, irrigation pumps of lift irrigation schemes of State Government or its agencies/co-operative societies, including colonies developed and energy used for lighting pump houses.
2. This tariff is also applicable to the consumer availing supply at HV for the purpose of pump/tube well connections, other equipment for tree plantation, fisheries, hatcheries, mushroom cultivation, poultry farms, dairy, cattle breeding farms, sericulture, tissue culture and aquaculture laboratories, and milk chilling plant for power, lights, fans, coolers, etc., which shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc., and residential use therein.
3. This tariff shall be applicable for public utility water supply schemes, sewerage treatment plants and sewage pumping installations run by P.H.E. Department, Local Bodies, Gram Panchayat or any organization made responsible by the Government to supply/maintain public water works/sewerage installation including energy used for lighting pump house.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
Irrigation, Agriculture Allied Activities & Public Water Works	375	6.35

11.2.6 HV-6: Residential

Applicability

This tariff shall be applicable for bulk supply at one point to colonies, multi-storied residential buildings, townships, including townships of industries provided that consumption of non-domestic nature for other general-purpose load (excluding drinking water supply, sewage pumping and street light) shall not be more than 10% of total monthly energy consumption.

In case the consumption of non-domestic nature for other general-purpose load exceeds 10% of total monthly energy consumption, the tariff of HV-3: Other Industrial and General Purpose Non-Industrial, shall be applicable on entire consumption.

This tariff shall also be applicable to hospitals including educational institutions and X-rays, etc., situated within its premises, run by charitable trusts / non-profit organizations / societies registered under the Firms and Societies Act.

Tariff:

Category of Consumers	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
Residential	375	6.55

11.2.7 HV-7: Start-Up Power Tariff

Applicability

The tariff shall be applicable to those consumers who avail supply for start-up power for their power plant (generating station and captive generating plant) at 400/220/132/33/11 kV.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
400/220/132/33/11 kV	200	8.85

Conditions for start-up power consumers:

i. Contract demand shall not exceed 10% of the highest capacity of generating unit of the generating station/captive generating plant

ii. Captive generating plants, which do not have any co-located industrial load and who use the grid for transmission and wheeling of electricity can avail start up-power tariff.

iii. Captive generating plants, which have co-located industrial load are also entitled for start-up power tariff.

iv. Drawal of power shall be restricted to within 10% of Load Factor based on the Contract Demand in each month. In case the Load Factor in a month is recorded beyond 10%, the demand charge shall be charged at double the normal rate. Supply can also be disconnected if the monthly Load Factor exceeds 10% in any two consecutive months. Load Factor shall be computed from contract demand.

v. Start-up power shall also be made available to the generator/captive generating plant connected to CTU grid with proper accounting.

vi. This tariff shall also be applicable to generators for the consumption up to COD of the plant.

vii. Generators who have not availed start-up connection but eventually draw power from the grid shall be billed @ Rs 13 per kVAh. In case of captive generating plant, which do not have any co-located industrial load and who use the grid for transmission and wheeling of electricity, such CGP's, if they have not availed start-up connection but eventually draw power, shall be billed @ Rs. 13 per kVAh.

viii. In case of captive generating plant, which have co-located industrial load and who have not availed start-up connection but eventually draws start-up power from the grid shall be billed @ Rs. 13 per kVAh.

All renewable generators (biomass and small hydro) are exempted from payment of demand charge for the first five years from the date of commercial operation of their power plant, i.e., they will be required to pay only energy charge during first five years from COD and full start-up tariff from sixth year onwards. However, in case during first five years from the date of its connection, if the actual demand exceeds the contract demand, the billing for that month shall be as per other start-up power consumers exceeding contract demand. In case if the Load Factor is within 10% but actual demand exceeds the contract demand then also the billing for that month shall be as per other start-up power consumer exceeding contract demand. In case, it is established that the biomass based generator has used biomass in the lesser ratio than as mentioned in the guidelines of the Ministry of New and Renewable Energy during any financial year in first five years from the date of availing start up power tariff then demand charge as per this tariff category (HV–7) shall also become payable for the whole of such financial year and such payable amount will be billed in three equal instalments after such happening comes to the notice of CSPDCL.

11.2.8 HV-8: Industries related to manufacturing of equipment for power generation from renewable energy sources

Applicability

This tariff is applicable to consumers availing supply at 220/132/33/11 kV for manufacturing of plant, machinery and equipment used for generation of power from renewable sources of energy including for the manufacturing of hydel turbine, generator and related auxiliaries needed for small hydel plants up to 25 MW but excluding manufacturing of boilers, turbines, generators, and the related auxiliaries, which otherwise can be used for generation of power from conventional source of energy. This tariff shall also not be applicable for manufacturing of such common machines/equipment/and other items such as electrical motors, structural items, nuts bolts, etc. which can be used for other purposes also.

Tariff:

Supply Voltage	Demand charge (Rs./kVA/month)	Energy charge (Rs. per kVAh)
220/132/33/11 kV	130	4.65

11.2.9 HV-9: Information Technology & Export Oriented Textile Industries

Applicability

This tariff is applicable to Information Technology Industries and Export Oriented Textile Industries having minimum contract demand of 50 kW.

Tariff:

Category of Consumers	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
HV-9: Information Technology Industries and Export oriented Textile Industries	150	4.75

Note:

Demand Charge is payable as monthly minimum charge, whether any energy is consumed during the month or not.

11.2.10 HV-10: Temporary Connection at HV

Applicability

This tariff is applicable to all HV connections (other than the consumers availing Start up power Tariff (HV-7)), of temporary nature at 220/132/33/11 kV.

Provided that for construction purpose, a consumer shall be given a temporary connection only.

Temporary supply cannot be demanded by a prospective consumer as a matter of right but will normally be arranged by the Licensee when a requisition is made subject to technical feasibility.

Tariff:

One and half times of the normal Tariff applicable for the corresponding category of consumer for demand and energy charge shall be applicable.

