CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR

Chhattisgarh State Power Generation Co. Ltd.	......	P. No. 102/2022 (T)
Chhattisgarh State Power Transmission Co. Ltd	......	P. No. 94/2022 (T)
Chhattisgarh State Load Despatch Centre	......	P. No. 100/2022 (T)
Chhattisgarh State Power Distribution Co. Ltd.	......	P. No. 95/2022 (T)

Present: **Hemant Verma, Chairman**
Vinod Deshmukh, Member (Judicial)
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 2021-22;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2021-22 and determination of transmission tariff for FY 2023-24;
3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2021-22 and determination of SLDC charges for FY 2023-24;
4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) Petition for final true-up for FY 2021-22, and Re-Determination of ARR and Retail Tariff for FY 2023-24.

ORDER

(Passed on 28/03/2023)

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 'CSERC MYT Regulations, 2021') for determination of tariff for the Generating Company, Licensees, and CSLDC.

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) Regulations, 2015 (hereinafter referred as 'CSERC MYT Regulations, 2015') for determination of tariff for the Generating Company, Licensees, and CSLDC, which is applicable for truing up for FY 2021-22 for the Generating Company, Licensees, and CSLDC.

3. This Order is passed in respect of the Petitions filed by the (i) Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for approval of final True-Up of ARR of conventional thermal and hydro power plants for FY 2021-22, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of final true-up for FY 2021-22 and determination of transmission tariff for FY 2023-24 (iii) Chhattisgarh State Load Despatch Centre (CSLDC) for approval of final true-up for FY 2021-22 and determination of SLDC charges for FY 2023-24, (iv) Chhattisgarh State Power Distribution Company Limited (CSPDCL) for final true-up for FY 2021-22, and re-determination of ARR and retail tariff for FY 2023-24.

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 February 20, 2023 for seeking their valuable suggestions and comments. Further, the Commission conducted public hearings on the petitions in its office at Raipur on February 21 & 22, 2023.

6. The Commission passed the tariff order for FY 2021-22 on August 02, 2021. The Commission has undertaken final true-up for FY 2021-22 for CSPTCL, CSLDC,

CSPGCL and CSPDCL, based on the audited accounts submitted by the utilities and in accordance with the provisions of the CSERC MYT Regulations, 2015. Further, the Commission has also undertaken true-up of capital cost of the GP III integrated mine and input price of coal from GP III mine for FY 2021-22 in accordance with the provisions of the CSERC MYT Regulations, 2021.

7. While computing the cumulative revenue deficit/(surplus) to be allowed to CSPDCL for FY 2023-24, the revenue deficit/(surplus) of CSPGCL, CSPTCL and CSLDC arising out of final true-up for FY 2021-22, along with corresponding carrying/holding cost and the impact of the review filed by CSPDCL on the tariff order for FY 2022-23, have been considered.

8. After applying the carrying cost on revenue deficit of Rs. 447.95 Crore of CSPGCL for FY 2021-22, the total revenue deficit up to FY 2023-24 has been approved as Rs. 538.04 Crore, as claimed by CSPGCL.

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 2021-22 as given in the following Table:

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

Particulars	**Unit**	**FY 2021-22**
Capital Cost as on 31.03.2022	Rs. Crore	896.23
Input Price	Rs./MT	1268.29

10. The Annual fixed Cost (AFC) and Energy Charge Rate for CSPGCL stations approved by the Commission for FY 2023-24 in its tariff order dated 13.04.2022 are as under:

Thermal Power Stations

Sl. No.	**Particulars**	**Units**	**FY 2023-24**			
			HTPS	**DSPM**	**KWTPP**	**ABVTPP**
1	Annual Fixed Cost	Rs. Crore	672.77	434.35	580.90	1394.41
2	Energy Charge Rate (ex-bus power plant basis)	Rs./kWh	1.574	1.688	1.339	1.838
3	Contribution to P&G	Rs. Crore	150.74	55.93	33.48	91.55

<u>Hydro Power Station (Hasdeo Bango)</u>

Sl. No.	Particulars	Units	FY 2023-24
1	Approved Annual Fixed Cost	Rs. Crore	24.68
2	Approved Net Generation	MU	270.71
3	Approved Tariff	Rs./kWh	0.912
4	Contribution to P&G	Rs. Crore	4.77

The contribution to Pension and Gratuity approved by the Commission shall be separately billed by CSPGCL on monthly basis.

CSPTCL: Tariff for FY 2023-24

11. After applying the carrying cost on the revenue deficit of Rs. 42.66 Crore of CSPTCL for FY 2021-22, the total revenue deficit up to FY 2023-24 has been approved as Rs. 51.24 Crore, as against the claim of CSPTCL for revenue deficit of Rs. 38.22 Crore.

12. For CSPTCL, the transmission charge for FY 2023-24 shall be as under:

Sl. No.	Particulars	Units	FY 2023-24
A	ARR approved vide order dated 13.04.2022 for FY 2023-24	Rs. Crore	1155.61
B	*Add*: past year cumulative revenue deficit, with carrying cost	Rs. Crore	51.24
C	Adjusted ARR for FY 2023-24 (A+B)	Rs. Crore	1206.85
D	Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers (C/12)	Rs. Crore/ month	100.57
E	Short-term Open Access Charges	Rs./kWh	0.3634

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 2023-24

13. Similarly, after applying the holding cost on the revenue surplus of Rs. 2.12 Crore of CSLDC for FY 2021-22, the total revenue surplus up to FY 2023-24 has been approved as Rs. 2.55 Crore, as against the claim of CSLDC for revenue deficit of Rs. 1.83 Crore.

14. For CSLDC, the charges for FY 2023-24 shall be as under:

Sr. No.	Particulars	Approved (Rs. Crore)
1	ARR approved vide Order dated 13.04.2022 for FY 2023-24	19.55
2	*Less:* Adjustment of Surplus of FY 2021-22, with carrying cost	(2.55)
3	**Adjusted ARR for FY 2023-24 (1+2)**	**17.00**
4	System Operation Charges	13.60
5	Intra-State Market Operation Charges	3.40
6	**Total SLDC Charges**	**17.00**

15. The cumulative revenue deficit/(surplus) of CSPGCL, CSPTCL, and CSLDC for FY 2021-22 along with carrying/holding cost amounts to Rs. 586.73 Crore, as against the claim of Rs. 578.81 Crore by the Companies.

CSPDCL: Tariff for FY 2023-24

16. CSPDCL has claimed a revenue deficit of Rs. 5319.67 Crore, as against which the Commission has approved revenue deficit of Rs. 3837.25 Crore for FY 2021-22. After applying the carrying cost on revenue deficit of FY 2021-22, CSPDCL has claimed revenue deficit of Rs. 6134.77 Crore. After prudence check and due scrutiny, the Commission approves Rs. 4321.46 Crore, as against the claim of CSPDCL for revenue deficit of Rs. 6134.77 Crore after considering the carrying cost.

17. For FY 2023-24, CSPDCL has sought approval for ARR of Rs. 15,581.14 Crore. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR at Rs. 17,228.31 Crore. After considering the ARR and revenue from sale of electricity for FY 2023-24, the stand-alone revenue surplus for FY 2023-24 has been estimated as Rs. 1,804.16 Crore, as against the stand-alone revenue surplus of Rs. 3,763.03 Crore projected by CSPDCL for FY 2023-24.

18. CSPDCL in its petition has not factored the revenue deficit/surplus of CSPGCL, CSPTCL and CSLDC for FY 2021-22. After considering the cumulative deficit/surplus (including carrying cost) claimed by CSPGCL, CSPTCL and CSLDC for FY 2021-22 in their respective petitions, the net ARR of CSPDCL for FY 2023-24

works out as Rs. 22,294.71 Crore. The Commission approves the net ARR of Rs. 21,957.00 Crore for FY 2023-24, which includes the approved revenue deficit/(surplus) of CSPGCL, CSPTCL, and CSLDC.

19. The adjusted Average Cost of Supply (ACoS) approved for FY 2022-23 was Rs. 6.22/kWh. The adjusted ACoS has been approved as Rs. 6.58/kWh for FY 2023-24.

20. CSPDCL has projected a net deficit of Rs. 2371.73 Crore for FY 2023-24 in which they have not considered the cumulative deficit/surplus of Rs. 578.81 Crore claimed by CSPGCL, CSPTCL and CSLDC for FY 2021-22 in their respective petitions.

21. Considering the cumulative deficit of Rs. 578.81 Crore claimed by CSPGCL, CSPTCL and CSLDC in their respective petitions, the effective revenue deficit of CSPDCL works out as Rs. 2950.54 Crore. As against this, the Commission has arrived at cumulative revenue deficit of Rs. 2924.53 Crore for CSPDCL for FY 2023-24 which includes the approved cumulative revenue deficit of Rs. 586.73 Crore of CSPGCL, CSPTCL and CSLDC.

22. 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.

23. The CSPDCL, in its petition, has not proposed any tariff hike, however, in its subsequent submissions, CSPDCL requested for rationalized tariff for all consumer categories required to meet the approved deficit.

24. In order to recover the cumulative revenue deficit of Rs. 2924.53 Crore and for tariff rationalisation, 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% 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 have 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 for Textile industries including handlooms and powerlooms, Jute industries, and ethanol industries categories under HV-3 category has been withdrawn.

e) The monthly power-off (non-supply) hours to be considered for HV-4 Steel category calculation of Load Factor has been rationalized to ‘Nil’ hours for industries connected at 220 kV and 132 kV voltage, and rationalized to 30 hours for industries connected at 33 kV and 11 kV voltage.

f) “Mines with stone crusher unit” and “Mixer and/or stone crushers” have been included in LV-5: L.V. Industry Tariff Category.

g) “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.

h) A new sub-category “Saw mill with carpenters and furniture makers” has been introduced and included in LV-2: Non-Domestic Tariff Category.

i) 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%.

j) 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%.

25. 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.

26. The Commission is likely to introduce the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt., which may be made effective from April 1, 2023. Further, the Commission also decides that FPPAS shall be applicable on the energy charge.

27. 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.

28. 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.

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

30. The Order will be applicable from 1st April, 2023 and will remain in force till March 31, 2024 or till the issue of the next Tariff Order, whichever is later.

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

Sd/- **(PRAMOD KUMAR GUPTA)** **MEMBER**	**Sd/-** **(VINOD DESHMUKH)** **MEMBER (JUDICIAL)**	**Sd/-** **(HEMANT VERMA)** **CHAIRMAN**

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

Abbreviation	Description
DA	Dearness Allowances
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

Abbreviation	Description
MAT	Minimum Alternative Tax
MAT	Minimum Alternate Tax
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

Abbreviation	Description
SLM	Straight Line Method
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
UI	Unscheduled Interchange
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
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UDAY	Ujjwal DISCOM Assurance Yojana
UI	Unscheduled Interchange
VCA	Variable Cost Adjustment
WLDC	Western Regional Load Despatch Centre
WPI	Wholesale Price Index
YoY	Year-on-Year

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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, 2015 (hereinafter referred to as CSERC MYT Regulations, 2015) on September 9, 2015 for the Control Period from FY 2016-17 to FY 2020-21. The Commission vide public notice CSERC letter 03/CSERC/Tariff 2020/1228 dated November 26, 2020 has notified the extension of CSERC MYT

Regulations, 2015 for the next year, i.e., 2021-22. Accordingly, CSPGCL, CPSTCL and CSLDC had filed Petitions for final true-up for FY 2019-20 and ARR for FY 2021-22 while CSPDCL filed Petitions for final true-up for FY 2018-19 and FY 2019-20 and ARR & Retail Supply Tariff for FY 2021-22 for which the Commission issued order on August 02, 2021.

Further, 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') for determination of tariff for the Generating Company, Licensees, and CSLDC.

In accordance with CSERC MYT Regulations 2015 and CSERC MYT Regulations 2021, CSPGCL filed the Petition for approval of final true-up for FY 2021-22 on 15/12/2022 which was registered as Petition No. 102 of 2022. CSPTCL filed the Petition for approval of final true-up for FY 2021-22 and determination of transmission tariff for FY 2023-24 on 30/11/2022 which was registered as Petition No. 94 of 2022. Also, CSLDC filed the Petition for approval of final true-up for FY 2021-22 and determination of SLDC charges for FY 2023-24 on 12/12/2022, which was registered as Petition No.100 of 2022. CSPDCL filed the Petition for approval of final true-up for FY 2021-22, and determination of ARR and Retail Supply Tariff for FY 2023-24 on 28/11/2022, which was registered as Petition No. 95 of 2022.

In this instant Order, the Commission has undertaken the final true-up for FY 2021-22 in accordance with the provisions of the MYT Regulations, 2015 and determination of Tariff for FY 2023-24 for CSPTCL, CSLDC and CSPDCL in accordance with the provisions of the MYT Regulations, 2021.

1.4 Admission of the Petition and Hearing Process

The Petitions filed by CSPDCL, CSPTCL, CSLDC, and CSPGCL were registered on 01/12/2022, 01/12/2022, 14/12/2022 and 15/12/2022 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 24/01/2023 and 25/01/2023 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.**

Public hearing was held on 21/02/2023 and 22/02/2023. 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 20 February, 2023 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 in annexed as **Annexure III.**

The following suggestions and objections were submitted:

a) CSPDCL should refrain from signing any further PPA because it has already signed more than sufficient PPAs and is unable to sell the same.

b) Surplus power available with CSPDCL should be utilized for manufacturing Hydrogen.

c) The Commission should consider Aggregate Technical and Commercial (AT&C) loss to evaluate the performance of CSPDCL.

d) CSPDCL should not write-off the arrears of consumers.

e) CSPDCL should prepare action plan for utilization of excess solar injection in near future.

f) CSPDCL should be directed to meet its RPO target.

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 companies have contributed Rs. 546.34 Crore to the pension trust in FY 2022-23. It is pertinent to mention here that total contribution of Rs. 706.65 Crore was to be submitted in the pension trust during FY 2022-23. Therefore, an amount of Rs. 160.31 Crore has yet to be submitted to the pension trust. In this context, objector has requested the Commission to direct the State Power Companies to deposit the short fall amount on priority basis.

Another objector submitted that in the true-up petitions filed by CSPGCL, CSPTCL and CSPDCL, expenses towards Pension and Gratuity liability has been restricted to the amount of contribution made in pension trust on actual basis whereas they have accounted revenue from operation on accrual basis.

The objector further submitted that 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. This is creating uncertainty among employees of State Power Companies and will burden the future consumers. Total corpus of the Gratuity and Pension Fund was around Rs. 5000 crore as on 31/03/2018, which has reduced to Rs. 4700 crore as on 31/03/2022. And this reduction in corpus happened when there is already huge deficit of around Rs. 10,000 crore as per latest actuarial analysis.

The objector requested the Commission that during true-up of ARR of previous years, the expenses towards payment of pension and gratuity should be considered on the basis of actual outflow from the Gratuity and Pension Fund with carrying cost and not on the basis of contribution to the fund by State Power Companies. The objector also requested that ARR for future years of all State Power Companies should be approved by considering appropriate estimation of the expenses towards payment of retirement benefits for Gratuity and Pension for all the retirees or pensioners of the State Power Companies. Some additional allocation to the fund should also be made in the ARR to reasonably fill the gap or deficit of the Gratuity and Pension Fund between actual available fund and requirement of fund as per actuarial analysis/ valuations so that deficit of previous years can be filled up.

Another Objector has requested the Commission to make such provision in relation to contribution to the pension trust so that a corpus of Rs. 18,000 Crore can be created.

Petitioner's Reply

CSPGCL, CSPTCL and CSLDC have submitted that they have deposited full amount to the pension trust during FY 2022-23 as per the tariff order. CSPDCL has submitted that it has deposited full contribution as specified in the tariff order for FY 2022-23 in the month of December 2022.

CSPDCL submitted that it is contributing to Pension and Gratuity Trust Fund in the manner approved by the State Commission in its tariff order time to time. As per the tariff order dtd. 02.10.2021, the Commission has approved contribution towards pension and gratuity amount to Rs. 449.48 Crore and CSPDCL has contributed to a same amount of contribution towards pension and gratuity. CSPDCL submitted that the matter (corpus of Rs. 18000 Crore) is not related to present petition.