Notes:

i. An amount equal to estimated bill for 3 months or for the period requisitioned, whichever is less, shall be payable in advance before the temporary connection is served subject to replenishment from time to time and adjustment in the last bill after disconnection.

ii. If maximum demand is found more than the contract demand in any billing month, the billing shall be done at one and half times/two times of the energy charges and Demand Charges as applicable, in case of exceeding contract demand in permanent connection, and shall be calculated as per Clause 10 of Terms & Conditions of HV tariff.

iii. Any expenditure made by CSPDCL up to the point of supply for giving temporary connection shall be payable by the consumer as per prescribed procedure.

iv. Connection and disconnection charges shall be paid separately.

v. No rebates/concessions under any head shall be applicable to temporary connections.

vi. Month for the purpose of billing of temporary supply shall mean 30 days from the date of connection or for part thereof.

vii. Other terms and conditions of the relevant category of tariff shall also be applicable.

viii. Surcharge at 2% per month or part thereof on the outstanding amount of the bill shall be payable in addition from the due date of payment of bill, if the bill is not paid by the consumer within the period prescribed.

11.2.11 Time of Day Tariff

This tariff is applicable to HV-2, HV-3, and HV-4 tariff category. Under the Time of Day (TOD) Tariff, electricity consumption in respect of HV industries for different periods of the day, i.e., Normal period, peak load period, and Off-peak load period (Solar Hours), shall be recorded by installing a TOD/Smart meter.

Consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer:

Period of Use	Normal rate of Demand Charge Plus
(i) Normal period (23:00 hours to 09:00 hours)	Normal rate of Energy Charges
(ii) Off-peak load period (Solar Hours) (09:00 hours to 17:00 hours)	80% of normal rate of Energy Charge
(iii) Peak load period (17:00 hours to 23:00 hours)	120% of normal rate of Energy Charge

Applicability and Terms and Conditions of TOD tariff:

i. The terms and conditions of the applicable tariff (such as monthly tariff minimum charge, etc.) shall continue to apply to a consumer to whom TOD tariff is applicable.

ii. In case, the consumer exceeds the contract demand, the demand in excess and the corresponding energy shall be billed at one and half/two times (as per methodology specified in Para "Additional Charges for Exceeding Contract Demand" of the Terms and Conditions of HV Tariff) of the normal tariff applicable for the day time (i.e., 5.00 a.m. to 6.00 p.m.) irrespective of the time of use.

iii. The ToD tariff will be suspended for a maximum period of three (3) months after issue of this Tariff Order, i.e., for the months of June, July and August 2024, for enabling CSPDCL to complete the preparatory work. CSPDCL should ensure that 100% of the ToD meters are re-programmed during this period of three months. In case, CSPDCL is able to achieve re-programming of 100% of the ToD meters in two (2) months' time after the issue of this Tariff Order, then the revised ToD tariff shall be implemented from the month of August 2024, under intimation to the Commission.

iv. The revised ToD tariff shall be implemented only after 100% of the ToD meters are re-programmed.

11.2.12 Terms and Conditions of HV Tariff

The maximum and minimum contract demand for different supply voltages is governed as per provisions of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof. Presently, the minimum and maximum Contract Demand at respective supply voltage are as below except for independent distributed renewable energy system plants (IDRES) which will be governed by CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019:

Supply Voltage	Minimum	Maximum
230 Volts	-	5 kW*
440 Volts		Up to 150 HP or 112 kW
11 kV	60 kVA	500 kVA

Supply Voltage	Minimum	Maximum
33 kV	60 kVA	15000 kVA
132 kV	4000 kVA	40000 kVA
220 kV	15000 kVA	150000 kVA

* Agricultural/industrial and Non-DLF are excluded from these criteria and can be provided 3-phase connections for lower loads also

Deviation in Contract Demand, if any, in respect of the above provisions on account of technical reasons, may be permitted with the approval of the Commission and billing shall be done accordingly. The HV consumers having contract demand exceeding the maximum limit mentioned above for respective voltage of supply shall be billed as specified at Clause 7 of Terms and Conditions of HV Tariff.

1. Point of Supply

Power will be supplied to consumers ordinarily at a single point for the entire premises. In certain categories like coal mines, power may be supplied at more than one point on the request of consumer subject to technical feasibility. HV industrial consumers can avail separate LV supply as per Clause 4.40 of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof, in the same premises.

2. Billing demand

The billing demand for any month shall be the maximum demand (in kVA) of the consumer recorded during the billing month or 80% of the Contract Demand, whichever is higher. The billing demand shall be rounded off to the next whole number.

3. Determination of Demand

The maximum demand means the highest load measured by sliding window principle of measurement in average kVA at the point of supply of a consumer during any consecutive period of 15 minutes during the billing period.

4. Minimum Charge

The demand charge on Contract Demand (CD) is a monthly minimum charge whether any energy is consumed during the month or not.

5. Rounding off

The amount of HV energy bill shall be rounded off to the nearest multiple of Rs.10.

For example - the amount of Rs. 12345 will be rounded off to Rs. 12350 and Rs. 12344.95 shall be rounded off to Rs. 12340.

In view of the above provision, no surcharge will be levied on outstanding amount, which is less than Rs. 10.

6. Delayed Payment Surcharge

If the bill is not paid by the consumer within the period prescribed (due date) for payment of the bill, a surcharge @ 1.5% per month or part thereof, on the total outstanding amount of the bill (including arrears, if any but excluding amount of surcharge), shall be payable in addition, from the due date of payment as mentioned in the bill.

7. Additional charges for Local Bodies

Every Local Body shall pay an additional charge equivalent to any tax or fee levied by it under the provisions of any law including the Corporation Act, District Municipalities Act or Gram Panchayat Act on the poles, lines, transformers and other installations through which the Local Body receives supply.

8. Advance Payment Rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount, which remains with the Licensee at the end of calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee, subject to the net amount of advance being not less than Rs.20,000 and shall be adjustable in next month’s bill.

9. Additional Charge for Exceeding Contract Demand

The consumers should restrict their maximum demand to the extent of Contract Demand. In case the maximum demand during any month exceeds the Contract Demand, the tariff at normal rate shall apply only to the extent of the Contract Demand and corresponding units of energy. The demand in excess of Contract Demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed, if any, in any month shall be charged at one and half times of the normal tariff applicable to the consumer (demand and energy charges) for the excess demand to the extent of 20% of Contract Demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of Contract Demand:

Provided that in case of excess supply to consumers (other than of HV-7 tariff category) having minimum Contract Demand of 150 MVA, and having captive generating plant(s) of capacity of at least 150 MW, such consumers shall have to pay an additional demand charges of Rs. 20/kVA/month on the quantum of power availed over and above its contract demand notwithstanding anything contained anywhere in this order. Further, energy consumed corresponding to excess supply shall be billed at normal tariff.

For the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:-

i. **Billing Demand / Contract Demand:**

The demand in excess of the Contract Demand in any month shall be the billing demand/Contract Demand of the excess supply.

ii. **Units Energy:**

The units of energy corresponding to kVA of the portion of the demand in excess of the contract demand shall be:

EU= TU (1-CD/MD)

Where

EU - denotes units corresponding to excess supply,

TU - denotes total units supplied during the month,

CD - denotes contract demand, and

MD - denotes maximum demand.

The excess supply availed in any month shall be charged along with the monthly bill and shall be payable by the consumer.

The billing of excess supply at one and half times/two times of the normal tariff applicable to consumer is without prejudice to CSPDCL's right to discontinue the supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof.

No rebates/incentive shall be payable on such excess supply.

10. Additional Charge

The HV consumers having Contract Demand exceeding the maximum limit as prescribed in Clause 1 of terms and conditions of HV tariff shall be levied additional charges at the rate of 5% on Energy Charges of the respective consumer category.

11. Meter Hire

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of HV consumers.

12. Tax or Duty

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law/State Government Rules in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

13. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

FPPAS shall be levied on the energy charges on all the HV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.

Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the n^{th} month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2024-25 is being implemented with effect from 1st June 2024, the base rate for computation of FPPAS for the month of April 2024 shall be as approved in the Tariff Order for FY 2023-24, whereas the base rate for computation of FPPAS for the month of May 2024 shall be as approved in the Tariff Order for FY 2024-25.

CSPDCL shall work out the amount of FPPAS and shall intimate the same and manner of determination of the same to the Commission. The gist of FPPAS computation shall be widely publicized by CSPDCL in the leading newspapers of the State. Calculations of the FPPAS for the particular month shall be displayed by CSPDCL on its website for the information of the consumers.

14. Dispute on applicability of tariff

In case of any dispute on applicability of tariff on a particular category of HV industry/ consumer, the decision of the Commission shall be final and binding.

All the above conditions of tariff shall be applicable to the consumer notwithstanding the provisions, if any, in the agreement entered into by the consumer with the Licensee.

15. Parallel Operation Charges (POC)

Parallel Operation Charges shall be payable by CPP to CSPDCL for its captive and non-captive load at the rate of 13 paise/kWh.

16. **Method of payment of Bills**

(1) Consumer shall have the option to pay bills online or offline.

(2) Bill amount of more than **five thousand rupees** shall mandatorily be paid online.

(3) For bill amounts less than or equal to **five thousand rupees** consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system.

Provided that the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to **five thousand rupees**.

(4) The distribution licensee shall establish online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

11.3 Open Access Charges including Renewable Energy transactions

1. Transmission Charges

The long-term and medium-term open access customers including CSPDCL shall be required to pay the Annual Transmission Charges approved by the Commission.

Bills shall be raised for Transmission Charge on monthly basis by the STU (CSPTCL), and payments shall be made by the beneficiaries and long-term and medium-term open access customers directly to the CSPTCL. These monthly charges shall be shared by the long-term open access customers and medium-term open access customers as per allotted capacity proportionately. The monthly transmission charge is Rs. 98.15 Crore.

For short-term open access customer: Rs. 325.50 per MWh (or Rs. 0.3255 per kWh) for the energy computed as per the provisions made in Regulation 33 of the CSERC (Connectivity and Intra State Open access) Regulations, 2011 and its subsequent amendment(s)/revision, if any, at 100% Load Factor for transmission. The same charges shall be applicable for both collective and bilateral transactions at the point or points of injection.

2. Energy Losses for Transmission

Transmission Losses of 3% for the energy scheduled for transmission at the point or points of injection shall be recoverable from open access customers.

3. Wheeling Charges

For long-term, medium-term and short-term open access customer: Rs. 271.20 per MWh (or Rs. 0.2712 per kWh) for the energy computed as per the provisions made in Regulation 33 of the CSERC (Connectivity and Intra State Open access) Regulations, 2011 and its subsequent amendment(s)/revision, if any, at 100% load factor for wheeling. The same charges shall be applicable for both collective and bilateral transactions at the point of injection.

4. Energy losses for distribution

Distribution Losses of 6% for the energy scheduled for distribution at the point or points of injection at 33 kV side of 33/11 kV sub-station shall be recoverable from open access customers.

Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 6%.

5. Operating Charges

The short-term open access customer shall pay the Operating Charges to SLDC at the rate of Rs. 2000 per day.

6. Reactive Charges

Reactive Energy Charges shall be levied at the rate of 27 paise per kVARh.

7. Cross Subsidy Charges

i. For 220 kV and 132 kV consumers: Rs. 0.64 per kWh;

ii. For 33 kV and 11 kV consumers: Rs. 0.92 per kWh

In case a generating company is an open access customer and is supplying power to a consumer of the State, the liability of paying cross-subsidy surcharge shall be on the consumer. If a captive generating plant avails open access for supplying power to its captive users, and if the captive users do not fulfil the requirement of captive users in a financial year as prescribed in the Electricity Rules, 2005, then that end user/s shall be liable to pay the Cross-Subsidy Surcharge.

In case of a consumer receiving power from biomass based power generating plants through open access, if it is established that the biomass based power generating plants supplying power to such consumer has used biomass in the lesser ratio than as mentioned in the guidelines of the Ministry of New and Renewable Energy during any financial year, then the relaxations at (iii) above given to the open access consumer shall be treated as withdrawn for that financial year and the biomass generator shall be liable to pay to CSPDCL full Cross Subsidy Surcharge.

8. Standby Charges

The Standby Charges for consumers availing open access (using transmission and/or distribution system of Licensee) and who draw power from the grid up to the contracted capacity of open access during the outage of generating plant/CPP shall be 1.5 times of the per kWh weighted average tariff of HV consumers, which is Rs. 11.50 per kWh (1.5 times of the average billing rate of Rs.7.66 per kWh). For drawal of power in excess of the contracted capacity of open access, the tariff for availing standby support from the grid shall be two times of the per unit weighted average tariff of HV consumers, which is Rs.15.33 per kWh (2 times of the average billing rate of Rs. 7.66 per kWh). Further, in case of outage of CPP supplying power to captive/non-captive consumer who has reduced its contract demand to zero and also availed open access draws power of CSPDCL, then billing of such power drawn shall be done as per the standby charges mentioned above.