Commission's View

The instant petition pertains to true up for FY 2021-22 for which the CSERC MYT Regulations, 2015 are applicable and Regulation 32 of the CSERC MYT Regulations, 2015 specifies that the contribution to the fund shall be decided 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. Accordingly, the Commission has allowed the contribution to fund as approved in this Order.

2.2 Objections on CSPGCL's petition

2.2.1 Capacity Charges for Marwa TPP/ ABVTPP

The objector, submitted that the average cost of generation claimed by CSPGCL for FY 2021-22 is substantially high, hence the purchase of power from Marwa TPP for retail sale is inflating retail tariff. The actual Station Heat Rate and Auxiliary Consumption is higher than the approved values and all such inefficiency is increasing the cost of generation. The objector submitted that during FY 2021-22, the PAF of Marwa TPP was only 54.67%, against the approved PAF of 76.5%. CSPGCL has claimed capacity charges of Rs. 1513.78 crore as against the approval of Rs. 1526.18 Crore. The objector stated that based on the actual Plant Availability Factor (PAF), CSPGCL has claimed an excess capacity charge of Rs. 423.11 crore. The objector prayed for not allowing the excess capacity charges of Rs. 423.11 crore during FY 2021-22.

Petitioner's Reply

CSPGCL submitted that the CSERC Regulations provide specific mechanism for dealing with under / over performance by any entity. CSPGCL in its true-up petition has followed the Regulations without any deviation. The objector has pleaded for circumventing the Regulations which is not acceptable.

Commission's View

On account of lower actual PAF as compared to normative PAF, CSPGCL, in accordance with the CSERC MYT Regulations, 2015, has claimed lower Fixed Charges of ABVTPP. The Commission has also followed the CSERC MYT Regulations, 2015 while approving fixed charges for FY 2021-22 considering sharing of gains/losses, the details of which are provided in subsequent Chapter of this Order.

Landed Price and GCV of coal for Marwa TPP/ ABVTPP

Further, the objector stated that under Form 15B for Marwa TPP, CSPGCL has submitted that landed price of coal is lower than the approved landed price and GCV of coal is equal to the approved GCV. CSPGCL has recovered Rs. 57 Crore on account of Fuel Cost Adjustment (FCA) from consumers of the State without any increase in fuel cost.

The objector further requested not to load on retail consumers any under recovery (Rs. 172.91 crore) from sale of power to TSDISCOMs and prudently examine the FCA and VCA charges determined by CSPGCL and CSPDCL before recovery from consumers.

Petitioner's Reply

CSPGCL submitted that the contentions of the objector are incorrect. Table 7-14 of the Tariff Order for FY 2021-22 (Page 218) shows that at the time of Tariff Order, the GCV of coal was considered as 3631 kcal/kg and the landed price of coal was considered as Rs. 1990.87/MT. At the time of true up the uncontrollable parameters such as GCV of coal and landed price of coal get substituted by the actual values instead of the projected values. Therefore, in the format 15B, the actual GCV of coal of 3470 kcal/kg has been considered. Similarly, the actual landed price of coal of Rs. 2272.04/MT has been considered. Further, as the actual transit loss was lower than the normative, following the precedence set in the previous Tariff Orders, CSPGCL has claimed actual landed price of coal at a lower value of Rs. 2270.61/MT. In view of the above, CSPGCL requested the Commission that all the prayers made by the objector may be rejected.

Commission's View

The Commission has done prudence check on the submission of CSPGCL and has accordingly approved the coal cost in line with the provisions of CSERC MYT Regulations, 2015 and as per the settled methodology adopted in previous Tariff Orders.

2.2.2 Cost of Coal

The Objector submitted that CSPGCL has not provided consolidated quantum and cost of coal consumed, in its True-up Petition for FY 2021-22. Also, claim against cost of coal and net generation in the True-up Petition are not matching with the figures as per Audited Balance Sheet of FY 2021-22. The Objector requested the Commission to direct CSPGCL to submit reconciled data in the True-up Petition for FY 2021-22 to carry out proper True-up exercise.

Petitioner's Reply

CSPGCL denied that there is any infirmity in claiming coal cost and net Generation. CSPGCL submitted that the coal cost has been computed as per settled methodology approved by the Commission in all previous Tariff Orders. While the accounting cost is determined in accordance with moving average price of coal, for regulatory purpose the rate is determined on the basis of replacement price (determined on the basis of landed rate of the coal during the year). Further, in the regulatory computation, the landed cost of coal includes all the costs incurred in transportation. In the financial accounts, the cost incurred on employees, A&G and R&M of external CHP is part of O&M cost and not the fuel cost. It is for this reason that for each plant the O&M cost incurred on coal transportation is added in the landed cost computation and is deducted from the O&M cost. CSPGCL also submitted that for determination of landed cost of coal, all relevant data has been submitted along with the bimonthly FCA calculations.

Regarding the difference in net generation in the accounts and in the True up Petition, CSPGCL submitted that net generation in Accounts refer to the scheduled energy, whereas net generation as per True up Petition refers to actual net generation. In support of both the data, CSPGCL has already submitted the DSM statement certified by CSLDC. CSPGCL submitted that in the last decade these issues have been dealt by the Commission in number of cases and the regulatory practice has been consistent for more than a decade. Therefore, the objection may also be considered barred by the principle of res-judicata.

Commission's View

The Commission has done prudence check on the submission of CSPGCL and has accordingly approved the coal cost and net generation in line with the provisions of CSERC MYT Regulations, 2015 and as per the settled methodology adopted in previous Tariff Orders.

2.2.3 Operational Parameters for CSPGCL Thermal Plants

The Objector submitted that the PAF and other operational parameters for FY 2021-22 for HTPS and Marwa TPP are lower than approved values. The Objector requested the Commission to allow operational parameters of HTPS and Marwa TPP on the basis of approved values without relaxing the normative values.

Petitioner's Reply

CSPGCL submitted that it has considered normative operational parameters in accordance to the Regulations and the undisputed Tariff Order for FY 2021-22. In the instant True up Petition, no prayer for relaxation of the norms has been made. CSPGCL also submitted that the appropriateness of the Regulations cannot be challenged through the objection. Such pleadings do not sustain even in an Appeal filed before the Hon'ble APTEL. CSPGCL referred to the decision of the Hon'ble APTEL in the Appeal No. 5 of 2013 read with the decision of Constitution bench of Hon'ble Supreme court of India in PTC India Ltd. v/s CERC reported at 2010 (4) SCC page 603, wherein the Hon'ble Supreme Court has held that validity of the Regulations framed under the Act can be challenged only by seeking judicial review under article 226 of the constitution of India and not otherwise. In view of the above, CSPGCL prayed to reject the objection and allow CSPGCL claim as prayed in the True up Petition.

Commission's View

The Commission has done prudence check on the submission of CSPGCL and has accordingly approved the performance parameters and carried out sharing of gains and losses in line with the provisions of the CSERC MYT Regulations, 2015 and as per the settled methodology adopted in previous Tariff Orders.

2.2.4 Non-Tariff Income of CSPGCL

The Objector submitted that CSPGCL has claimed the Non-Tariff Income of Rs. 34.74 Crore for FY 2021-22, whereas as per the Audited Balance Sheet for FY 2021-22, the Non-Tariff Income is Rs. 50.40 Crore. Therefore, the Commission should consider the Non-Tariff Income of CSPGCL for FY 2020-21 as Rs.50.40 Crore and prudently check revenue suppression of Rs.15.66 Crore.

Petitioner's Reply

CSPGCL submitted that in the True up Petition, it has explained the principles followed and specific exclusions made in Non-tariff Income. The approach and methodology adopted by CSPGCL is in line with the settled principles and practice adopted in previous Tariff Orders. Further, in the instant True up Petition, CSPGCL has not claimed residual salvage value of KTPS plant of more than Rs. 61 Crore. The cost of decommissioning has also not been claimed in the instant True up Petition. In compliance to the principle adopted in the previous Tariff Orders, leave has been craved for submission of detailed settlement of revenue from sale of scrap and recovery of salvage value of plant / balance stores / cost of decommissioning etc. in the True up for FY 2022-23. Further, as per well settled principle and practice, the interest on FDRs pertaining to the coal blocks have been reduced from the Capital cost of the projects and hence for the regulatory purpose they are not considered as revenue income. Thus, all components of Non-tariff Income have been dealt in the True up Petition in accordance to the Regulations and undisputed previous Tariff Orders of the Commission. Hence, CSPGCL requested the Commission to allow Non-Tariff Income as submitted in the True up Petition.

Commission's View

The Commission has approved Non-Tariff Income for FY 2021-22 after due prudence check and based on the approach adopted by the Commission in previous Tariff Orders. The details are provided in subsequent Chapter of this Order.

2.2.5 Non Adjustment of Income Tax Refund by CSPGCL

The objector submitted that CSPGCL has received Income Tax refund of Rs. 69.48 Crore pertaining to AY 2020-21 ordered on 30.03.2021, but the same was not adjusted in the True up of FY 2021-22. The Objector requested the Commission to adjust Income Tax refund of Rs. 69.48 Crore pertaining to AY 2020-21 in the True up of FY 2021-22.

Petitioner's Reply

CSPGCL submitted that this specific issue has been clarified as part of additional submission 1, vide Letter No. 35 dated 16.01.2023. In none of the previous years, for CSPGCL, the ROE was grossed up by the tax rate. The tax was always allowed by the Commission on actual basis. The income tax refund received during FY 2021-22 pertains to AY 2020-21 (FY 2019-20). In the FY 2019-20, the actual pre-paid tax was Rs. 130.57 Crore, the actual income tax computed was Rs. 70.68 Crore and tax refund of Rs. 59.89 Crore was claimed. In the True up for FY 2019-20 (dealt in the Tariff Order for FY 2022-23), only the computed tax of Rs. 70.68 Crore was claimed and allowed. In the true up of FY 2019-20, no claim was made / allowed for the claim of Rs. 59.89 Crore. The said refund claim along with the applicable interest as per the Finance Act materialized during the FY 2021-22. Copy of the challans, ITR and the Refund order have been submitted to the Commission. As the above amount was never considered as pass through by the Commission, hence no treatment of such refund (including interest on the same) qualifies for adjustment during True up of FY 2021-22.

Commission's View

The Commission has approved Income Tax for FY 2021-22 after due prudence check and based on the approach adopted by the Commission in previous Tariff Orders. The details of income tax refund are provided in subsequent Chapter of this Order.

2.2.6 Depreciation for ABVTPS (Marwa) for FY 2021-22

The Objector submitted that it has entered into a PPA with CSPDCL for purchase of power supplied by ABVTPS to CSPDCL. The Agreement is for 12 years and this Agreement has been entered after negotiation between the two State Governments. Ultimately the ARR approved for the project is passed on by CSPDCL to TSDISCOMs. TSDISCOMs requested the Commission to consider their views and objections before approval of ARR of ABVTPS. TSDISCOMs submitted that as per Regulation 24 of 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, 2015, the depreciation rate is 5.1% and the amount of depreciation estimated ought to be Rs. 447.86 Crore, whereas CSPGCL has claimed the depreciation of Rs. 521.53 Crore, which works out to a rate of 5.94%. CSPGCL has claimed higher depreciation in order to match its debt repayment obligation. TSDISCOMs also stated that the PPA is not co-terminus with the life of the project. The benefit out of advance depreciation charged on TSDISCOMs will accrue to the beneficiary at later years. TSDISCOMs requested the Commission to consider the applicable depreciation rate as per Regulations. The difference between the depreciation claimed by CSPGCL i.e., Rs. 521.53 Crore and Rs. 447.86 Crore may be to the account of beneficiary (CSPDCL) after 13th year and after the expiry of PPA with TSDISCOMs.

Petitioner's Reply

CSPGCL reiterated its submission with respect to locus of TSPCC or TSDISCOMs to file objection against CSPGCL True up Petition for FY 2021-22. In addition, CSPGCL submitted that as per the definition given in the Act (Section 2 (15)), TSPCC is not a consumer of CSPDCL. The jurisdiction of the Commission is limited to the state of Chhattisgarh and as such TSPCC has no locus to participate in the proceedings before the Commission.

Without prejudice to the above, CSPGCL submitted that it is a settled legal position that any agreement between two parties cannot override the specific provisions of the Regulations. CSPGCL has prayed for allowing the depreciation for ABVTPS (Marwa) in accordance to the last proviso of the Regulation 24.4 of the Regulations, 2015. The appropriateness of the Regulations cannot be challenged through objection. Such pleadings do not sustain even in through an Appeal before the Hon'ble APTEL. CSPGCL referred to the decision of the Hon'ble APTEL in the Appeal No. 5 of 2013 read with the decision of Constitution bench of the Hon'ble Supreme Court of India in PTC India Ltd. v/s CERC reported at 2010 (4) SCC page 603, wherein the Hon'ble Supreme Court has held that validity of the Regulations framed under the Act can be challenged only by seeking judicial review under article 226 of the constitution of

India and not otherwise. As the pleadings of the Objector are contrary to the established principles of law, it is submitted that the Objection deserve to be summarily dismissed.

Further, it is also a well settled legal position that at the time of true up the principles followed at the time of tariff determination are applicable. The tariff for FY 2021-22, was determined by the Commission vide Order dated August 2, 2021 read with detailed Order dated August 11, 2021 on the Petition No. 09 of 2021(T). The depreciation for ABVTPS was approved by the Commission vide para 7.6.3, page 223-225 in the Tariff Order. The aforesaid Order has attained finality and therefore lays down binding principle for the purpose of True up. In view of the above CSPGCL requested that the objection raised by TSPCC or TSDISCOMs may be rejected on the ground of merits too.

Commission's View

The Commission while approving the ARR for FY 2021-22 in the Order dated August 11, 2021 on the Petition No. 09 of 2021(T) had approved the depreciation in accordance with the provision specified in Regulation 24.4 of the CSERC MYT Regulations, 2015. Therefore, at the true up stage, the Commission has followed the same principles as detailed in subsequent chapter of this Order.

2.3 Objections on CSPTCL's petition

2.3.1 Transmission Losses and Short-Term Open Access (STOA) Charges

The objector submitted that STOA charges proposed by CSPTCL are 36.05 paise per unit for FY 2023-24. These charges proposed by CSPTCL are on the higher side as compared to other States. The objector cited the example of Himachal Pradesh, Goa, Uttarakhand, Jharkhand, Uttar Pradesh, Odisha and Telangana wherein Transmission Charges are much lower as compared to Chhattisgarh. Therefore, the Objector requested the Commission to rationalise the Transmission Charges of CSPTCL at least at par with Transmission Charges of Odisha, which is 28.00 paise per unit (highest among these States).

Petitioner's Reply

CSPTCL submitted that STOA charges proposed for FY 2023-24 in the Petition are based on the methodology adopted for determination of STOA charges in the previous Tariff Orders.

Commission's View

The Commission has approved the STOA Charges based on the methodology adopted in the past Tariff Orders. The detailed computation has been given in relevant Chapter of this Order.

2.4 Objections on CSLDC's petition

2.4.1 SLDC Operating Charges

The Objector submitted that CSLDC is currently charging Operating Charges at Rs. 2000 per day per transaction for 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. 1000 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. 2000 per day levied by CLSDC is justifiable in comparison of SLDC operating charges levied in Maharashtra and Madhya Pradesh.

Commission's View

SLDC Operating Charges for STOA consumers are reasonable and have been retained at existing levels.

2.5 Objections on CSPDCL's petition

2.5.1 Telecom Services in Industrial Tariff Category

The Airtel Telecom, Cellular Operators Association of India (COAI), Digital Infrastructure Providers Association (DIPA) and Jio Digital Life submitted that the telecom industry is being charged commercial rates as against industrial rates, resulting in undue financial burden on the telecom industry which works round the clock like any other industry. As a result, early deployment of 5G in the States will lead to multiple new sources of revenue generation for local bodies, State Governments, Start-ups, existing businesses, and most importantly, benefits for the citizens. Telecom sites should be provided electricity connection under Utility /Industrial tariff. SERCs may be requested to incorporate the same in their tariff orders.

We request that in the State EB Tariff Orders, Telecom Industry electricity tariff may kindly be placed under Industrial rates rather than the commercial rates.

Petitioner's Reply

CSPDCL submitted that no activity of manufacturing is being carried-out in the telecom towers thus present classification in the non-domestic category is appropriate and same should be continued.