11.4 Green Energy Charges

a) For consumers who wish to procure RE Power for the purpose of reducing their carbon footprint and seeking Certification to this effect for FY 2024-25: Rs. 0.77/kWh.

b) For Consumers availing Green Energy from Distribution Licensee:

Source of RE	Wind	Hydro	Others
Green Energy Charges (Rs/kWh)	0.61	3.38	1.72

The Green Energy Charges shall be over and above the existing fixed and energy charges applicable for different categories of consumers. Also, in addition to above Green Energy Charges, Demand Charges/Fixed Charges or any other charges as being approved by the Commission in this Order shall also be applicable to the respective categories of consumer.

12 DIRECTIVES

12.1 Common Directives

Promoting Use of Electric Vehicles

The State Power Companies are directed to gradually switch over to Electric Vehicle for their official commutation.

12.2 Directive to CSPDCL

The Commission has given specific directives to CSPDCL in this Order, in order to facilitate improvement in operational efficiency. CSPDCL should comply with all these directives and submit quarterly reports to the Commission regarding status of compliance of these directives. CSPDCL should also include a Chapter on Compliance of Directives along with its future ARR and Tariff Petitions.

12.2.1 Monitoring of Reduction in Distribution Losses

Observation

To reduce energy loss in the distribution system, Division-wise Distribution Loss target is required to be fixed along with the regular monitoring of the achievement of the same.

Directive

In view of the above observation, the Commission has directed CSPDCL to submit Division-wise quarterly distribution loss reduction trajectory for FY 2024-25 by 30 June 2024 and submit quarterly progress report for the same.

12.2.2 Distribution Transformer (DT) Metering

Observations

In quarterly compliance report in relation to distribution transformer (DT) metering, CSPDCL submitted that it has agreed for 100% DT metering under RDSS by 2026.

Directive

In view of the above observation, CSPDCL is directed to submit quarterly progress report of DT metering indicating achievement viz-a-viz target for that quarter. CSPDCL is also directed to ensure timely reading and proper functioning of DT meters.

12.2.3 Separation of Agriculture Feeders

Observations

In compliance to the directive given to CSPDCL regarding separation of agriculture feeders, CSPDCL has submitted that there is no progress made during FY 2024-25 whereas there is a provision in RDSS for separation of 1067 nos. agriculture feeders by 2026.

Directive

Looking to the lacklustre attitude of CSPDCL, the Commission expresses displeasure and directs CSPDCL to strictly adhere to the plan and target agreed under RDSS and submit quarterly progress report.

12.2.4 Agriculture Metering

Observations

In the Tariff Order 2023-24, the Commission had directed CSPDCL to submit an action plan for ensuring 100% metering of agricultural connections 30 June 2023 and submit quarterly report for the same. In response, CSPDCL submitted that the meters taken out of system, after installation of smart meters, shall be utilised in agriculture connections.

Directive

In regards to above observation, CSPDCL is directed to submit a time bound action plan for utilising meters taken out of system for 100% metering of agricultural connections by 30 June 2024 and submit quarterly report for the same.

CSPDCL is also directed to ensure that agriculture connections are metered properly and meters are timely read so that agriculture consumption can be assessed realistically.

12.2.5 Burnt/Defective Meters

Observation

In the Tariff Order 2023-24, the Commission had directed CSPDCL to submit an action plan to curb the large number of burnt/defective energy meters by 30th June 2023 and submit the quarterly status report for the same. In response, CSPDCL submitted an action plan indicating monthly target for meter replacement in each division.

Directive

In regards to the above observation, CSPDCL is directed to submit an action plan for FY 2024-25 to curb the large number of burnt/defective energy meters by 30th June 2024 and submit the quarterly progress report for the same.

12.2.6 Aggregate Technical and Commercial (AT&C) Loss

Observations

In the Tariff Order 2023-24, the Commission had directed CSPDCL to identify one division in each circle where the AT&C Losses are the highest and submit a detailed Action Plan for reduction of the same.

Directive

In view of the above observation, CSPDCL is directed to submit circle wise quarterly report indicating target AT&C loss viz-a-viz achieved AT&C loss.

12.2.7 Issue of Assessed Bills

Observation

It is observed that CSPDCL is issuing large number of assessed bills every month.

Directive

In view of the above observation, CSPDCL is directed to submit a plan for time bound reduction in assessed bills and submit quarterly progress report for the same.

12.2.8 Monitoring of Subsidy Accounting and Payment

Observation

In compliance to Rule 15 of Electricity (Second Amendment) Rules 2023, the Commission has to obtain subsidy accounting and payment to monitor the actual payment of subsidy as declared by the State Government in accordance with the Section 65 of the Electricity Act, 2003.

Directive

In view of the above observation, CSPDCL is directed to submit quarterly report for subsidy accounting and payment within 30 days from end of the respective quarter so that the Commission may examine the report and issue it with corrections, if any.

12.2.9 Implementation of ToD Tariff for consumers having load more than 10 kW

Observation

The Commission has implemented Time of Day tariff for some HV tariff category and is exploring possibility of implementing the same for consumers having load more than 10 kW.

Directive

In view of the above observation, CSPDCL is directed to undertake the necessary study and propose ToD tariff for consumers of all categories having load more than 10 kW so that same may be implemented after installation of Smart Meters.

ANNEXURE-I - List of persons who made written submissions

1.	Shri Vikas Agrawal President Chhattisgarh Mini Steel Plant Association, Raipur (CG)
2.	Shri Ashu Gupta, Head, Regulatory & Government Relations, Clean Max Enviro Energy Solutions Pvt. Ltd.
3.	Shri S.K.Goyal, Director, Shri Bajrang Power & Ispat Ltd., Raipur (CG)
4.	Shri Vijay Kumar Chhablani, Chief General Manager Telecom, BSNL, Raipur (CG)
5.	Shri S. G. Oak, General Secretary, CS Retired Power Engineers-Officers Association, Doongaji Colony, Raipur (CG)
6.	Shri Mukesh Chand Meena, Chief Electrical Distribution Engineer, South East Central Railway, Bilaspur (CG)
7.	Shri Aman Kumar Singh, Reliance JIO Infocom Limited, Raipur (CG)
8.	M/s S.S. Enterprises, Akaltara (CG)
9.	Shri Sanjay Tripathi, President, Chhattisgarh Steel Re-Rollers Association, Raipur (CG)
10.	Shri Neeraj Sharma, Secretary, Akaltara Crusher Sangh (CG)
11.	Shri Anand Khemka, Akaltara Minerals (CG)
12.	M/s H.S. Enterprises, Bilaspur (CG)
13.	Er. Shri Shyam Kabara, Raipur for Confederation of Electricity Consumers of Chhattisgarh
14.	Shri Paresh Kalla M/s Jayaswal Neco Industries Ltd.
15.	Shri Mukesh Singhania, M/s Singhania Minerals, Bilaspur (CG)
16.	Shri Vijay Kumar, Balaji & Sons, Akaltara (CG)
17.	Shri Avinash Modi M/s Hasdeo Minerals and Industries, Janjgir-Champa (CG)
18.	Shri G.R.Dinesh, NMDC Steel Limited, Nagarnar (CG)

ANNEXURE-II - List of persons who submitted comments during Public Hearing

1.	Er. Shri Shyam Kabara, Raipur for Confederation of Electricity Consumers of Chhattisgarh
2.	Shri Loknath Nayak, Saraypali (CG)
3.	Shri R.K.Gupta, Durg (CG)
4.	Shri Raza Ahmed, Bhilai (CG)
5.	Shri P.N. Singh, Raipur (CG)
6.	Shri Arun Dewangan, Raipur (CG)
7.	Shri Vijay Kumar, Akaltara (CG)
8.	Shri Avinash Modi, Janjgir-Champa (CG)
9.	Shri Mukesh Singhania, Bilaspur (CG)
10.	Shri Anand Khemka, Bilaspur (CG)
11.	Shri Anurag Tiwari, SECR, Bilaspur (CG)
12.	Shri Sanjay Tripathi, Raipur (CG)
13.	Shri Vikas Agrawal, Raipur (CG)
14.	Shri Paresh Kalla, Raipur (CG)
15.	Shri Sudipta Gupta, Nagarnar (CG)

ANNEXURE-III - List of Members who attended the State Advisory Committee (SAC)

1.	Shri Manoj Khare, Managing Director, CSPDCL, Raipur (CG)
2.	Shri Vikram Jain, General Secretary, Urla Industries Association, Raipur (CG)
3.	Shri Kuntal Mukharjee on behalf of Shri Saroj Mahapatra, Member (PRADAN), Raipur (CG)
4.	Dr. Subhrata Gupta, Professor, Electrical Department, NIT, Raipur (CG)
5.	Shri Satyasiba Das, Professor, IIM, Raipur (CG)
6.	Shri Umesh Chitlangia, President, Confederation of Indian Industries (CII), Chhattisgarh State Council, Raipur (CG)
7.	Ms. Ann Josey on behalf of Shri Ashok Shrinivas, Group Coordinator PRAYAS, Pune (MH)

ANNEXURE-IV

FORMAT-I

Details/Information for Computation of Fuel & other expenses variation
Name of the Company : Chhattisgarh State Power Generation Company Limited
Name of the Power Station : Hasdeo Thermal Power Station - HTPS

	Description	Unit	Considered in Tariff order	For the Month of-----
a	Quantity of Coal supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in quantity supplied by Coal Company	(MMT)		
c	Coal supplied by Coal Company (a+b)	(MMT)		
d	Normative Transit & Handling Losses	%	0.20%	0.20%
e	Normative Transit & Handling Losses (cXd)	(MMT)		-
f	Net coal / Lignite Supplied (c-e)	(MMT)		-
g	Amount charged by the Coal Company	(Rs.)		
h	Adjustment (+/-) in amount charged by Coal Company	(Rs.)		
i	Net amount charged for Coal (g+h)	(Rs.)		
j	Rate of Coal for the period =(i/(f*10^6))	Rs/MT	1,810.44	
k	Coal Sampling Fes	(Rs.)		
l	Transportation Charge	Rs/MT	82.05	82.05
m	Landed Price of Coal per MT (j+l+(k/(f*10^6)))	Rs./MT	1,897.68	
n	Average GCV of coal as received	(kCal/Kg)	3,656.40	
o	Normative SHR	Kcal/ KWh	2,650.00	2,650.00
p	Normative Specific Oil Consumption	ml/ KWh	0.80	0.80
q	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
r	Normative Auxiliary Consumption	%	9.70%	9.70
s	ECR of Coal for the Period= ((o-(pxq))/(n)*(m/1000)/(1-r)	Rs/ KWh		
t	ECR of Coal as considered in Tariff order	Rs/ KWh	1.519	
u	Change in ECR of Coal (s-t)	Rs/ KWh		
v	Scheduled Generation during the Period	KWh		
w	Fuel & other expenses variation for the Period (uXv)	Rs		

Note-

1. Values to be filled in shaded cells only. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. Other cells carry either computed values or fixed values.
3. For computed values formula have been indicated in the particulars column.
4. ECR to be worked out to third digit

FORMAT-I

Details/Information for Computation of Fuel & other expenses variation

Name of the Company : Chhattisgarh State Power Generation Company Limited

Name of the Power Station : 1X500 MW Korba West Thermal Power Plant (KWTPP)

	Description	Unit	Considered in Tariff order	For the Month of-----
a	Quantity of Coal supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in quantity supplied by Coal Company	(MMT)		
c	Coal supplied by Coal Company (a+b)	(MMT)		
d	Normative Transit & Handling Losses	%	0.20%	0.20%
e	Normative Transit & Handling Losses (cXd)	(MMT)		-
f	Net coal / Lignite Supplied (c-e)	(MMT)		-
g	Amount charged by the Coal Company	(Rs.)		
h	Adjustment (+/-) in amount charged by Coal Company	(Rs.)		
i	Net amount charged for Coal (g+h)	(Rs.)		
j	Rate of Coal for the period =(i/(f*10^6))	Rs/MT	1,810.44	
k	Coal Sampling Fes	(Rs.)		
l	Transportation Charge	Rs/MT	82.05	82.05
m	Landed Price of Coal per MT (j+l+(k/(f*10^6)))	Rs./MT	1,897.68	
n	Average GCV of coal as received	(kCal/Kg)	3,656.40	3,656.40
o	Normative SHR	Kcal/KWh	2,390.00	2,390.00
p	Normative Specific Oil Consumption	ml/ KWh	0.50	0.50
q	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
r	Normative Auxiliary Consumption	%	5.25%	5.25
s	ECR of Coal for the Period= ((o-(pxq))/(n)*(m/1000)/(1-r)	Rs/ KWh		
t	ECR of Coal as considered in Tariff order	Rs/ KWh	1.306	
u	Change in ECR of Coal (s-t)	Rs/ KWh		
v	Scheduled Generation during the Period	KWh		
w	Fuel & other expenses variation for the Period (uXv)	Rs		

Note-

1. Values to be filled in shaded cells only. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. Other cells carry either computed values or fixed values.
3. For computed values formula have been indicated in the particulars column.
4. ECR to be worked out to third digit.