Further it has submitted that designing and re-structuring of retail supply tariff is statutory function of State Commission under Electricity Act. Hence, applicant's request can only be considered subject to protection of CSPDCL's approved ARR for the year FY 2023-24.

Commission's View

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

2.5.2 Rationalize the Transmission Loss

The objector submitted that the inter-state and intra state transmission losses proposed by CSPDCL are 3.43% and 3% respectively, which are on very much higher side as compared to the other states. The Objector citied the examples of Himachal Pradesh, Uttarakhand, Jharkhand and Madhya Pradesh wherein Transmission Losses are much lower as compared to Chhattisgarh. Therefore, the Objector requested the Commission to rationalise the Transmission Losses of CSPDCL for the Control Period at least at par with Transmission Losses of Madhya Pradesh, which is 2.62% (highest among these States).

Petitioner's Reply

CSPDCL submitted that based on transmission loss achieved for FY 2020-21 (3.00%), the Commission has set target as 3.00% every year of the Control Period from FY 2021-22 to FY 2023-24. CSPDCL considered intra state transmission losses as determined in the latest Tariff Order dated 13.04.2022 and inter-state transmission losses has been considered as weighted average transmission losses of actual 12 months of Western Region.

Commission's View

The Commission approves the transmission loss considering the data submitted by CSPTCL and hence, comparing the transmission loss of Chhattisgarh with other States has no relevance.

2.5.3 Parallel Operation Charges

The Objector submitted that the CSPDCL's prevailing POC charges is 13 paisa/kWh and thus, requested the Commission to consider the POC charges payable by CPP to CSPDCL for its captive and non-captive load as 10 paisa/kWh.

Another Objector submitted that parallel operation charges were increased up to 300% only on the request of CSPDCL to fulfil the revenue gap without considering any exercise before hike. Now CSPDCL is getting revenue surplus, hence a part of this surplus may be used to reduce the existing Parallel operation charges by 50% from existing tariff.

Petitioner's Reply

CSPDCL submitted that POC charges are constituent of non-tariff income and any rationalization among such constituents would have a bearing on tariff of normal electricity consumers. We requested to continue the existing methodology for calculation of Parallel Operating Charges.

Commission's View

The Commission has found the present POC charges appropriate, hence, do not require any change.

2.5.4 Reactive Energy Charges

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

Petitioner's Reply

CSPDCL submitted that based on past Tariff Order, Reactive Energy Charge has been considered by the Commission @ 27 paise per unit and the same shall be continued.

Commission's View

The Commission has found the present Reactive Energy Charges appropriate, hence the request of the objector is not accepted.

2.5.5 Non-Reconciliation of data

The Objector submitted that CSPDCL has submitted Tariff Petition in December 2022 and it has revised lot of data vide additional submission. The additional submission is meant to supplement data gap, which was submitted originally. In fact, CSPDCL has amended the Tariff Petition without filing amended Petition and requisite affidavit, which is not permissible under the Law.

CSPDCL has submitted Audited Balance Sheet for FY 2021-22; however, no reconciliation has been provided in support of submission made under additional submission and there remain several ambiguities and discrepancies of data.

The Objector submitted that due to such different sets of data for FY 2021-22, it is impossible for stakeholders to make any legitimate objection on present Tariff Petition filed by CSPDCL. Therefore, the Commission should direct CSPDCL to amend the Tariff Petition and to submit reconciled data in order to enable stakeholders/consumers to make legitimate suggestions/ objections.

Petitioner's Reply

As regards objection on difference between the Tariff Petition and Additional Submission, CSPDCL submitted that the contention of the Objector that the data is non-reconciled is wrong.

Pursuant to the directions of the Commission, during Technical Validation Session (TVS) the Petitioner has submitted the item-wise reconciliation of the data submitted with the Audited Balance Sheet.

Commission's View

The CSPDCL has asked to remove the discrepancies in data submitted with the petition and the same was compiled by CSPDCL.

2.5.6 Issues related to Agriculture Consumption

The Objector submitted that based on analysis of actual sales to Agriculture consumers from FY 2016-17, the sales forecast for Agriculture consumers during FY 2023-24 as submitted by CSPDCL appears to be on higher side (245 units/HP/month) against that claimed by CSPDCL in True-up for FY 2021-22 (238 units/HP/month).

CSPDCL has shown Agriculture consumption during FY 2021-22 lower than FY 2020-21 even when number of such consumers is projected to increase considerably, which shows absence of realistic and reliable data and estimation.

Existing Energy Charges for Agriculture category is Rs.5.05 per unit whereas CSPDCL has proposed lower consumption of Agriculture Pumps during FY 2022-23 and also proposed to dispose surplus power at a lower rate, creating an artificial loss.

From the above, it is quite clear that CSPDCL has projected lower consumption of Agriculture Pumps during FY 2022-23 in order to show lower revenue artificially. Energy Meters of Agriculture Pumps are not read regularly and lakhs of such connections are served without any meter in violation of Electricity Act, 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 directed in Tariff Order for FY 2017-18, FY 2018-19 and FY 2019-20 should be made available along with Tariff Order for FY 2023-24. Action taken report to curb the large number of defective energy meters and present status of such meters as observed under Tariff Order for FY 2018-19 and FY 2019-20 should also be made available along with Tariff Order for FY 2023-24.

The Objector submitted that a Suo-Motu Petition should be filed 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 2021-22 and FY 2023-24 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 2021-22, in reply to data gaps dated January 25, 2023. Further, basis of projections of consumption for FY 2023-24 is detailed at Para 8.4 to 8.12 of the Tariff Petition.

CSPDCL submitted that the sales considered under agricultural category is taken from its revenue statement (R-15) for FY 2021-22. 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, prolonged locked premises are prominent reasons for existing status.

All other issues such as Suo-motu 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 2021-22, based on the R-15 submitted by CSPDCL, and the same has been considered in the true-up for FY 2021-22. 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 2021-22, based on the approved ABR and the sales reported by CSPDCL. The methodology adopted by the Commission for projecting the sales to the agriculture category for FY 2022-23 to FY 2024-25 has been elaborated in the relevant Chapter of this Order.

2.5.7 UDAY Scheme and Distribution Losses

The Objector submitted that CSPDCL has committed to specific loss levels under UDAY Scheme vide MoU executed on January 25, 2016.

Previously, CSPDCL had claimed share of gains on reduction of Distribution Losses during FY 2016-17 in Provisional True-up Petition; however, the same was rejected by the Commission in the Tariff Order for FY 2018-19.

From the 1st Amendment in CSERC MYT Regulations, 2015 effective from April 1, 2016, it is amply clear that the energy loss trajectory agreed and committed in writing by CSPDCL shall prevail over provisions made in principal Regulations. Further, CSERC MYT Regulations, 2015 specifies Transmission & Distribution Loss as Controllable factor under Regulation 11.2 and provides mechanism for sharing of under-achievement of stipulated targets.

CSPDCL has reported Distribution Loss of 16.14% including EHV sales during FY 2021-22. Surprisingly, without attaining prescribed target of 14.64% for FY 2018-19. Further, the share of loss of Rs. 131.50 Crore computed by CSPDCL is not accounted in ARR for FY 2021-22, which is unacceptable.

Considering all above reasons and provisions of CSERC MYT Regulations, 2015 and UDAY Scheme, the Objector requested the Commission:

a. to stipulate the Distribution Loss including EHV Sale at 14.22% as approved by the Commission for FY 2021-22.

b. to order for share of loss against non-achievement of Distribution/AT&C Losses in accordance with CSERC MYT Regulations, 2015.

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 Revamped Distribution Sector Scheme in the True-up and Tariff Order.

Petitioner's Reply

The Petitioner submitted that it has clarified the reasons for not considering deductions due to under achievement of line loss targets at 33 kV level at Para 6.13 and Para 6.14 of the Tariff Petition. This includes the modified table on sharing of efficiency losses. The request of 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 Regulations.

The Objector has not considered the differential timings involved in billing cycles of power purchase and consumers. CSPDCL bills more than 60 lakh consumers in LT spread across the State and it is difficult to issue simultaneous bills to all consumers at one time due to constraints in meter reading, while the power purchase bills observe definite monthly cycle.

Further 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.

The Petitioner would further like to submit that the distribution loss trajectory as projected by the petitioner is in accordance with the Distribution loss trajectory as approved by the Commission.

Commission's View

For true-up for FY 2021-22, 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 2021-22. 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 CSERC MYT Regulations, 2015. For the Control Period, the Commission has approved the trajectory for reduction of Distribution Losses as detailed in 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 relevant Chapter of this Order.

2.5.8 Higher Cost of Renewable Power and Lower Quantum of Concessional Power Purchase

The Objector submitted that CSPDCL has purchased Renewable Power at quite 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 approx. Rs. 293 Crore for FY 2021-22.

The Objector also submitted that the information provided in the present Petition and additional information do not match with the Audited Accounts for FY 2021-22. CSPDCL has entered into an Agreement with SECI for purchase of Solar power of 2373 MW at very low rate of Rs. 2.57 per unit. Hence, such high purchase cost of Solar power during FY 2023-24 @3.79 is not understandable and it needs prudent examination.

Further, CSPDCL has proposed not to draw any power from Renewable Generation from Biomass during FY 2023-24 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.

Therefore, not drawing power from State Biomass Renewable Generators and buying from outside of the State at higher rates is not a justifiable and wise proposal as State Biomass Renewable 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 Tariff Order FY2022-23.

Hence, the Objector is requesting the Commission to:

- prudently examine the inconsistent data supplied by CSPDCL in Tariff Petition, Additional Submission/s and VCA Calculations
- prudently examine the cost of Renewable and Concessional Power during FY2021-22 and FY2023-24

- continue buying power from State Biomass Renewable Generators during FY2023-24
- 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 renewable energy 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 2021-22, 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 (levelised tariff) plus taxes, duties and water charges for FY 2021-22. 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 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 2021-22, as elaborated in relevant Chapter of this Order. The Commission has considered the quantum and rate of purchase from RE sources and Concessional Power sources for the Control Period, as elaborated in the relevant Chapter of this Order.

2.5.9 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 shortages, 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 FY2021-22, CSPDCL has neither shown any reason for not returning 437.94 MU of power banked with it in totality although it had surplus availability of power nor has it submitted the "Power Banking Pass Book. It is 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.500 Crore to Rs.1,000 Crore evaluated at Average Power Purchase Cost.

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 Average Pooled Power Purchase Cost (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 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 2021-22. In view of the above, the Objector submitted following:

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 & Time of such Banked Quantity, effective UI Rates on 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.
c. Trued-up details from FY 14-15 are showing a Returnable Quantum of 437.94MU in Power Banking whereas CSPDCL is reporting Receivable Quantum of 328.92 MU at the end of FY21-22 which needs to be examined prudently.
d. Discrepancy in the data submitted by CSPDCL in the True-up Petition and Additional Submission needs to be examined prudently.

Petitioner's Reply

CSPDCL submitted that it is complying with the directions issued by the Commission at Para 10.2(vi) 'New directives to CSPDCL' regarding banking transactions. Further, CSPDCL has also submitted the details showing reconciliation of banking transactions during FY 2021-22 with respect to corresponding banking agreements showing energy units received and unit returned in reply to Query No. 25 of Letter No. 2626, dated February 3, 2023. The aforesaid replies were also placed in public domain.

The contentions of banking about previous many years is 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 year. The Commission has approved final true up to FY 2020-21.

In view of the above, the Objector's prayer is ineffective; hence, may be dismissed.

Commission's View

While undertaking the final true-up for FY 2021-22, 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.

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

The Objector submitted that in the present Tariff Petition, CSPDCL has sought review of Tariff Order for FY 2022-23 pertaining to true-up of FY 2018-19. This Review Petition was filed for an additional claim of Rs. 518.03 Crore against approved true-up for FY 2018-19 under Tariff Order for FY 2022-23. 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 Review of Tariff Order for FY 2022-23 within the scope of present Petition. Since comments/objections are not called on review of Tariff Order for FY 2022-23 pertaining to True-up for FY 2018-19, it would neither be legitimate for the public/stakeholders to raise any objection/s on the merits of such a huge demand of Rs.518.03 Crore (including carrying cost) nor for the Commission to address this issue without having followed proper procedure.

Therefore, the Objector requested the Commission not to re-review the matters of FY 2018-19 which is already time-barred and which has nature of appeal, to disallow claim of Rs. 518.03 Crore under ARR for FY 2023-24 and to issue Public Notice for the review of Tariff Order for FY 2022-23 inviting suggestions/ objections from the public/ stakeholders and calling for a Public Hearing on the matter.

Petitioner's Reply

CSPDCL 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 August 2, 2021 in ensuing Tariff Petition for FY 2023-24. Accordingly, inclusion of Chapter 5 under present Petition is in pursuance to the Order dated August 5, 2022 in Review Petition No. 51 of 2022 read with provisions of Order 47 Rule 1 of Civil Procedure Code.

Commission's View

The reply of the Petitioner is self-explanatory.

2.5.11 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 2021-22 is less than Revenue reported in R-15 format by CSPDCL, amounting to Rs. 54.44 Crore.

Similarly, CSPDCL has shown lower revenue from retail sale to LV3-Agriculture category, amounting to Rs. 422.32 Crore.

The Objector submitted that in accordance with Section 45 of the Act, 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 of earlier years, the Commission has considered 'additional revenue for Agriculture metered category'. During FY 2017-18, such additional revenue was Rs. 351.24 Crore whereas during FY 2018-19, it is considered as Rs. 382.85 Crore under true-up.

Therefore, the Objector requested the Commission to:

a. prudently check shortage of revenue of Rs. 54.44 Crore received from retail sale of power to HT Consumers during FY 2021-22 in light of R-15 data provided by CSPDCL
b. consider additional revenue of Rs.422.32 Crore from sale of power to LV-3 Agriculture category during FY 2021-22 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. 54.44 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.

Commission's View

The Commission has performed prudence check on the revenue recovered from consumers and has only 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 LV-3 Category Consumers in the relevant Chapter of this Order.

2.5.12 Discrepancy in Quantum & Cost of Power Purchased & Transmission Charges

The Objector submitted that the net generation by CSPGCL for FY 2021-22 differs from quantum of power purchased by CSPDCL although entire power is purchased by CSPDCL. Also, there is difference in the cost of power purchased from CSPGCL during FY 2021-22.

Further, rebate of 2.5% is provided for timely payment against power purchase from Central Sector; however, CSPDCL is not availing this benefit although sufficient provision for working capital requirement is provided in the ARR. Thus, consumers of the State are deprived from huge benefit of Rs. 219.38 Crore in the form of rebate from CGS

Therefore, the Objector requested the Commission to:

a. prudently examine cost and quantum of power purchase as claimed by CSPDCL during FY21-22.

b. allow rebate of Rs.147.55 Crore for FY 2021-22 and Rs.127.03 Crore for FY 2023-24 for purchase from Central Generating Stations and not to allow any Delayed Payment Surcharge under ARR.

Petitioner's Reply

The contentions on rebate from CGS are hypothetical in nature. The benefit of early payment is consequential of discharging payment liability within the prescribed timelines. This is in turn connected to the financial position of the Petitioner. As there is no actual benefit received by the Petitioner towards early payment, the request of Objector to consider rebate is ridiculous.

Commission's View

The Commission has verified the reconciliation given by CSPDCL and CSPGCL and has accordingly approved the quantum and cost of power purchased from CSPGCL in the final true-up for FY 2021-22.

The Commission does not find any merit in the suggestion for considering notional rebate on power purchase, which has not been received by the Petitioner, in the true-up for FY 2021-22.

2.5.13 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 although LT R-15 shows it separately but again HT R-15, VCA Charges are not shown separately. This is non-compliance of MYT Regulations' 2015.

VCA Charges have gone as high as Rs 1.10 per 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 National Tariff Policy.

Govt of India has notified **Electricity (Amendment) Rules 2022** on 29.12.2022, providing 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 to "Zero" at the start of FY23-24 for a stable and predictable Retail Tariff

b. device mechanism for speedy recovery of VCA Charges

c. institute separate True-up mechanism for VCA and FCA Charges

Petitioner's Reply

CSPDCL 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 67.8 of CSERC MYT Regulations, 2015. 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 CGS stations in the final true-up for FY 2021-22.

The approach adopted by the Commission for projecting quantum and cost of power purchase from CGS stations for the Control Period is detailed in the relevant Chapter of this Order. The Commission has also made certain modifications in the FCA and VCA mechanism from FY 2023-24 onwards, as elaborated in the Tariff Schedule and in the relevant Chapter of this Order.