FORMAT-I

Details/Information for Computation of Fuel & other expenses variation
Name of the Company: Chhattisgarh State Power Generation Company Limited
Name of the Power Station: Dr. Shyama Prasad Mukharjee Thermal Power Station - DSPM TPS

	Description	Unit	Considered in Tariff order	For the Month of----
a	Quantity of Coal supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in quantity supplied by Coal Company	(MMT)		
c	Coal supplied by Coal Company (a+b)	(MMT)		
d	Normative Transit & Handling Losses	%	0.20%	0.20%
e	Normative Transit & Handling Losses (cXd)	(MMT)		-
f	Net coal Supplied (c-e)	(MMT)		-
g	Amount charged by the Coal Company	(Rs.)		
h	Adjustment (+/-) in amount charged by Coal Company	(Rs.)		
i	Net amount Charged for Coal (g+h)	(Rs.)		
j	Rate of Coal for the period =(i/(fX10^6))	Rs/MT	1,827.86	
k	Transportation Cost Paid to railways	Rs		
l	Transportation Charge rate paid to Railways (k/(fX10^6))	Rs/MT	192.59	
m	Other Charges (per Ton) towards transportation	Rs/MT	6.25	6.25
n	Coal Sampling Fees	Rs		
o	Total per ton Transportation Charges including coal sampling fees (l+m+(n/(f*10^6)))	Rs./MT	204.03	
p	Landed Price of Coal per MT (j+o)	Rs./MT	2,031.89	
q	Average GCV of coal as received	(kCal/Kg)	3,269.32	
r	Normative SHR	Kcal/ KWh	2,430	2,430
s	Normative Specific Oil Consumption	ml/ KWh	0.50	0.50
t	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
u	Normative Auxiliary Consumption	%	9.00%	9.00
v	ECR of coal for the Period= ((r-(sxt))/(q)*(p/1000)/(1-u)	Rs/ KWh		
w	ECR of Coal as considered in Tariff order	Rs/ KWh	1.656	
x	Change in ECR Coal (v-w)	Rs/ KWh		
y	Scheduled Generation during the Period	Kwh		
z	Fuel & other expenses variation for the Period (x X y)	Rs		

Note-

1. Values to be filled in shaded cells only. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. Other cells carry either computed values or fixed values.
3. For computed values formula have been indicated in the particulars column.
4. ECR to be worked out to third digit

FORMAT-I

Details/Information for Computation of Fuel & other expenses variation
Name of the Company : Chhattisgarh State Power Generation Company Limited
Name of the Power Station : Marwa Thermal Power Plant - **ABVTPS (consolidated => Gharghoda + Robertson)**

	Description	Unit	Considered in Tariff order	For the Month of-----
a	Quantity of Coal Transported by railway from Robertson siding	(MMT)	-	
b	Quantity of Coal Transported by railway from Gharghoda siding	(MMT)	-	
c	Total Coal transferred through rail (a+b)	(MMT)		
d	Per ton Transportation charges from Robertson siding	Rs/MT		
e	Per ton Transportation charges from Gharghoda siding	Rs/MT		
f	Adjustment in transportation charges for the month of…………..	Rs		
g	Weigted average transportation rate of Coal {(aXd+bXe)/c}+(f/(c*10^6))	Rs/MT		
h	Input Price of Coal at Mine End as per T.O.	Rs/MT	For FY 2023-24-Rs1511.05, FY 2024-25-Rs1488.99	
i	Coal Sampling Fees	Rs		
j	Other charges of Coal Transport	Rs/MT	6.31	6.31
k	Normative Transit Loss	%	0.80%	0.80%
l	Total landed Cost of Coal {((g+h+j+(i/(c*10^6))))/((1-k)}	Rs/MT	For FY 2023-24-Rs 2603.02, FY 2024-25-Rs 2580.78	
m	GCV of coal as received	(kCal/Kg)	3,628.91	
n	Normative SHR	Kcal/Kwh	2,390.00	2,390.00
o	Normative Specific Oil Consumption	ml/ KWh	0.50	0.50
p	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
q	Normative Auxiliary Consumption	%	5.25%	5.25%
r	Coal ECR for the Period= ((n-(oxp))/(m)*(l/1000)/(1-q)	Rs/ KWh		
s	Coal ECR as considered in Tariff order	Rs/ KWh	For FY 2023-24-Rs 1.806, FY 2024-25-Rs 1.790	
t	Change in ECR Coal (r-s)	Rs/ KWh		
u	Scheduled Generation during the Period	Kwh		
v	Fuel & other expenses variation for the Period (tXu)	Rs		

FORMAT-I (a)

Name of the Power Station : Marwa Thermal Power Plant – **ABVTPS (Robertson)**

	Description	Unit		For the Month of-----
a	Quantity of Coal transferred by railway (RR quantity)	MMT		
b	Transportation Cost Paid to railways	Rs		
c	Transportation rate paid to Railways = b/a/10^6	Rs/MT		
d	Road Transportation rate (inclusive of price variaton and GST@18%)	Rs/MT		
e	Total Transportation rate (c+d)	Rs/MT		

FORMAT-I (b)

Name of the Power Station : Marwa Thermal Power Plant - ABVTPS (Gharghoda)

	Description	Unit		For the Month of-----
a	Quantity of Coal transferred by railway (RR quantity)	MMT		
b	Transportation Cost Paid to railways	Rs		
c	Transportation rate paid to Railways = b/a/10^6	Rs/MT		
d	Road Transportation rate (inclusive of price variaton and GST@18%)	Rs/MT		
e	Total Transportation rate (c+d)	Rs/MT		

Note-

1. Values to be filled in shaded cells only. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. Other cells carry either computed values or fixed values.
3. For computed values formula have been indicated in the particulars column.
4. ECR to be worked out to third digit

ANNEXURE-V – Revenue from Sale of Electricity at Approved Tariffs for CSPDCL for FY 2024-25