2.5.14 Discrepancy in Quantum & Cost of Power Purchased from CSPGCL

The Objector submitted that that during FY 2020-21, net generation by CSPGCL differs from quantum of power purchased by CSPDCL although entire power is purchased by CSPDCL.

Therefore, the Objector requested the Commission to:

a. Prudently examine quantum of power purchase from CSPGCL against such power claimed by CSPDCL during FY 2021-22 as there is multiplicity of data;

b. Prudently examine quantum of power purchase from Hasdeo Bango Hydel Power Station of 403.35 MU as there appears to be no provision under True-up Petition for FY 2021-22;

c. Prudently examine the cost of power purchase from CSPGCL claimed by CSPDCL in FY 2021-22 as there is multiplicity of data.

Petitioner's Reply

CSPDCL submitted that it has furnished the reconciliation of Power purchase cost and Quantum as considered by the CSPDCL with CSPGCL in reply to the data gaps dated 23.01.2023 & dated 03.02.2023.

Commission's View

The Commission has verified the details provided by CSPDCL and has accordingly approved the quantum and cost of power purchased from CGS stations in the final true-up for FY 2021-22.

2.5.15 Burden of Short Recovery of Power Cost of Marwa TPP on Retail Consumers & Excess Recovery of Capacity Charges

The Objector submitted that CSPDCL has an agreement with Telangana for back-to-back supply of power generated by Marwa TPP after adding trading margin of 7 paise per unit. The average cost of generation claimed by CSPGCL during FY 2021-22 is substantially high, hence, purchase of power from Marwa TPP for Retail Sale is inflating Retail Tariff. Station Heat Rate is reported to be 2572.42 kCal/kWh against approved 2372.42 kCal/kWh, meaning that coal consumption is higher to generate 1 unit of electricity. Further, the Auxiliary Consumption is also higher at 6.12% against approved 5.25%. All such inefficiency is increasing the cost of generation. This is not acceptable.

During FY 2020-21, PAF of Marwa TPP was only 55.06% against approved PAF of 76.5%. Similarly, during FY2021-22, PAF of Marwa TPP was only 54.67% against approved PAF of 76.5% but CSPGCL has claimed Rs.1,513.78 Crore as Capacity Charges against approval of Rs.1,526.18 Crore which is not reasonable. This means that without running the plant to normative capacity, CSPGCL is recovering its fixed cost from the consumers of the State, even when such plant is meant to supply electricity to Telangana on back-to-back basis.

Further, CSPGCL has submitted under Form 15B for Marwa TPP that landed price of coal is lower than approved and GCV of coal is also equal to approved but CSPGCL has recovered Rs. 57 Crore on account of Fuel Cost Adjustment (FCA) from consumers of the State, understandably without any such increase in Fuel Cost.

Therefore, the Objector requested the Commission to:

a. Consider ARR/ capacity charge of Marwa TPP on reduced PAF/PLF and disallow excess claim of Capacity Charges of Rs. 423.11 Crore during FY2201-22;

b. not to load on Retail Consumers any under-recovery from sale of power to Telangana below the cost of generation amounting more than Rs. 172.91 Crore;

c. prudently examine the FCA and VCA charges determined by CSPGCL and CSPDCL before recovery from consumers

Petitioner's Reply

CSPDCL submitted that it is supplying power purchase from ABVTPP (Marwa) to Telangana DISCOMs under back-to-back arrangement. It has been reiterated that based on demand supply gap of the State, a portion of availability from Marwa is utilised for supply to consumers of the State. CSPDCL submitted that out of total availability of 4846.14 MU, the sale to Telangana is 1631.25 MU. Resultantly, the short-dispatch to Telangana is utilised for supply to consumers of the State. Therefore, the prayer submitted by the Objector is irrelevant and liable to be dismissed.

Commission's View

The Commission has verified the details provided by CSPDCL and has accordingly approved the quantum and cost of power purchased from CGS stations, including ABVTPP, in the final true-up for FY 2021-22. Further, the recovery of Fixed Charges by ABVTPP has been allowed in accordance with the CSERC MYT Regulations, 2015, as elaborated in the relevant Chapter of this Order. For true-up, the Commission has approved sale of surplus power to Telangana after due prudence check, as detailed in the relevant Chapter of this Order.

2.5.16 Preparation of R-15 and Status of Defective Meters and Assessed Billing

The data submitted in LT R-15 report from FY 2015-16 to FY 2022-23 (8 months) along with Tariff Petition for FY 2022-23 shows that the number of defective meters and assessed billing cases are extremely 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 also obvious that meter reading is not done on regular basis. Number of defective meters are increasing in spite of several directives and Orders from the Commission.

CSPDCL has spent a hefty sum of Rs. 97.02 Crore (Petition Page 32) for meter reading and other merchandizing services during FY 2021-22, 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 Commission had directed CSPDCL to prepare an action plan and take corrective measures to bring down percentage of defective meters and assessment-based billing within prescribed ceiling under Tariff Order FY 2019-20 and again under Tariff Order FY 2022-23. However, unfortunately nothing has been done, hence, disallowance should be treated as punishment for non-compliance of directives.

The Objector submitted that the Commission in several Tariff Orders, has laid emphasis on correct and timely preparation of R-15 report. However, 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 very purpose of preparing R-15 report has been lost.

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, it is desired that 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 2021-22, the True-up exercise for FY 2021-22 should be carried only after submission of uniform data and information by CSPDCL.

Petitioner's Reply

CSPDCL submitted that the Commission has disposed Petition No. 53 of 2020 through its Order dated December 9, 2021 which was connected to compliance of directives by CSPDCL in respect of Tariff Order for FY 2019-20. 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 stop/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 to preparation of R-15, the contentions of Objector may be dismissed as the Petitioner is following the directions of the Commission from time to time.

Commission's View

The Commission has done prudence check on R-15 data submitted by CSPDCL and accordingly approved 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. The Commission has hence, given further directions to CSPDCL to submit a time bound action plan to phase out defective meters and assessment billing, within three months.

2.5.17 Submission of Compliance Report under Directives issued by the Commission in previous Tariff Order FY 2022-23

The Objector submitted that CSPDCL has not submitted any "Compliance Report" along with Tariff Petition for FY 2023-24. It is further observed that CSPDCL has not complied with most of the directives issued by the Commission in order to facilitate improvement in operational efficiency. In many cases, operation 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 submitted that they have complied with the Directives of the Commission vide Letter no. 2772, dated 17.02.2023. It is further submitted that the compilation of the directives took time and therefore the same is not been submitted with the Tariff Petition. CSPDCL took all the measures to comply with the directives issued by the Commission.

Commission's View

CSPDCL submitted compliance report to the directives vide Letter no. 2772, dated 17.02.2023. The Commission has gone through the compliance report and accordingly, issued subsequent directives in this order.

2.5.18 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 2021-22 when compared with Audited Balance Sheet.

The Objector requested the Commission to:

a. Treat excess Employee Cost of Rs.1,017.36 Crore over approved Rs. 947.51 Crore in accordance to MYT Regulations' 2015;

b. Disallow claimed A&G and R&M expenses of Rs. 547.45 Crore in ARR and treat excess expense of Rs.388.46 Crore over approved Rs. 280.26 Crore in accordance to MYT Regulations' 2015;

Petitioner's Reply

CSPDCL submitted that there is no deviation between the Petitioner's claim and audited accounts as regards the employee expenses. The Objectors claim of adding the outsourced manpower expenses in the employee expenses 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 CSPDCL submits that the R&M expenses as per the Accounts are Rs. 390.04 Crore, which has been claimed as R&M expenses. Further, the expenses of Rs. 64.26 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. 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.157.41 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. 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 applicable tariff regulations i.e. the MYT Regulations, 2015 for true-up of FY 2021-22 and thus, not treated 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 relevant chapter of the order.

2.5.19 Retail Tariff of Mini Steel Plants (HV4-Steel Industries)

Chhattisgarh Mini Steel Plant Association (CGMSPA) submitted that

Effect of Lock-down and COVID-19 Pandemic on Steel Industries:

The Objector submitted that due to first wave of COVID-19 Pandemic, the Central and State Governments imposed Lock-down since March 23, 2020. Industries were allowed to work in limited manner since 1st week of May 2020, by strictly observing certain terms and conditions prescribed by the Government. The said Lock-down had been effectively imposed till May 31, 2020 by issuing strict guidelines and notifications. In second and third wave of Corona Pandemic, although the lock-down was not strictly imposed, the procurement-production-marketing-monetary cycle of Steel Industries of the State was very badly affected.

Under said circumstances, Steel Industries have been hit hard and are almost unable to run normal production activities due to following reasons:

a. Complete Lock-down till 03.5.2020 and partially till 31.5.2020;
b. Labourers and Staff are not attending production activity due to threat to their lives, migratory labourers have gone back to their respective States;
c. Raw-material is not available in required quantity;

d. Market and demand of goods has substantially diminished;
e. Financial cycle has been badly affected;
f. Huge liability of Minimum Electricity Bill during the period of closure.

The impact of above negative forces has resulted in actual sales to HV-4 category being much lower than approved in FY 2022-23.

Hence, it is clear that Steel Industries, especially Mini Steel Plants, have suffered very badly due to Corona Pandemic and have not recovered even to the level 2 years before. This is a matter of great concern not only for industries but also for CSPDCL. 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.

Lower Tariff in Neighbouring States:

The Objector submitted that some of the neighbouring States have announced electricity tariff for Steel Industries quite lower/competitive to the existing tariff in Chhattisgarh.

It is feared that trade and manufacturing activity may shift from the State to other States, which may prove to be nightmare for the development of our State. Hence, Retail Tariff of Steel Industries should be designed in such a manner that such existing industries not only survive stiff competition from other States but are also able to fetch fresh investment.

Post-COVID afresh Investment in the State:

The Objector submitted that in the post-Corona 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, the growth of existing industries is essentially required to be secured who are finding it difficult to survive in the present scenario.

CSPDCL has reported a surplus of electricity by about 17.5% during FY 2023-24 and such surplus power is proposed to be sold to other States at a price lower than purchase price. In this manner, we are subsidizing other States, which is certainly not our objective.

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. Average Billing Realization from Bulk Consumers to CSPDCL should be near to Voltage-wise Cost of Supply (FY 2022-23 - Rs.5.20 per unit for 33 kV supply determined by the Commission excluding past revenue gap);
b. Suitable Bulk Consumption Incentive should be given over and above Load Factor Incentive (Orissa Pattern);
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 existing normal power-off hours of 36 hours per month;
e. Only Night Tariff (optional) should be introduced to encourage consumption during surplus period with allowing 12 hours working;
f. TOD Tariff Hours should be reset by reducing the peak period from 5 hours to 4 hours, reducing the normal period from 13 hours to 12 hours, and increasing the off-peak hours from 6 hours to 8 hours.
g. Variable Cost Adjustment (VCA) to be reset to zero as it has gone up high as Rs. 1.10/kWh Mechanism for independent checking of computation of FCA and VCA charges should added.
h. No additional charge be levied on exceeding contract demand up to a maximum limit of 30% during off-peak hours. Correction in 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- CD of 1000kVA is permitted to draw 1200kVA during off-peak hours and if suppose during off-peak hours, recorded demand is 1210kVA then only on 10kVA, provision of excess demand be applied.)
i. Advance Payment Rebate equivalent to DPS (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.
j. Mechanism for 15-day billing cycle be fairly devised in the benefit of Discom and consumers.

The Objector made detailed submissions regarding the formulation of Only Night Tariff, which provides an ABR of about Rs.5.25 per unit considering 60% load factor (12 hrs) and 10% additional working during the period other than Normal (12 hrs) for other essential operational activities like loading, unloading, cooling, production cycle completion, office, etc.

Following issues are required to be fixed in consultation with CSPDCL:

a. Allowable Normal Working Hours for Only Night Tariff, which should be 12 hrs minimum;
b. Metering and Billing issues;
c. Availability of Load in respective feeders during said period of 12 hrs, which can be permitted on ‘first come- first get’ basis, etc.

The Objector submitted that the Retail Tariff for Mini Steel Plants during FY 2023-24 should be designed considering Corona after-effects, package/ relief from the Central Government, lower tariff in neighbouring States, sincere efforts of the State Government to attract afresh investment and revenue contribution by Mini Steel Plants over the years, etc.

Petitioner’s Reply

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

a. As regards Average Billing Realization from Bulk Consumers being near to Voltage-wise Cost of Supply, it would be against the Tariff Policy Clause 8.3(2) wherein consumer retail tariff is required to be determined within the limits of ± 20% of Average Cost of Supply.

b. Load factor incentive is a prerogative of the Commission under Section 62(3) of Electricity Act, 2003. CSPDCL submitted that if this request is considered by the Commission then approved ARR for FY 2023-24 should be protected.

c. The intention of power off hours is to compensate power intensive industries from interruptions. The Commission has already revised duration of 30 hours to 36 hours recently in the Tariff Order dated August 2, 2021. The aforesaid revision is based on average interruptions caused to industrial feeders across the area of supply in the State. Applicant has not submitted any justifications for revision. However, the availability of supply in EHV is 99.97%. Hence, the duration of hour shall be minimized.

d. CSPDCL submitted that if the request of only night tariff is considered by the Commission then approved ARR for FY 2023-24 should be protected.

e. The present TOD structure is appropriate as per availability of power.

f. 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 67.8 of CSERC MYT Regulations, 2015 and Regulation 93.10 of CSERC MYT Regulations, 2021.

g. The current billing provisions are governed by the supply code and regulations. The Discoms are operating according to the provisions of the Regulations. Therefore, CSPDCL humbly submits before the Commission that present TOD tariff is appropriate.

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

i. Billing frequency plays an important role in getting to know the status regarding the timely regularization and realizations of revenue across distribution utilities in different categories. It is in the common interest of both customers and distribution utilities to regularize the billing schedule. CSPDCL humbly submits before the Commission that present criteria for 15 days billing cycle is appropriate.

Commission's View

The Commission has addressed the issue of Load Factor Rebate for HV4-Steel Industries Category along with the tariff philosophy and other terms and conditions of tariff in the relevant Chapter of this Order. The category-wise tariffs have been determined based on Average Cost of Supply and cross-subsidy level.

2.5.20 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 2021-22 and Tariff Petition for FY 2023-24, CSPDCL has reported surplus availability of power of 3,612.34 MU and 7,075.87 MU respectively (excluding sale to Telangana in spite of much lower drawal against Central Allocation of power from Central Generating Stations), which is sold at Rs. 3.20/kWh and 4.94/kWh as against average power purchase cost of Rs. 4.27/kWh. and Rs. 3.71/kWh for FY 2021-22 and FY 2022-23 respectively.

The above quantum of surplus power amounts to more than 24.5% of retail sale of power of 25,885 MU during FY 2023-24. It is observed that CSPDCL is paying capacity charges to about 4 to 5 CGS stations (NTPC) without drawing any power from them due to surplus availability. Also, about 25% of the Retail Sale & 17.5% of net Power Purchase 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-motu 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.

Due to favourable policies, market conditions and State Subsidy, Steel Industries have grown beyond estimations during FY 2020-21 and FY 2021-22 and have delivered major revenue to CSPDCL.

The tariff of Steel Industries is considerably reduced and anomalies are removed, considering negative impact of economic slowdown and effect of Covid-19. Hence, CSPDCL should be directed to make efforts to sell this surplus quantum of power to the consumers of the State as directed by the Commission. Therefore, a mechanism has to be devised so that:

a. 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;

b. Having slight better realization from retail consumers compared to Rs.3.71 (gross average power purchase cost estimated for FY 2023-24 by CSPDCL), revenue of CSPDCL will be improved;

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

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

The Objector submitted that the above measures may be designed in such a manner that it may prove beneficial to CSPDCL by way of sale of surplus power at profit-making rate when there is no demand of such power in inter-State market and also to Steel Industries of the State by way of lower tariff when they are badly suffering from economic slowdown and after-effect of Corona Pandemic. Any operational constraints may be resolved under consultation with CSPDCL and consumers.

Petitioner's Reply

CSPDCL submitted that it anticipates a TOD surplus ranging between 100 MW to 1500 MW in the system during off-peak hours of winter and day time subject to commissioning of solar plants during the next Control Period. As consumer sale requires RTC surplus; hence, the present suggestion is senseless.

Commission's View

In the present Order, the Commission has made a reasonable assessment of the surplus quantum to be sold in the Power Exchanges for the Control Period, and has considered some short-term purchase from Power Exchanges to meet the energy requirement. However, during the Control Period, there are bound to be mismatches between demand and supply, and CSPDCL should strive to maximise the revenue from such sale of surplus power.

2.5.21 Distribution loss including EHV Sales

The Objector submitted that CSPDCL is unable to match with its commitment in "UDAY Scheme" and "Revamped Distribution Sector Scheme" in the matter of Distribution Losses in spite of huge capital expenditure, resulting in burden on Retail Tariff of consumers. Proposal of Distribution Loss at 11.54% for FY23-24 is unrealistic.

Petitioner's Reply

CSPDCL submitted that CSPDCL would like to consider the losses of 15.33% as approved by CSERC, the cumulative losses for FY 2023-24 after considering EHV consumers comes out 11.54%. Also, CSPDCL would like to submit that it has followed the distribution loss trajectory as approved by the Commission and putting its best efforts to increase the revenue realization and to manage the cost side more efficiently.

Commission's View

The Commission has projected sales based on cumulative average growth rate considering R-15 submitted by CSPDCL. As per the computation of the Commission, the distribution loss including EHV sales works out to be 13.67% as against 11.54% submitted by CSPDCL which appears to be a realistic assessment.

2.5.22 Change of Tariff Category

The Objector submitted that the process in Printing Industries involves several steps to manufacture variety of finished products. During the discharge of tariff petition of FY 2022-23 the objector has requested the Commission to classify the Printing Industries under LV5 - LT Industries instead of existing LV2 - Non-Domestic category. In its response, the Commission has expressed its views in a subjective manner that "Printing Industries, though an industry, cannot be categorized under industrial tariff category", without citing any reason.

The Objector submitted that the Commission is required to adopt an objective, analytical and reasoned approach while deciding tariff category of Printing Industries.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of State Commission under section 62(3). The retail supply tariff of a consumer category has to be within the limits of ±20% of Average cost of supply. Further, if the applicant request considered by the Commission the petitioner proposal ARR for the FY 2023-24 shall be protected. In addition to the above contentions raised by objector that are not specifically admitted are denied.

Commission's View

Hon'ble APTEL in order dated 07.08.2014 passed in appeal no. 131 of 2013 in the matter of Vianney Enterprises V. Kerala State Electricity Regulatory Commission, held that the categorization of consumer for the purpose of electricity tariff is under the domain of the State Commission under the Electricity Act, 2003. Under Section 62(3) of the Electricity Act, the State Commission can differentiate between the tariffs based on purpose for which the supply is required. The State Commission is empowered to differentiate in tariff based on a purpose for which the supply is required. Considering the above, the Commission has not found any merit, therefore, tariff category of printing industries is kept unchanged.

2.5.23 Promotional Electricity Tariff for 'Export Oriented Units'

The Objector requested the Commission to extend the scope of promotional electricity Tariff granted to export oriented Textile industries to other Textile industries also.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of the Commission under Section 62(3) of the Act. In the capacity of Distribution Licensee, CSPDCL submitted that the aforesaid request of the Objector may be considered subject to protection of Petitioner's approved ARR for FY 2023-24.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2023-24 is given in the relevant Chapter of this Order.

2.5.24 Voltage-wise Cost of Supply

The Objector submitted that Hon'ble APTEL in its Judgment in Appeal No. 102 of 2010 dated May 30, 2011, provided the guidelines for calculation of cost of supply calculation. CSPDCL is continuously following the same method for calculating the cost of supply and has proposed tariffs accordingly, without considering the development in metering network and availability of actual voltage-wise losses. 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 also requested the Commission to direct CSPDCL to take steps to reduce losses, not to entertain the CSPDCL's proposal to abolish the existing provision of power off hours under HV 4 – Steel Industries category.

Petitioner's Reply

CSPDCL submitted that the applicant'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 that energy charges for 220 kV and 132 kV are substantially less than energy charges for 33 kV and 11 kV voltage.

The Hon'ble Supreme Court in the matter of Punjab State Power Corporation Limited V/s Punjab State Electricity Regulatory Commission & Ors. in Civil Appeal No. 4510 of 2006 decided on 10.02.2015 [(2015) 7 Supreme Court cases 387] has already upheld principles of cost of supply and cross subsidy. Accordingly, the present tariff structure in respect of HV-4 tariff category wherein different energy charges are determined for different supply voltages, is consistent with the aforesaid 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 28.01.2016, the retail supply tariff of a consumer category has to be within the limits of + 20% of Average Cost of Supply.

In view of the above, the request of the applicant to consider Voltage-wise Cost of Supply for retail tariff determination is baseless and need not be taken into consideration.

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 changes have been retained in this Tariff Order also.

2.5.25 Projected revenue, Energy balance, Parallel Operation Charges and Power purchase Cost

The Objector submitted that ARR of CSPDCL for 2023-24 is Rs.15581.14 Crore, whereas projected revenue at existing tariff and charges is Rs. 19,344.17 Crore which is surplus of 3763.03 Crore and petitioner wants to recover entire previous gap through the existing tariff which is already over estimated.

In view of this, objector requested the Commission to provide tariff relief to the consumers and reduction in parallel operation charges considering a huge revenue surplus.

Objector submitted that the projected energy balance for financial years 2022-23, 2023-24, in the CSPDCL petition, where sales projection for all categories are increasing every year, but unfortunately on the point of energy losses for below 33 KV (in%) is projected almost same without any positive corrections. Hence requested the Commission to reduce the losses as it impacts on the tariff specially for EHV consumers

Power Purchase cost is also a major component of tariff. It needs to consider the voltage wise power purchase rate by CSPDCL and taking into account of this needs to access the actual cost of purchase for different category of consumers instead of uniform rate of purchase.

Petitioner's Reply

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 submitted that the applicant's contention on projected revenue at existing tariff charges FY 2023-24, Energy balance for FY 2022-23 and FY 2023-24 & Power purchase cost need not require any comments as the same have been dealt in the tariff petition in details. Furthermore applicant has also not objected any specific point about tariff petition.

Commission's View

As regard the revenue surplus projected by CSPDCL, it is pertinent to mention that this revenue surplus is stand-alone revenue surplus for FY 2023-24 whereas when the revenue gap of FY 2021-22 is taken into account, no surplus remains. Hence, request of the objector to reduce the parallel operation charges cannot be accepted.

2.5.26 Provision of Power Off hours

The Objector submitted that the Commission should not entertain the CSPDCL's proposal to abolish the existing provision of power off hours under HV-4 steel industry category for the HT consumer of above 33 KV voltage.

Petitioner's Reply

CSPTCL has submitted on their tariff petition no. 94/2022 that the Transmission System Availability Factor (TSAF) for above 33 KV line (i.e. 400 kV, 220 kV & 132 kV) is 99.77% for FY 2021-22. Hence, CSPDCL has requested in petition to abolish the existing provision of Power off hours under HV-4 Steel Industries category for the HT consumer at EHV connectivity.

Commission's View

The Commission has observed that the TSAF for networks 132kV and above is 99.77%, therefore, outage in 132kV and above system is almost negligible. Hence, the Commission has accepted the request of CSPDCL for abolishing power off hours for 132kV and above system.

2.5.27 Revenue from Existing Tariff

The Objector submitted that there is lack of transparency in estimating revenue from the existing tariff particularly from Railway and Steel Industry. ABR of Railway and Steel Industry comes out to be Rs. 7.41 per unit. Such huge ABR indicates that the

Petitioner has deliberately not considered huge load factor rebate allowed to both categories.

Petitioner's Reply

CSPDCL submitted that in response to specific query of the Commission, CSPDCL has submitted detailed reply showing revenue from sale of power at existing tariff for FY 2023-24 incorporating the implications of load factor rebate allowed by the Commission in the Tariff Order for FY 2022-23, impact of TOD tariff with details of TOD time slot, vide submission through Letter No. 2626 dated February 03, 2023.

Commission's View

The Commission's analysis on the revenue from existing tariff has been detailed in a relevant Chapter of this Order. The Commission has considered the impact of load factor rebate for HV-1 and HV-4 category, while computing the revenue from existing tariff for FY 2022-23.

2.5.28 Revenue Gap/Surplus for FY 2021-22

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

a. Under-recovery (i.e., difference between actual ABR and ABR approved in Tariff Order multiplied by units sold to such category of consumers) from Steel Industry (HV-4) and Railway (HV-1) should be worked out for FY 2019-20 and previous years and financial impact should be loaded to the same category of consumers.
b. To maintain transparency, CSPDCL should be instructed to share the details of above calculations considering load factor rebate and share with public.
c. To keep steel industry as subsidizing category, the load factor rebate needs to be withdrawn/ abolished.

Petitioner's Reply

CSPDCL submitted that the contentions raised by the Objector regarding retail tariff determination are connected to previous Tariff Orders and proposal for ensuing year. With regard to contentions on retail tariff determination for the previous years, CSPDCL submitted that the Tariff Orders of all previous except FY 2022-23 (Tariff Order dated April 13, 2022) have attained finality as each of these have completed the term after issuance of subsequent Tariff Orders. Under the adopted 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 have not exercised remedies available under the Act, 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 of previous Tariff Orders. CSPDCL submitted that the Revenue Gap at Table No. 26 is computed according to the regulatory practice adopted by the Commission. Pursuant to such practice, the estimation of expenses and revenue is compared with actual expenses and revenue in terms of audited accounts at the time of truing up to get stand-alone gap position of CSPDCL for FY 2021-22. The Table also includes additional gap arising out of Review Petition included at Chapter 5 of present Tariff Petition.

Further, the projections of revenue for ensuing year, i.e., FY 2023-24 are also done by applying existing tariff on estimated sales discovered on the basis of scientific methodology described at Para 8.6 to 8.8 of the Tariff Petition. Additionally, CSPDCL has also provided the revenue implications arising out of implementation of load factor rebate and TOD in response to data gaps raised by the Commission pursuant to prudence check.

CSPDCL submitted that the Objector's contention on closing deficit for FY 2021-22 do not require any comments as the same have been dealt in the Tariff Petition in detail. Further, CSPDCL has also submitted reply to data gaps/additional points on Tariff Petition to the Commission under prudence check.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2021-22, with the stand-alone Revenue Gap/(Surplus) of FY 2023-24, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders.

2.5.29 Retail Tariff Proposal

The Objector submitted that CSPDCL has not submitted any proposal related to change in terms of current tariff applicable in year 2023-24 that means the petitioner wants to continue with same terms and condition of current tariff applicable in year 2022-23. Therefore, the objections in reference to the terms and conditions of current tariff applicable in FY 2022-23, are that, since, the objective of the rebate is to increase the utilization of power supply from CSPDCL, this facility of Load Factor rebate should not be applicable to those consumers in HV-4 category having captive generating facility with installed capacity above 1 MW. This will encourage higher consumption by this subsidizing category, which would Improve the revenue of CSPDCL.

Whereas after allowing huge Load Factor rebate (LF rebate in short) the actual average billing rate to such steel industries consumer is less than Rs. 5.41 per unit i.e., almost 1 Rs lower than ACoS of Rs.6.41 and thus it will become de facto a subsidized category.

In tariff order FY 22, nowhere any justification / financial calculation was given why, the cut-off of load factor for rebate shifted upward from 63% to 50%, it is totally baseless and giving undue benefit to particular class/ section of Steel industry consumers. Similarly, there is no technical/financial justification of giving higher load factor rebate on energy charges of entire consumption.

The criteria and quantum of load factor rebate allowed to railway and steel industries are different, whereas as per economic considerations it is not appropriate therefore, we request with the Commission that if load factor rebate has to be allowed then the criteria and quantum of load after rebate must be same for all class of consumers but should be limited to Steel industry and Railway like power factor improvement penalty/incentives are being allowed.

The quantum of load factor (30%) rebate being allowed to railway is huge and resulting very 1ow realization as ABR, therefore we request with the Commission to reconsider the basis of such huge load factor rebate and tariff for railway as comparison to the same of all neighbouring states.

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 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. CSPDCL has not proposed any change in tariff design in respect of steel industries and requested the Commission to kindly continue the existing tariff design.

CSPDCL requested the Commission to consider the Objector's prayer subject to protection of approved ARR of CSPDCL for FY 2022-23.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2021-22, with the stand-alone Revenue Gap/(Surplus) of FY 2023-24, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders.

2.5.30 Excess Rebate in Time of the day Tariff (TOD)

The Objector submitted that as per Tariff order FY 2022-23 clause 30. p), reproduced below as: -

30 p) In order of better utilize the surplus power available with CSPDCL especially during night off-peak hours, the tariff for night-time consumption has been reduced from 75% to 65% of normal rate of energy charge.

Whereas the factor of TOD is less than 1 i.e., 95.4%, when hourly consumption pattern remains unchanged for 24 hours; thus, if any continuous industry opts TOD tariff without changing its consumption pattern, he will get benefit of reduction in tariff by 4.6% without contributing anything to distribution company's demand curve, which setbacks the purpose of TOD tariff. And this may affect expected revenue calculation by more than 400 Crore.

Petitioner's Reply

CSPDCL submitted that the present TOD method is appropriate as per commercial matrix in respect of availability of power.

Commission's View

For deciding the TOD tariff, the Commission sought the relevant data from SLDC. Considering the data provided by SLDC, the Commission has revised the TOD tariff and the same is given in tariff schedule chapter.

2.5.31 Prepaid Smart Meter

The Objector submitted that CSPDCL daily publishing news related to pre-paid smart meters in local newspaper and spreading panic among consumers but not said anything specific in this petition. They should be asked to clarify following issue related to the scheme: -

i. In RDSS scheme when there is only one compulsion of installing pre-paid smart meters in Govt connection then what is the necessity that CSPDCL is bent upon to install pre-paid smart meters in 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. Have CSPDCL done activity-based costing for reading, billing, and collection, activities if yes then the same may be published in public domains
v. What may be the charges be paid to the contractor for his services of per-paid meters?
vi. In case of BPL consumers, the energy charges are being subsidized by Govt of CG and if smart meter are placed in their premises, then who will bear the O&M changes including depreciation charges etc. of per-paid smart meters.

Petitioner's Reply

CSPDCL submitted that the Pre-paid smart meters are not connected to CSPDCL's Tariff Petition, hence, no comments are offered. But, CSPDCL already submitted the details of the RDSS scheme under petition no. 04/2022 in the matter of the Capital Investment Plan for FY 2022-23 to 2024-25. Accordingly, Capital Investment Plan for FY 2022-23 to 2024-25 has approved by Commission.

Commission's View

The Commission has found that concerns raised by the objector are not related to the present petition and hence, are not considered.

2.5.32 Sale of Surplus power and Tariff hike

As regards sale of surplus power, the objector submitted that at page 60, CSPDCL stated that it will sale 7075.87 MU surplus power and collect Rs. 3495.48 Crore which seems unrealistic.

As regards tariff hike, the objector submitted that CSPDCL has not proposed any hike in tariff whereas it has projected a revenue deficit of Rs. 2371 Crore and this may be due to political compulsion of coming state assembly election. As per APTEL's decision normally no regulatory asset can be created thus there is no alternate remains other than hike in tariff specially of Steel Industry category.

Petitioner's Reply

CSPDCL submitted that surplus power, if any, shall be sold to retail consumer of the State as well as on exchange/utilized for banking purpose.

CSPDCL submitted that determination of tariff for retail sale is prerogative of the Commission U/s 62(3) of the Electricity Act 2003, hence CSPDCL has submitted its request for rationalized tariff for all consumer categories required to meet the approved gap. CSPDCL requested the Commission to approve the same.

Commission's View

In the present Order, the Commission has made a reasonable assessment of the surplus quantum to be sold in the Power Exchanges for the Control Period, and has considered some short-term purchase from Power Exchanges to meet the energy requirement.

The Commission has adopted various tariff rationalisation measures to recover the approved annual revenue requirement of CSPDCL.