			Projected Revenue from Sale of Power to Retail Consumers at Exsiting Tariff										
								Consumer Details		Revenue Billed (Rs Crores)			
Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/ kWh/kVAh)		Sales (MUs) FY 2024-25 Total	Number of consumer FY 2024-25	Load FY 2024-25	Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
A	LV						17,908.96	64,62,097	8,619.44	877.14	10,311.26	11,188.41	625
1	**Domestic Including BPL Consumer**	LV 1					**7,156.77**	**50,89,411**	**4,002.94**	**126.43**	**3,718.04**	**3,844.47**	**537**
i	*0-100*		*30.00*	*Rs/kW/Month*	*3.90*	*Rs/kWh*	*2,002.29*	*35,29,532*	*1,602.71*	*57.70*	*774.22*	*831.92*	*415*
ii	*101-200*		*30.00*	*Rs/kW/Month*	*4.10*	*Rs/kWh*	*1,550.29*	*8,94,887*	*842.96*	*30.35*	*630.45*	*660.80*	*426*
iii	*201-400*		*30.00*	*Rs/kW/Month*	*5.50*	*Rs/kWh*	*1,818.93*	*4,85,436*	*917.50*	*33.03*	*994.35*	*1,027.38*	*565*
iv	*401-600*		*30.00*	*Rs/kW/Month*	*6.50*	*Rs/kWh*	*756.78*	*96,968*	*326.03*	*2.27*	*489.39*	*491.66*	*650*
v	600 AND ABOVE		*30.00*	*Rs/kW/Month*	*8.10*	*Rs/kWh*	*1,028.47*	*82,588*	*313.75*	*3.09*	*829.63*	*832.72*	*810*
2	**Non Domestic Normal**	LV 2.1					**376.53**	**3,30,642**	**359.26**	**21.56**	**268.50**	**290.05**	**770**
i	*0-100*		*50.00*	*Rs/kW/Month*	*6.05*	*Rs/kWh*	*101.79*	*2,53,683*	*244.48*	*14.67*	*61.25*	*75.91*	*746*
ii	*101-400*		*50.00*	*Rs/kW/Month*	*7.05*	*Rs/kWh*	*171.34*	*68,244*	*92.27*	*5.54*	*120.22*	*125.76*	*734*
iii	*Above 400*		*50.00*	*Rs/kW/Month*	*8.45*	*Rs/kWh*	*103.40*	*8,715*	*22.51*	*1.35*	*87.03*	*88.38*	*855*
3	**Non Domestic Demand Based**	LV 2.2					**1,086.88**	**97,702**	**985.57**	**181.27**	**871.07**	**1,052.35**	*968*
	Upto 15 kW												
	0-400		120.00	Rs/kW/Month	7.05	Rs/kWh	*76.57*	53,169	284.49	40.97	*53.73*	*94.69*	*1237*
	Above 400		120.00	Rs/kW/Month	8.45	Rs/kWh	*538.94*	31,639	291.15	41.93	*453.60*	*495.53*	*919*
	Above 15 kW		200.00	Rs/kW/Month	7.75	Rs/kWh	*471.37*	12,894	409.92	98.38	*363.74*	*462.12*	*980*
4	**Agriculture**	LV 3					**5,701.49**	**5,70,129**	**1,448.52**	**233.10**	**2,998.03**	**3,231.13**	**567**
i	*Normal*		*100.00*	*Rs/HP/Month*	*5.30*	*Rs/kWh*	*5,701.49*	*5,70,129*	*1,448.52*	*233.10*	*2,998.03*	*3,231.13*	*567*
ii	*Flat Rate upto 3 HP*			*Rs/HP/Month*		*Rs/kWh*	-	-	-	-	-	-	
iii	*Flat Rate 3 to 5 HP*			*Rs/HP/Month*		*Rs/kWh*		-	-	-	-	-	
5	**Agriculture Allied Activities**	LV 4					**43.84**	**5,261**	**39.08**	**7.07**	**26.18**	**33.25**	**759**
i	*LV-4.1 (A): Up to 25 HP*	*4.1 A*	*100.00*	*Rs/HP/Month*	*5.30*	*Rs/kWh*	-			-	-	-	
ii	*LV-4.1 (B):Above 25 HP up to 150 HP*	*4.1 B*	*110.00*	*Rs/kW/Month*	*6.05*	*Rs/kWh*	*38.80*	*5,216*	*36.69*	*6.49*	*23.09*	*29.58*	*762*
iii	*LV-4.2: Demand based tariff for Contract Demand of 15 to 112.5 kW*	*4.2*	*200.00*	*Rs/kW/Month*	*6.25*	*Rs/kWh*	*5.04*	*45*	*2.40*	*0.57*	*3.10*	*3.67*	*729*

Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/ kWh/kVAh)		Projected Revenue from Sale of Power to Retail Consumers at Exsiting Tariff Sales (MUs) FY 2024-25 Total	Consumer Details Number of consumer FY 2024-25	Load FY 2024-25	Revenue Billed (Rs Crores) Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
A	**LV**						**17,908.96**	**64,62,097**	**8,619.44**	**877.14**	**10,311.26**	**11,188.41**	**625**
6	**Industry**	**LV 5**					***755.62***	**39,636**	**943.76**	**151.43**	**462.48**	**613.91**	**812**
i	*Flour mills, Hullers, power looms, grinders for grinding masalas, terracotta, handloom, handicraft, agro-processing units, minor forest produce up to 25 HP or 18.7 kW*	*5.1*	*80.00*	*Rs/kW/Month*	*4.75*	*Rs/kWh*	*60.35*	*14,862*	*115.13*	*11.05*	*28.06*	*39.12*	*648*
a)	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*80.00*	*Rs/kW/Month*	*4.25*	*Rs/kWh*	*-*	*4,596*	*36.60*	*3.51*			
ii	*Other Industries*	*5.2*					*695.27*	*20,178*	*792.03*	*-*	*414.48*	*542.73*	*781*
a	*upto 25 HP*	*5.2.1*	*120.00*	*Rs/kW/Month*	*5.75*	*Rs/kWh*	*58.43*	*8,623*	*103.94*	*14.97*	*33.01*	*47.98*	*821*
	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*100.00*	*Rs/kW/Month*	*4.75*	*Rs/kWh*	*7.01*	*1,330*	*15.37*	*1.84*			
iii	*Above 25 HP up to 150 HP*	*5.2.2*	*150.00*	*Rs/kW/Month*	*6.50*	*Rs/kWh*	*596.05*	*9,503*	*629.34*	*113.28*	*381.47*	*494.75*	*830*
a	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*130.00*	*Rs/kW/Month*	*6.00*	*Rs/kWh*	*33.78*	*722*	*43.37*	*6.77*	*19.93*	*26.70*	*790*
7	**Public Utilties**	**LV 6**	**142.00**	**Rs/HP/Month**	**6.85**	**Rs/kWh**	***914.17***	**58,155**	**213.58**	**48.81**	**617.06**	**665.87**	***728***
8	**IT Industries**	**LV 7**	**150.00**	*Rs/kW/Month*	**5.75**	**Rs/kWh**	*1.00*	**11**	**0.87**	**0.16**	**0.56**	**0.72**	***721***
9	**Temporary**	**LV 8**					***1,872.66***	**2,71,150**	**625.85**	**107.33**	**1,349.32**	**1,456.65**	**778**
i	*Domestic*		*0.26*	*Rs/kWh*	*7.79*	*Rs/kWh*	*70.58*	*49,514*	*69.61*	*1.87*	*54.71*	*56.58*	*802*
ii	*Non- Domestic*		*75.00*	*Rs/kW/Month*	*10.58*	*Rs/kWh*	*77.71*	*18,943*	*57.83*	*5.21*	*81.79*	*86.99*	*1119*
iii	*Agriculture Metered*		*100.00*	*Rs/HP/Month*	*5.30*	*Rs/kWh*	*890.99*	*1,16,192*	*310.65*	*49.99*	*468.51*	*518.51*	*582*
iv	*Agriculture Allied Activities*		*165.00*	*Rs/HP/Month*	*9.08*	*Rs/kWh*	*820.94*	*85,183*	*182.96*	*48.58*	*732.69*	*781.27*	*952*
v	*Industry*		*120.00*	*Rs/HP/Month*	*7.13*	*Rs/kWh*	*2.16*	*-*	*-*	*-*	*1.51*	*1.51*	
vi	*Other Industry*		*225.00*	*Rs/HP/Month*	*8.25*	*Rs/kWh*	*1.51*	*186*	*1.78*	*0.65*	*1.25*	*1.90*	*1252*
vii	*Public Utilties*		*213.00*	*Rs/HP/Month*	*10.28*	*Rs/kWh*	*8.76*	*1,132*	*3.02*	*1.04*	*8.87*	*9.91*	*1131*
viii	*IT Industry*		*-*	*-*	*8.63*	*Rs/kWh*	*0.00*	*-*	*-*	*-*	*0.00*	*0.00*	*848*

Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/kWh/kVAh)		Sales (MUs) FY 2024-25 Total	Number of consumer FY 2024-25	Load FY 2024-25	Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
							Projected Revenue from Sale of Power to Retail Consumers at Exsiting Tariff						
								Consumer Details		Revenue Billed (Rs Crores)			
B	HV						16,182.03	3,986	4,305.87	1,479.26	10,926.21	12,405.47	767
1	Railway Traction (132/220 kV)	HV 1	375.00	Rs/kVA/Month	5.25	Rs/kVAh	*1,450.87*	28	451.27	152.30	827.53	979.84	675
2	Mines	HV 2					*821.17*	186	255.64	115.04	659.92	774.96	944
i	*220 kV*		*500.00*	*Rs/kVA/Month*	*6.85*	*Rs/kVAh*	-	-	-	-	-	-	
ii	*132 kV*		*500.00*	*Rs/kVA/Month*	*7.00*	*Rs/kVAh*	*383.60*	*5*	*88.98*	*40.04*	*301.50*	*341.55*	*890*
iii	*33 kV*		*500.00*	*Rs/kVA/Month*	*7.25*	*Rs/kVAh*	*428.60*	*143*	*156.71*	*70.52*	*350.68*	*421.20*	*983*
iv	*11 kV*		*500.00*	*Rs/kVA/Month*	*7.55*	*Rs/kVAh*	*8.98*	*38*	*9.95*	*4.48*	*7.74*	*12.22*	*1361*
3	Other Industrial & General Purpose Non Industrial	HV 3					*2,179.37*	2,757	1,134.53	382.91	1,716.29	2,099.20	963
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*6.55*	*Rs/kVAh*	*62.15*	*1*	*24.09*	*8.13*	*47.02*	*55.15*	*887*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*6.70*	*Rs/kVAh*	*344.64*	*16*	*95.81*	*32.33*	*258.39*	*290.72*	*844*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.95*	*Rs/kVAh*	*1,534.57*	*1,827*	*747.76*	*252.37*	*1,209.64*	*1,462.01*	*953*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.15*	*Rs/kVAh*	-	-	-	-	-	-	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*7.35*	*Rs/kVAh*	*238.00*	*913*	*266.87*	*90.07*	*201.25*	*291.32*	*1224*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.65*	*Rs/kVAh*	-	-	-	-	-	-	
4	Steel Industries	HV 4					*11,237.67*	640	2,287.66	772.09	7,374.04	8,146.13	725
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*5.95*	*Rs/kVAh*	*853.84*	*4*	*315.72*	*106.56*	630.91	*737.46*	*864*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*6.10*	*Rs/kVAh*	*2,954.43*	*32*	*560.90*	*189.30*	1,863.65	*2,052.95*	*695*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.35*	*Rs/kVAh*	*7,410.33*	*577*	*1,401.97*	*473.17*	4,865.70	*5,338.86*	*720*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*6.85*	*Rs/kVAh*	-	-	-	-		-	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.45*	*Rs/kVAh*	*19.07*	*27*	*9.07*	*3.06*	13.79	*16.85*	*884*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.25*	*Rs/kVAh*	-	-	-	-	-	-	*0*
5	Irrigation & Agriculture Allied Activities, Public Water Works	HV 5	375.00	Rs/kVA/Month	6.35	Rs/kVAh	*285.06*	255	96.47	32.56	198.49	231.05	811
6	Residential	HV 6	375.00	Rs/kVA/Month	6.55	Rs/kVAh	*192.90*	75	64.56	21.79	138.60	160.39	831
7	Start Up Power (400/220/123/33/11 kV)	HV 7	200.00	Rs/kVA/Month	8.85	Rs/kVAh	*7.94*	33	11.40	2.05	7.73	9.79	1233
8	Industries related to manufacturing of equipment for power generation from renewable energy sources	HV 8	130.00	Rs/kVA/Month	4.65	Rs/kVAh	*5.90*	8	2.95	0.34	2.99	3.34	566
9	IT Industry	HV 9	150.00	-	4.75	Rs/kVAh	*1.15*	4	1.39	0.19	0.59	0.78	682
C	Total						34,090.99	64,66,083	12,925.32	2,356.41	21,237.47	23,593.88	692