2.5.33 Railway Tariff

The Objector submitted the Railways is 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 hence, requested the Commission to reduce tariff for HV-1 (Railway Traction). Railway should be provided electricity @ economical single part tariff for their traction connection. Further, the tariff for non-traction load of Railways in HV-3 category should be reduced. 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. Railway is 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

CSPDCL submitted that the Objector has not made any comments on the Tariff Petition. The contention that the Objector may be treated as deemed licensee, does not require any consideration in light of the fact that such issue is not connected to the subject matter of present Tariff Petition. Further, the benefit of load factor rebate is already extended to Railway traction tariff under HV-1 category where traction sub-stations attaining load factor above 20% are availing rebate of 20% in billing of energy charges, under existing tariff design. Hence, consideration of single part tariff being HT consumer will encourage other HT consumer for the same.

The request for treatment of non-traction load under LV-6 tariff category is an issue related to tariff design, which falls under the realm of the Commission. Under a conscious decision, bulk supply at one point to establishments applicable to consumer like Railway is categorised as HV-3 (other industrial and general purpose non-industrial), which is to meet commercial implications of mixed load in same premises availing non-traction connection. Further, request to include non-traction load under LV-6 tariff category may also observe the limitations of electrical safety involved in issuing electricity connections simultaneously of HV/LV in same premises and more so, this issue is controlled by the Supply Code and not by Tariff Order.

Further, the request of the Objector to reduce tariff of HV-1 and HV-3 tariff categories requires examination of Tariff Policy Clause 8.3(3) wherein it is stipulated that consumer tariff has to remain within the limits of $\pm$ 20% of average cost of supply. Pursuant to load factor rebate in HV-1 tariff category, applicant is already availing the benefit of subsidized tariff category. Hence, request for further tariff reduction would be unfair.

Commission's View

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

2.5.34 Educational institution in LV1 category

The Objector has requested the Commission to delete "Educational institutions controlled by firms and society regd. as non-profit organisation" from LV-1 category so that electricity can be supplied to poor people at justified rate and retain "educational institution controlled by Govt. and Registered religious organisation" in LV-1 category.

Petitioner's Reply

CSPDCL submitted that it is prerogative of the CSERC to decide the applicability of any tariff category therefore it is upto the Commission to take any view on the suggestion of the objector.

Commission's View

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

2.5.35 Provision of LT connection

The Objector has requested the Commission to make a provision to issue LT connection upto 265 HP (200 kW) and to introduce TOD tariff in LT tariff category also.

Petitioner's Reply

CSPDCL submitted that the issue of LT connection upto 265 HP (200 kW) is not related to present tariff petition therefore there is no need to comment anything on this issue. As regards to introduction of TOD tariff, CSPDCL submitted that the issue is prerogative of the Commission therefore it is upto the Commission to take any view on the suggestion of the objector.

Commission's View

The Commission has already enhanced load limit from 100 HP to 150 HP at low voltage level. It is not technically feasible to enhance the limit further to or 265HP. The proposal of the objector for introducing TOD tariff in LT connections may be considered once the smart meters are installed.

2.5.36 Issues raised by the small shopkeepers

The Objector has requested the Commission;

- **i.** To extend the facility of electricity bill half scheme to small shopkeepers in line with electricity bill half scheme provided to domestic consumers.
- **ii.** To revise the prevailing VCA charges to rationalize it.
- **iii.** To make tariff of consumers who are getting electricity from single point consumer of CSPDCL, equal to the tariff applicable to consumers of CSPDCL.
- **iv.** To retain the industrial category tariff of consumers who were initially issued industrial connection but CSPDCL has converted the same to non-domestic tariff category.
- **v.** To make provision for providing multiple connections in single premises because different types of activity is being performed in same premises.
- **vi.** To shift some frozen food plant to agriculture allied tariff category who are being presently billed as per non-domestic tariff category.

Petitioner's Reply

CSPDCL submitted the following observations as:

- **i.** It is a jurisdiction of the State Govt. to introduce electricity bill half scheme to small shopkeepers therefore CSPDCL has no comments on this issue.
- **ii.** VCA charges is being levied in accordance with the CSERC MYT Regulation, 2021, therefore, this issue is not related to the present petition.
- **iii.** **& iv.** Subject matter does not pertain to this petition.
- **v.** Matter pertains to the provisions of the supply code not to this petition.
- **vi.** It is the jurisdiction of the CSERC to decide applicability of the tariff category to a specific class of consumers therefore CSPDCL need not to comment anything on this issue.

Commission's View

The Commission has no jurisdiction to introduce electricity bill half scheme to small shopkeepers. VCA charges is being levied in accordance with the CSERC MYT Regulation, 2021, therefore, this issue is not related to the present petition. Issue of providing multiple connections in same premises is also not related to this petition. The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2023-24 is given in the relevant Chapter of this Order.

2.5.37 Issues of extending electricity half bill to temporary domestic connection

The objector has requested to extend the facility of electricity half bill scheme to temporary domestic connections also.

Petitioner's Reply

CSPDCL submitted that it is the jurisdiction of the State Govt. to introduce electricity bill half scheme therefore CSPDCL has no comments on this issue.

Commission's View

It is the jurisdiction of State Govt. to extend electricity bill half scheme to any class of consumer, therefore, this matter should be raised before appropriate forum.

2.5.38 Issue of extending domestic tariff to private hostels

The objector submitted that as per prevailing tariff order, domestic tariff is applicable to government hostels whereas private hostels are being charged as per non-domestic tariff category. Therefore, objector has requested to the Commission to remove the anomaly and extend domestic tariff to private hostels.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of State Commission under section 62(3). Further, if the applicant request considered by the Commission the petitioner proposal ARR for the FY 2023-24 shall be protected.

Commission's View

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

2.5.39 Issue of Tariff Classification of Wooden Door Manufacturing Industries under LV Supply

The Objector submitted that there are about 75 Wooden Door Manufacturing Industries in Chhattisgarh, registered with Department of Industries. These are very small industries having connected load of 25-50HP only and are members of CECC. After inspection, CSPDCL has billed them under LV2- Non-Domestic Category instead of LV5- LV Industries stating that 'Wooden Door Manufacturers' are covered under 'Furniture Maker'.

Objector further submitted that the Hon'ble Supreme Court of India has defined 'Furniture' as movable item and subject of convenience whereas Doors are not movable item and are basic requirement of a premise for security and privacy purpose. Hence Doors cannot be termed as Furniture.

In view of the above, the objector submitted that Tariff Category LV5- LV Industries will be applicable to Wooden Door Manufacturing Industries, who are certainly not "Furniture Makers".

Petitioner’s Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of State Commission under section 62(3). Further, if the applicant request considered by the Commission the petitioner proposal ARR for the FY 2023-24 shall be protected. In addition to the above contentions raised by objector that are not specifically admitted are denied.

Commission’s View

The Commission has considered the objection and found the present categorisation appropriate and self-explanatory, hence, no changes have been made in the tariff category.

2.5.40 Tariff for LT Industries

The Objector submitted that the rural incentive of 5% on Energy Charges, existing Adivasi Area Incentive for Bastar and Saguja 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.

Only Night Tariff may be introduced to encourage consumption during the night hours. 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 penalty below 0.90 made applicable since 01.08.2021, should be rolled back to earlier level of 0.85. Power factor incentive may be given step-wise on each point improvement above 0.85.

The objector also submitted that tariff for LT Industries should be reduced and existing supply affording charges should be reviewed.

Petitioner’s Reply

CSPDCL submitted that it has not given any specific proposal for retail tariff determination. It is submitted that the retail tariff determination is the prerogative of the Commission under Section 62 of the Electricity Act, 2003.

Further the suggestions related to Supply affording charges is related to the Supply Code and may not be dealt in the matter of Tariff. In addition to the above contentions raised by objector that are not specifically admitted are denied.

Commission’s View

The Commission has continued the rebate as requested by the objector. The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2023-24 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2023-24 is given in the Tariff Schedule Chapter of this Order.

2.5.41 Tariff for Agriculture Consumers

The Objector submitted that the existing tariff for Agriculture Consumers is quite high 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.

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of State Commission under section 62(3). The retail supply tariff of a consumer category has to be within the limits of +20% of Average cost of supply. Further, if the applicant request considered by the Commission the petitioner proposal ARR for the FY 2023-24 shall be protected. In addition to the above contentions raised by objector that are not specifically admitted are denied.

Commission's View

The Commission, in this tariff order, has not increased tariff applicable to agriculture category. The philosophy and rationale adopted by the Commission is detailed in the relevant Chapter of this Order.

2.5.42 Tariff for Oxygen Plant

The Objector submitted that in the previous Tariff Orders, oxygen plant got concession of 10% on energy charge but at the same time tariff and VCA was increased. Therefore, effectively oxygen plants have got negligible benefit of concession.

The Objector's request is to move standalone oxygen plants into HV-8 (Industries related to manufacturing of equipment for power generation from renewable energy sources) or HV 4 (Steel industries).

Petitioner's Reply

CSPDCL submitted that determination of retail supply tariff and differentiating among consumers while tariff determination, is a prerogative of State Commission under section 62(3). Further, if the applicant request considered by the Commission the petitioner proposal ARR for the FY 2023-24 shall be protected. In addition to the above contentions raised by objector that are not specifically admitted are denied.

Commission's View

The Commission after considering the views and suggestions of all objectors has approved the Tariff for FY 2023-24. The philosophy and rationale adopted by the Commission is detailed in relevant chapter of this Order.

2.5.43 Delayed Replacement of Burnt/Damaged Transformers

The Objector submitted that CSERC has expressed in Tariff Order FY 2022-23 that if distribution transformer gets damaged, consumers are pressurised to clear dues as a precondition of replacement of such transformer. Therefore, CSPDCL should be directed for replacement of all burnt/ damaged transformers to supply power to Agriculture consumers. 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.

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

Petitioner's Reply

CSPDCL has not submitted any reply.

Commission's View

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.

2.5.44 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 has not submitted any reply.

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.

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 2021-22. CSPGCL has submitted details of its actual expenses incurred during the year under various heads, viz., O&M expenses, depreciation, interest on loans, interest on working capital, etc., and the total input price of coal as per the CSERC MYT Regulations, 2021.

Regulation 5.9 and Regulation 49 of the CSERC MYT Regulations, 2021 specifies as under:

> *"5.9. …. In respect of Integrated mine, the generating company shall file separate mine wise petition for determination of input price of coal from such mine."*
>
> *"49. Input Price of coal and lignite for energy charges:*
>
> *49.1. Where the generating company has the arrangement for supply of coal from the integrated mine(s) allocated to it, for use in one or more of its generating stations as end use, partially or fulIy, the energy charge component of tariff of the generating station shall be determined based on the input price of coal, as the case may be, from such integrated mines determined in accordance with these regulations."*

In accordance with the above Regulations, in the present Order, the Commission has carried out the true up of the capital cost and also determined the Input Price of coal from GP-III coal mine for FY 2021-22 based on the submission by CSPGCL as discussed in the subsequent sections of this Order.

3.1.1 Allocation of Gare Palma-III Coal Mine

CSPGCL submitted that initially, the Parsa coal block was allotted to the erstwhile CSEB and subsequently to CSPGCL for ABVTPP. The Gare Palma-III (GP-III) coal block was allotted to M/s Goa Industrial Development Corporation (GIDC) vide letter No. 38039/14/2008 CA-I dated November 12, 2008 by the Ministry of Coal, GOI. GIDC, in terms of the provisions of Rule 22(4) of the Mines and Mineral Concession Rules, 1960 as amended from time to time, prepared the Mining Plan for GP-III mine. The Mining Plan for GP-III mine was approved by the Ministry of Coal, GOI vide letter No. 13016/57/2009 CA-I dated May 17, 2010. Further, the approval for Mining Lease was accorded by the GOI in terms of the provisions of Section 5(1) and Section 6(1) of the Mines and Mineral (Development and Regulation) Act, 1957 vide letter No.13016/57/2009- CA-I dated May 30, 2011.

The Hon'ble Supreme Court vide its Order dated September 24, 2014, cancelled the allocation of 218 no. of coal blocks. In light of the aforesaid Order, the Parsa coal block was deallocated from CSPGCL and the Gare Palma III coal block was deallocated from GIDC.

Subsequently, after enactment of the Coal Mine (Special Provisions) Act, 2015, the GP-III coal block was classified under Schedule I of the said Act. In terms of the provisions of Section 5 of the said Act, the GP-III coal block was allocated to CSPGCL for utilization of coal in end-use plant of ABVTPP.

In terms of Section 8 of the Coal Mine (Special Provisions) Act, 2015 and Clause (c) of Sub Rule (2) of Rule 7 and Sub-Rule (1) of Rule 13 of the Coal Mine (Special Provisions) Rule, 2014, the Nominated Authority issued the Allotment Order (Order No. 103/23/2015/NA) dated September 14, 2015 for allotment of the GP-III coal block to CSPGCL.

In terms of Section 8 of the Coal Mine (Special Provisions) Act, 2015, all the statutory permits and approvals accorded to prior allotee were transferred to CSPGCL.

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)	444.58 (Hectares)
Lease hold land for compensatory afforestation (Government)	400 (Hectares)

Through transparent open competitive bidding, CSPGCL appointed Gare Palma III Collieries Limited as the Mine Development Operator (MDO). Crushing and the mine end transportation (Surface Transportation Charges or STC in the Coal India parlance) is also in the MDO scope. The production from the GP-III mine commenced in December 2019 and since then mining progress has been better than the Mine Plan benchmarks. As per Section 61 of the Act, the Regulations notified by the Central Electricity Regulatory Commission (CERC) are one of the guiding principles for framing of Regulations by the State Electricity Regulatory Commission’s (SERCs). For determination of Input Price from an integrated mine, certain provisions were included in the draft CERC Tariff Regulations, 2019. However, considering various suggestions, the same could not find place in the final Regulations. Provisionally, the generating plants were allowed to bill the coal from integrated mines at the notified rates of Coal India Ltd. The Regulation was finally notified vide second amendment to CERC Tariff Regulations, 2019. In the State of Chhattisgarh, the provisions for determination of input cost of coal were first notified in the MYT Regulations 2021. For the intervening period, in response to CSPGCL request for guidance related to billing of ECR / FCA for power generated by coal received from GP III mine, in line with the principle adopted by the CERC, the Commission vide letter dated January 27, 2020, directed CSPGCL to provisionally bill the coal from integrated mines of GP-III at the notified rates of Coal India Ltd. During FY 2021-22, billing continued in accordance to the Commission's direction.

CSPGCL submitted that upon notification of CSERC MYT Regulations, 2021, for the Control Period April 01, 2022 to Match 31, 2025, CSPGCL filed Petition for determination of ARR for its conventional Power Plants, which got registered as Petition No. 01 of 2022 (T). The Petition included prayer with detailed submissions for approval of input cost of coal from the integrated mine Gare Palma – III (GP III) along with detailed submission on capital cost of the GP III mine. The Commission, allowed the capital cost of the mine and input cost of coal for the current Control Period vide the MYT Order.

3.1.2 Date of Commercial Operation for GP-III mine

CSPGCL submitted that regarding the Date of Commercial Operation (COD) of the integrated mines, Regulation 3.19 (iii) of the CSERC MYT Regulations, 2021 specifies as under:

> *"3.19. "Date of Commercial Operation" or "COD" means …. (iii) The date of commercial operation in case of integrated mine(s), shall mean the earliest of —*
>
> *a) the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or*
>
> *b) the first date of the year succeeding the year in which the value of production estimated in accordance with these regulations, exceeds total expenditure up to that year; or*
>
> *c) the date of two years from the date of commencement of production:"*

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, the first conditionality of provisions of Regulation 3.19 (iii) of the CSERC MYT Regulations, 2021 was met in FY 2020-21. Accordingly, as per the CSERC MYT Regulations, 2021, the COD of the mine is April 1, 2021. The Commission has approved the same in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022. Thus, FY 2021-22 was first full year of operation of the mine after the achievement of COD.

Commission's View

The Commission in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022 had observed that the peak rated capacity of GP-III mine, as per the approved mining plan, is 5 MTPA and the production from the GP-III mine had crossed 1.6 MTPA during FY 2020-21. Thus, the first conditionality of COD as per Regulation 3.19 (iii) of the CSERC MYT Regulations, 2021 was met in FY 2020-21. Accordingly, the Commission had accepted the COD of GP-III mine as April 1, 2021 in the MYT

Order dated April 13, 2022 in Petition No. 1 of 2022. For this Order also, the Commission has considered the COD of GP-III mine as April 1, 2021.

3.1.3 Provisions of Regulations

CSPGCL's Submission:

CSPGCL submitted that Regulation 49.3 of the CSERC MYT Regulations 2021, which is the enabling provision for true up is as under:

> *"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."*

Accordingly, for preparation of True up Petition for GP-III coal mine for FY 2021-22, the provisions of Chapter 5 of the CSERC MYT Regulations 2021 have been followed.

CSPGCL also submitted that the Regulations provide that the excess or short recovery due to difference between the input price of coal determined under these Regulations and the input price of coal adopted prior to such determination, shall be a pass through with interest rate considered for Working Capital Loan. Therefore, in the True up Petition, the input cost derived on the basis of referred Regulations has been used for computation of actual fuel cost and ARR of CSPGCL plants (namely ABVTPS and DSPM TPS) which used the coal from the GP-III coal mine.

Commission's View

Regulation 49.2 to Regulation 49.5 of the CSERC 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."

The COD of GP-III mine is on April 01, 2021, which is before the notification of CSERC MYT Regulations, 2021. As per Regulation 49.3 of the CSERC 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 of 2022 for the period FY 2022-23 to FY 2024-25. The input price of coal from GP-III mine has not been determined by the Commission earlier for FY 2021-22. As per the Commission's letter dated January 27, 2020, CSPGCL had provisionally considered the notified price of Coal India Limited commensurate with the grade of the coal from GP-III mine as the input price of coal for the CSPGCL plants consuming coal from GP-III mine. In this Order, the Commission has carried out True up of input price of coal from GP-III mine along with approval of capital cost of GP-III mine for FY 2021-22. The trued-up input price of coal from GP-III mine for FY 2021-22 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 2021-22.

3.2 Capital Cost

CSPGCL's submission

CSPGCL submitted that the Commission, in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022 had approved the capital cost of GP-III mine on provisional basis, as shown in the Table below:

Table 3-2: Capital Cost for GP-III mines approved by Commission in MYT Order dated April 13, 2022 in Petition No. 1 of 2022 on provisional basis (Rs. Crore)

Sr. No.	Particulars	Approved Cost	Year
A	**Statutory Expenses**		
1	Upfront amount paid to Ministry of Coal	39.94	COD
2	Fixed cost (Consents Cost+ Cost of Geological Report)	30.99	COD
3	Incremental cost of Geological Report	1.96	COD
4	Mining Lease agreement	21.48	COD
5	Compensation for obtaining surface right of Private land	190.14	COD
6	Addl. Compensation for private and forest land due to land diversion and having Van Adhikar Patta	3.44	COD
7	Afforestation Charges for diversion of forest land.	2.05	COD
8	Reimbursement of GIDC claim for tree felling	1.20	COD
9	Dead rent	0.09	COD

Sr. No.	Particulars	Approved Cost	Year
B	**Other expenses**		
10	Payment towards Consultancy fee, BG charges to Bank, Hiring of vehicles, Office rent, deployment of manpower, Annual watch ward of office & rest house, and other A & G expenses	9.03	COD
11	Salaries Coal project	4.79	COD
12	FDR Expenses	110.20	COD
	Total Expenses Incurred	**415.31**	
13	Adjustment	-30.92	COD
	Net Expenses Incurred	**384.39**	
C	**Expenses to be incurred**		
14	Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda	415.03	FY 21-22
15	Payment of compensation of land adjacent to main road of village Dholnara & Milupara.	5.99	FY 22-23
16	Land acquisition of village Bhalumar for R&R of project affected families of village Bajarmuda.	12.64	FY 22-23
17	Rerouting of Spur line (Railway Line) passing through GP-III coal mine	53.45	FY 21-22
18	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	
19	Construction of Rest house, office building and other works	4.39	FY 23-24
20	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding for transportation of Coal of GP-III Coal Block.	2.65	FY 23-24
	Expenses to be incurred	**519.75**	
	Grand Total	**904.10**	
21	Contingency @5% of IA Cost	0.00	Reserve
22	Notional IDC	111.91	
	Total Capital Cost	**1016.05**	
23	De-capitalization on achieving peak rated capacity	-110.20	FY 24-25
	Net Capital Cost	**905.85**	

In the above, Rs. 25.60 Crore appearing at Sr. No. 18 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). Against the above capital cost considered in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022, the actual capital cost as per Audited Accounts for FY 2021-22, certified by the Statutory Auditors is as under:

Table 3-3: Actual Capital Cost for GP-III mines based on Audited Accounts of FY 2021-22 vis-a-vis Approved Capital Cost in MYT Order dated April 13, 2022, as submitted by CSPGCL (Rs. Crore)

Sr. No.	Particulars	Approved	Actual
1	Upfront amount paid to Ministry of Coal	39.94	39.94
2	Fixed cost (Consents Cost+ Cost of Geological Report)	30.99	31.00
3	Incremental cost of Geological Report	1.96	1.96
4	Mining Lease agreement	21.48	21.48
5	Compensation for obtaining surface right of Private land	190.14	190.14
6	Addl. Compensation for private and forest land due to land diversion and having Van Adhikar Patta	3.44	3.02
7	Afforestation Charges for diversion of forest land.	2.05	2.05
8	Reimbursement of GIDC claim for tree felling	1.20	1.20
9	Dead rent	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
11	Salaries Coal project (1.27 Cr in FY 16-17 & 3.52 Cr in FY 17-18)	4.79	4.79
12	FDR Expenses	110.20	110.20
13	Adjustment	-30.92	-38.97
14	IDC	111.91	111.21
	Net GFA on COD	**496.30**	**498.43**
	Expenses Incurred in FY 21-22		
15	Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda	415.03	387.28
16	Balance for Van Adhikar Patta (SN 6 above)	0	0.41
17	Rerouting of Spur line (Railway Line) passing through GP-III coal mine	53.45	0
18	One Time Settlement payment to PAPs in lieu of employment	0	5.78
19	Prior Period Salary Capitalisation	0	5.56

Sr. No.	Particulars	Approved	Actual
20	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	0	1.33
21	Other Miscellaneous / Contingent expenses	0	0.45
	Sub-Total for FY 21-22	**468.48**	**400.80**
	Closing GFA for FY 21-22	**964.78**	**899.24**

CSPGCL further submitted that:

a. The Incidental expenditure during construction (IEDC) expenses include Salary expense capitalized on COD in Gare Palma accounts for FY 2019-20 (Rs. 2.39 Crore) and FY 2020-21 (Rs. 5.06 Crore) and capitalization of R&M expenses and A&G expenses of Rs. 2.25 Crore capitalized on COD.

b. Though the accounts reflect the total payment of one Time Settlement payment to Project Affected Persons (PAPs) as Rs. 11.75 Crore, only 50% of the amount has been considered here.

c. The construction of kuchha approach road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding was a work undertaken due to urgency and may be considered as part of Contingency work.

d. As on COD, the total CWIP was about Rs. 0.73 Crore.

In response to queries raised during TVS, vide additional submission dated February 3, 2023 CSPGCL revised the Adjustment figure of Rs. 38.97 Crore to Rs 41.98 Crore. After prudence check, For the purpose of this Order, Commission has relied on the same. CSPGCL submitted that as on COD, there is marginal (less than 0.5%) increase in the estimated cost and the closing GFA for FY 2021-22 is lower than the estimate. The total contingency expenses are also lower than the approved ceiling of 5% of capital cost. Also, there is slight reduction in the IDC being submitted now compared to the IDC submitted earlier due to minor adjustment of actual quarter-wise expenses. CSPGCL submitted that during FY 2021-22, CSPGCL has tied up and drawn actual loan, however, the actual loan drawal is lower than 70% of the capital cost. Thus, the equity deployed is more than the normative ceiling of 30% of capital cost. Hence, CSPGCL has considered the normative debt equity ratio of 70:30 for FY 2021-22.

CSPGCL further submitted that a large part of project expenses pertains to compensation for land. The land acquisition has been made and compensation has been paid in accordance with the Orders of the revenue authorities. In this regard, the Government of Chhattisgarh, Energy Department vide letter no. 2647/ R-124/2019/13/2 dated 18.11.2019 had directed CSPGCL to obtain approval of this Commission for the compensation to be paid for land before making payment. CSPGCL had 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 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." (Emphasis added)

Accordingly, the compensation for land has been paid as per the Government directive. CSPGCL requested the Commission to accept the same as uncontrollable expense for CSPGCL.

CSPGCL submitted that the Commission vide its letter no. 13-GH30/ 2020/186 dated 27.01.2020, had provisionally permitted CSPGCL to continue to adopt the notified price of Coal India Limited commensurate with the grade of coal from integrated mines. Accordingly, CSPGCL had adopted the South Eastern Coalfields Ltd. (SECL) rates till COD of the mine. While ascertaining the capital cost of the mine, it is necessary to set off or adjust the revenue earned over and above the expenses incurred for coal production before COD of a mine. This treatment is similar to setting off of revenue earned due to sale of infirm power from capital cost of a power plant before COD. Accordingly, CSPGCL considered the quantity already submitted to this Commission through FCA, which is RR (Railway receipt) quantity. During the previous submission of capital cost in Petition No. 1 of 2022, for provisional working of the adjustment value, a normative transit loss segregated in 50:50 ratio between the rail and road transport was considered. The statutory charges payable prior to COD were also computed on the basis of RR quantity grossed up by transit loss of 0.4% in road transport. However, CSPGCL in Petition No. 1 of 2022 had submitted that these charges are subject to change once the final reconciliation of quantity supplied from GP-III mine to ABVTPP, Marwa is completed. At present, as the transit passes data have been compiled and as after FY 2020-21, the plant end transit loss data has attained finality, in this Petition for true up of FY 2021-22, the final adjustment computation has been submitted.

CSPGCL submitted that save for some uncontrollable reason (including but not limited to some legal/ statutory development), the capital cost on COD need not be revised again. The other costs incurred during the period are also known, hence, CSPGCL has considered the actual values for true up of FY 2021-22. The statutory charges have been computed on the basis of actual grade-wise quantity dispatched (as recorded in the transit passes). The adjustment value, which was earlier estimated as Rs. 30.92 Crore, has been revised to Rs. 38.97 Crore based on actual data. Accordingly, in line with regulatory principles, CSPGCL has reduced this amount from the capital cost incurred on COD and the input price of coal has been worked out considering the reduced capital cost. CSPGCL submitted that the set off considered for determination of input price of coal is for regulatory purpose only, which is different from accounting principles. The accounting principles follow the concept of moving averages (which involves loading of stock cost) and regulatory approach relies on replacement cost philosophy. It is for this reason that since the start of plant-wise two-part tariff regime, there has always been a difference between the cost of coal in the financial accounts and the regulatory accounts. In this case too, the adjustment in accounts include stock valuation. However, for regulatory purpose, as cost of coal is recovered only when electricity is supplied, historically, stock valuation finds no place in the Commission’s Orders. Accordingly, CSPGCL has relied on the principle approved in the previous Orders of the Commission.

CSPGCL further submitted that at this juncture, there exist some unsettled contingent contractual / legal issues, which may have commercial implications. Some such 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 the Commission had taken cognizance of such issues in the MYT Order dated April 13, 2022. Though such issues may not have an impact on true up of FY 2021-22, CSPGCL submitted brief updates on such issues, as under.

a. Claim before the Tribunal by the previous coal mine allottee, i.e., M/s Goa Industrial Development Corporation (GIDC): M/s GIDC has lodged a claim of Rs. 232.06 Crore before the Hon’ble Tribunal at Bilaspur (CG) constituted under the Coal Bearing Act. No further development has taken place. CSPGCL submitted that in case any cost is borne by CSPGCL in future, the same will be submitted.

b. Payment against demand received from Chhattisgarh Environment Control Board (CECB), citing conditions of environment clearance: The matter is before arbitration to adjudge the issue regarding the liability of CSPGCL vis-a-vis the MDO.

c. Payment against 600 metre Coal Transport Road constructed by M/s. Gare Palma Collieries Limited and proposal of another 950 metre road: The matter is before the Joint Committee for amicable settlement.

d. Railway Siding expenses at Mine end: On the basis of Feasibility Survey Report (FSR) prepared by M/s RITES in December 2017, the cost of the Railway Siding was estimated to be Rs. 60 Crore. However, now M/s IRCON (A Government of India Undertaking) has been appointed for the said work and a MOU has been entered between the Parties for the same. The revised cost estimate will be known after receipt of DPR. However as per MOU, till such time the estimate for the Railway siding is being considered as Rs. 75 Crore (excluding value of land, taxes and duties).

e. Arbitration cases with the MDO: Such arbitrations relate to unloading charges at plant end, liability for one-time settlement of Project Affected Persons (about 1090 persons), settlement of environment clearance issues, etc. The cases are yet to be decided and the principal amount involved is now estimated to be over Rs. 100 Crore.

CSPGCL submitted that as directed by the Commission in the MYT Order dated April 13, 2022, no claim against the above cited issues have been included in this Petition. CSPGCL shall claim these expenses when they are actually incurred.

CSPGCL also submitted that earlier it was planned that employment will be provided by MDO to the Project Affected Persons (PAPs). Further, rehabilitation for the Project Affected Families (PAFs) was planned at the Village Bhalumar. Accordingly, an estimate of about Rs. 12.64 Core was considered in the original cost estimate approved in the MYT Order dated April 13, 2022 (Sr. No. 16 of the Table related to approved cost break up). However, now number of PAPs are opting for one-time settlement of compensation of Rs. 5 Lakh. Similarly, PAFs are opting for one-time settlement. Vide letter no. 5350/LA/2022 dated 16.06.2022, the Collector of Raigarh district has communicated that villagers of Bajarmuda and Dholnara are not willing to get displaced to R&R village Bhalumar and for amicable settlement, the Collector of Raigarh district has suggested one-time payment of Rs 9,55,000/- per PAF. At present, in the interest of keeping the mine operational, CSPGCL and MDO have agreed to pay costs in the 50:50 ratio. Accordingly, first tranche payment of Rs. 11.55 Crore has already been deposited to revenue authorities. The district authorities have been requested to certify the number of PAFs and PAPs. CSPGCL submitted that in view of Government Policy, decisions of the revenue authorities, and outcome of arbitration decisions, the project cost may escalate substantially. However, except the 50% share of Rs. 11.55 Crore already paid, CSPGCL has not included any other cost in the true up petition.

Commission's View

As regards the Capital Cost for integrated mine, Regulation 55 of the CSERC MYT Regulations, 2021 specifies as under:

> *"55. Capital Cost:*
>
> *55.1. The expenditure incurred, including IDC and IEDC, duly certified by the Chartered Accountant, for development of the integrated mine(s) up to the date of commercial operation, shall be considered for arriving at the capital cost.*
>
> *55.2. Capital expenditure incurred shall be admitted by the Commission after prudence check.*
>
> *55.3. Capital expenditure incurred on infrastructure for crushing, transportation, handling, washing and other mining activities required for mining operations shall be arrived at separately in accordance with these regulations:*
>
> *Provided that where crushing, transportation, handling or washing are undertaken by the generating company, the expenditure incurred on infrastructures of these components shall be capitalized;*
>
> *Provided further that where mine development and operation, with or without any component of crushing, transportation, handling or washing are undertaken by the generating company by engaging Mine Developer and Operator or an agency other than Mine Developer and Operator, the capital expenditure incurred by Mine Developer and Operator or such agency shall not be capitalised by the generating company and shall not be considered for the determination of input price.*
>
> *55.4. The capital expenditure shall be determined by considering, but not limited to, the Mining Plan, detailed project report, mine closure plan, cost audit report and such other details as deemed fit by the Commission.*
>
> *55.5. In case of integrated mine(s) which have declared the date of commercial operation prior to 1.4.2022, the capital expenditure allowed by the Commission for the period ending 31.3.2022 as per provisions of these regulations shall form the basis for computation of input price."*

In view of the above Regulations, the Commission has undertaken the true up of the Capital Cost for GP-III coal mine as discussed below.

As per Regulation 55.1, the expenditure incurred including IDC and IEDC, duly certified by the Chartered Accountant, for development of the integrated mine(s) up to the date of commercial operation, shall be considered for arriving at the capital cost. Therefore, the Commission has considered the expenditure incurred, including IEDC, duly certified by the Chartered Accountant, for development of the integrated mine(s) up to the COD for GP-III mine for approval purpose. As the IDC is computed in accordance with Regulatory principles, hence, for the purpose of IDC, Commission has adopted the methodology settled in the previous order.

The Commission had considered the capital cost of GP-III mine as on April 01, 2021 (COD) on provisional basis in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022. Except for IEDC, IDC and regulatory adjustment, values of all other items claimed by CSPGCL are at the same level as approved provisionally in the MYT Order dated April 13, 2022. Therefore, the Commission has accepted the actual expenses incurred as on March 31, 2021 pertaining to upfront payment paid to Ministry of Coal, fixed cost (consents cost and cost of geological report), incremental cost of geological report, mining lease agreement, compensation for obtaining surface right of private land, afforestation charges for diversion of forest land, reimbursement of GIDC claim for tree felling, dead rent, salaries of coal project, and FDR expenses.

CSPGCL has submitted some variation in the capital cost as on COD, as discussed below:

<u>Incidental Expenses During Construction (IEDC)</u>

The Commission had considered IEDC of Rs. 9.03 Crore in the capital cost approved provisionally in the MYT Order dated April 13, 2022. For True up of FY 2021-22, CSPGCL has claimed IEDC of Rs. 20.30 Crore. In support of the capital cost with IEDC, CSPGCL has submitted a Chartered Accountant (CA) certificate, wherein the IEDC mentioned was Rs. 20.99 Crore. CSPGCL submitted that the CA certificate pertains to the capex incurred for the project and the reconciliation of IEDC as under:

Table 3-4: IEDC expenses as on CoD (Rs. Crore)

Sr. No.	Particulars	Amount
1	IEDC as per CA Certificate	20.99
2	Less: CWIP as on 01.04.2021	(0.73)
3	Add: Furniture and Office equipment	0.05
4	IEDC claimed in True up Petition	20.30

**The minor difference of Rs. 0.01 Crore is due to rounding off of values*

Considering the above reconciliation, the Commission allows the IEDC of Rs. 20.30 Crore as part of capital cost as on COD.

<u>Adjustment of additional revenue</u>

During the period before COD, the Commission had permitted CSPGCL to provisionally continue to adopt the notified price of Coal India Ltd. CSPGCL has adjusted the additional revenue of Rs. 38.97 Crore earned over and above the actual expenses towards coal production from the Capital Cost in a manner similar to that of infirm power.

Subsequently, CSPGCL in its additional submission submitted that inadvertently in the computation of gain from transfer of coal before COD, the GST on FRV, which was claimed @ 18% was already claimed during the true-up of FY 2020-21 as it was paid from the Central Accounting Unit. Therefore, the additional revenue claim was revised to Rs. 41.98 Crore.

Accordingly, the Commission has adjusted the additional revenue of Rs. 41.98 Crore from the Capital Cost under the head of adjustment.

Interest During Construction (IDC)

The Commission had considered IDC of Rs. 111.91 Crore in the capital cost approved provisionally in the MYT Order dated April 13, 2022. For True up of FY 2021-22, the IDC has been revised due to minor adjustment in actual quarter-wise expenses. However, CSPGCL had claimed IDC in accordance with Hon'ble ATE Judgment in Appeal No 231 of 2017 dated October 3, 2019, wherein the Hon'ble ATE had ruled that in absence of actual loan, the developer is entitled to normative IDC. In accordance with the ATE Judgment, the Commission had considered IDC as part of capital cost approved provisionally in the MYT Order dated April 13, 2022. The Commission asked CSPGCL about the interest rates considered for calculation of IDC. CSPGCL submitted that the expense on GP-III mine started from FY 2015-16. CSPGCL has used the trued up weighted average interest rates of CSPGCL from FY 2015-16 to FY 2020-21, as per the Truing up Orders to determine IDC. The computation has been shared by CSPGCL as part of financial model and is found to be in order. Accordingly, the Commission allows the revised IDC as part of capital cost as on COD.

Capitalisation in FY 2021-22

Regulation 56.1 of the CSERC 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."

Although the above Regulation applies to the Control Period from FY 2022-23 to FY 2024-25, the Commission has carried out prudence check of capitalisation made in FY 2021-22 as per the above principles.

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

CSPGCL submitted that a large part of project expenses pertains to 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. 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 of 2022. However, CSPGCL has claimed Rs. 387.28 Crore towards the same for True up of FY 2021-22. 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. Based on the CA certificate submitted by CSPGCL, the Commission approves the capitalisation of Rs. 387.28 Crore in FY 2021-22.

One-Time Settlement towards payment to Project Affected Persons (PAPs)

CSPGCL submitted that earlier it was planned that employment will be provided by MDO to the PAPs. Further, rehabilitation for the Project Affected Families (PAFs) was planned at the Village Bhalumar. Accordingly, estimate of about Rs 12.64 Crore was considered in the original cost estimate. However, now a number of PAPs are opting for one-time settlement of compensation of Rs. 5 Lakh. Similarly, PAFs are opting for one-time settlement. Vide letter no 5350/LA/2022 dt. 16.06.2022, the Collector of Raigarh district has communicated that villagers of Bajarmuda and Dholnara are not willing to get displaced to R&R village of Bhalumar and for amicable settlement the Collector has suggested onetime payment of Rs 9,55,000/- per PAF. At present, CSPGCL and MDO have agreed to pay costs in the 50:50 ratio. Accordingly, first tranche payment of Rs. 11.55 Crore has already been deposited with revenue authorities. The district authorities have been requested by CSPGCL to certify the number of PAFs and PAPs. CSPGCL has claimed 50% of the amount already incurred by it as capitalisation in FY 2021-22. 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 Commission asked CSPGCL to provide copies of Orders or communications regarding compensation or rehabilitation of PAPs and PAFs. CSPGCL in its reply submitted the copy of the letter from Collector, Raigarh district and the arrangement between CSPGCL and MDO for sharing the cost of R&R of PAPs and PAFs. Based on the above, the Commission allows the amount of Rs. 5.78 Crore as capitalisation in FY 2021-22.

Prior Period Salary Capitalisation

CSPGCL has claimed Rs. 5.56 Crore as prior period salary capitalisation in FY 2021-22. The Commission observed that CSPGCL has claimed salary expenses as part of IEDC in the capital cost and has also claimed prior period salary capitalisation separately. The Commission asked for clarification from CSPGCL on this issue. CSPGCL clarified that while IEDC includes salary expenses for FY 2019-20 and FY 2020-21, the prior period salary capitalisation pertains to salary expenses prior to FY 2019-20. Ideally all the expenses incurred up to the COD of a project is capitalised. Since, the prior period salary claimed by CSPGCL is for the period prior to FY 2019-20, CSPGCL should have claimed it as part of capitalisation up to COD, i.e., till FY 2020-21. However, CSPGCL has claimed the same in FY 2021-22. Keeping the general principle of capitalisation of all expenses incurred up to COD in view, the Commission allows the prior period salary capitalisation of Rs. 5.56 Crore as part of capitalisation in FY 2021-22.

Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding, Balance for Van Adhikar Patta and Other Miscellaneous / Contingent works

CSPGCL submitted that construction of approach road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding was a work undertaken due to urgency and may be considered as contingent work. The total contingency expenses are far lower than the approved capping of 5% of capital cost. The Commission in the MYT Order dated April 13, 2022 had allowed a provision of contingency expense upto 5% of the capital cost of GP-III mine, considering the first of its kind project and uncertainties involved in such large projects. Accordingly, the Commission allows the expenses towards construction of approach road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding and other miscellaneous / contingent works as capitalisation in FY 2021-22. Further, the balance amount of Rs. 0.41 Crore paid towards compensation for private and forest land due to land diversion and having Van Adhikar Patta is allowed as capitalisation in FY 2021-22.

Based on the above, the capital cost approved by the Commission for GP-III mine for True up of FY 2021-22 is as under:

Table 3-5: Approved Capital Cost of GP-III Mine for True up of FY 2021-22 (Rs. Crore)

SN	Particulars	MYT Order	Petition	Approved
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	1.2	1.2	1.2
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 (1.27 Cr in FY 16-17 & 3.52 Cr in FY 17-18)	4.79	4.79	4.79
12	FDR Expenses	110.2	110.2	110.2
13	Adjustment	-30.92	-41.98	-41.98
14	IDC	111.91	111.21	111.21
	Net GFA on COD	**496.30**	**495.42**	**495.42**
	Expenses Incurred in FY 21-22			
15	Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda	415.03	387.28	387.28
16	Balance for Van Adhikar Patta (SN 6 above)	0	0.41	0.41
17	Rerouting of Spur line (Railway Line) passing through GP-III coal mine	53.45	0	0
18	One Time Settlement payment to PAPs in lieu of employment	0	5.78	5.78
19	Prior Period Salary Capitalisation	0	5.56	5.56
20	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	0	1.33	1.33
21	Other Miscellaneous / Contingent expenses	0	0.45	0.45
	Sub Total For FY 21-22	**468.48**	**400.80**	**400.80**
	Closing GFA for FY 21-22	**964.78**	**896.23**	**896.23**

Unsettled Contingent Contractual / Legal Issues

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 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.

Capitalisation and Closing GFA

The Capitalization and Closing GFA of GP-III mine for True up of FY 2021-22 are shown in the following Table.

Table 3-6: Opening GFA, Capitalisation and Closing GFA for GP-III Mines for True up of FY 2021-22 (Rs. Crore)

Particulars	MYT Order	Petition	Approved
Opening GFA	496.30	495.42*	495.42
Capitalisation	468.48	400.81	400.81
Closing GFA	964.78	896.23	896.23

**Note: CSPGCL through its additional submission revised opening GFA*

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. Accordingly, the Commission has considered the normative debt: equity ratio of 70:30 for GP-III mines for True up of FY 2021-22.

Table 3-7: Approved Funding of Capitalisation for GP-III Mines for FY 2021-22 (Rs. Crore)

Particulars	MYT Order		Petition		Approved	
	As on COD on April 01, 2021	FY 2021-22	As on COD on April 01, 2021	FY 2021-22	As on COD on April 01, 2021	FY 2021-22
Equity	148.89	140.54	148.63	120.24	148.63	120.24
Debt	347.41	327.94	346.79	280.56	346.79	280.56
Total	496.30	468.48	495.42	400.80	495.42	400.80

3.3 Progress Against the Mining Plan

CSPGCL's submission

CSPGCL submitted that the Mining Plan for the GP-III coal block was prepared by prior allottee, i.e., M/s Goa Industrial Development Corporation and approval was accorded to the same by Ministry of Coal, Government of India vide its letter bearing reference number 13016/57/2009-CA-I dated May 17, 2010. The coal mine has been allocated to CSPGCL for end use of coal at ABVTPP, Marwa. Since the beginning, CSPGCL has been overachieving vis-à-vis almost all the performance benchmarks. The production from mine has been higher than the targets defined in the mine plan. Even during the COVID period, when the GoI relaxed the targets for all the mines, CSPGCL exceeded the original targets. During FY 2021-22 too, the actual production from mine, dispatch from mine to railway siding and loading on railway racks for dispatch to plants, all exceeded the target of 3.5 Million Tonnes set in the mining plan. CSPGCL further submitted that as per the CSERC MYT Regulations, 2021, the general principles set in the Chapter 2 are applicable for the integrated mines too. Thus, the sharing of gains/ losses as per Regulation 12 and 13 of the CSERC MYT Regulations, 2021 is applicable to integrated mines too.

Commission's View

The Commission sought the copy of the approved Mining Plan for GP-III coal block from CSPGCL and validated the details of Annual Target Quantity (ATQ) as per the Mining Plan submitted by CSPGCL.

The Commission notes the submission of CSPGCL regarding the progress against Mining Plan and the over achievement of CSPGCL with respect to extraction of coal from GP-III mine with respect to the ATQ as per Mining Plan and has accordingly carried out the sharing of gains/losses as per Regulation 12 and 13 of the CSERC MYT Regulations, 2021.

3.4 Computation of Input Price of Coal

CSPGCL's submission

Regulation 52.1 of the CSERC 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 CSERC 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 CSERC MYT Regulations, 2021 defines components of the reproduced as 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."

CSPGCL has accordingly computed the Annual Extraction Cost for GP-III mines as described below.

3.4.1 Depreciation

CSPGCL's submission

Depreciation has been calculated as per Regulation 59 of the CSERC MYT Regulations, 2021. The depreciation rate has been computed in accordance with

Appendix 1A of the CSERC 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 is being claimed on the same.

Commission's View

Regulation 59 of the CSERC 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 Capital Cost as on COD as the opening GFA for FY 2021-22. Since, FDR is not a depreciable asset, no depreciation has been considered on the same. Addition during the year has been worked out based on the capitalisation allowed during FY 2021-22.

As CSPGCL owns only the mining rights for the GP-III mines, the Commission has considered the depreciation rate of 5% as specified in CSERC 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 2021-22 is as under:

Table 3-8: Depreciation Approved for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Opening Capital Cost	495.42	495.42
Closing Capital Cost	896.23	896.23
Average Capital Cost	695.83	695.83
Depreciable Value (100%)	585.63	585.63
Rate of Depreciation	5.13%	5.13%
Depreciation	**30.05**	**30.05**

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 2021-22, CSPGCL has got loan sanctioned from the consortium of PFC and REC with both the lenders having 50% share of the amount of loan. However, as on April 1, 2021, there was no actual loan. As per Regulation 58.4 read with the second proviso to Regulation 24.5 of the CSERC MYT Regulations, 2021, in such case weighted average rate of interest for the Generating Company as a whole is applicable. Accordingly, interest rate of 10.15% has been considered in the Petition. Also, as per the provisions of the CSERC MYT Regulations, 2021, the depreciation has been considered as normative repayment for the year.

Commission's View

Regulation 24 and 58 of the CSERC 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 2021-22 equal to debt component considered for capital cost as on COD. The addition of loan during FY 2021-22 has been considered equal to debt portion of capitalised works as approved in this Order.

The loan repayment has been considered equivalent to Depreciation approved in this Order.

As there was no actual loan as on 1st April 2021, for GP-III mine, therefore, the Commission has accepted CSPGCL submission and considered the interest rate as the weighted average rate of interest for the Generating Company as a whole in accordance with Regulation 58.4 read with the second proviso to Regulation 24.5 of CSERC MYT Regulations, 2021. Accordingly, the Commission has considered interest rate of 10.15% for calculation of interest rate for FY 2021-22. The interest on loan approved by the Commission for FY 2021-22 is shown in the Table below:

Table 3-9: Interest on Loan for GP-III mines approved for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Opening Loan	346.80	346.80
Addition Due to Addnl. Capitalisation	280.56	280.56
Repayment During the Year	30.05	30.05
Average Loan	472.05	472.05
Interest Rate	10.15%	10.15%
Interest Charges	**47.91**	**47.91**
Finance Charges	0	0
Total Interest & Finance Charges	**47.91**	**47.91**

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 CSERC MYT Regulations, 2021. The normative equity has been considered as 30% of the capital cost and the RoE has been calculated on average of opening and closing equity. The base rate of RoE has been considered as 14% in line with Regulation 23.1 of CSERC MYT Regulations, 2021. As per the principle adopted by the Commission in all the previous Orders and specifically in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022, the base RoE has not been grossed up with income tax rate. CSPGCL requested the Commission to allow pass through of income tax liabilities, if any, as and when they arise.

Commission's View

Regulation 23 and 58 of the CSERC MYT Regulations, 2021 specify the method of computation of RoE. The Commission has considered the opening equity for FY 2021-22 equal to equity component considered for capital cost as on COD. The addition of equity during FY 2021-22 has been considered equal to equity portion of capitalised works as approved in this Order. Further, return of 14% has been considered for FY 2021-22 on the average permissible equity base during FY 2021-22. 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 2021-22 is shown in the Table below:

Table 3-10: Approved RoE for GP-III mines for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	148.63	148.63
Addition Due to Add Cap	120.24	120.24
Closing Equity	268.87	268.87
Average Equity	208.75	208.75
Rate of Return on Equity	14.00%	14.00%
Return On Equity	29.22	29.22

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 in Petition No. 1 of 2022, which is 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 2021-22 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 of 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 2021-22, CSPGCL has submitted that the actual O&M expenses are less than 15% of MDO charges. Based on the actuals as per Audited Accounts for FY 2021-22, the Commission approved the O&M expenses for FY 2021-22, as shown in the Table below:

Table 3-11: Approved O&M Expenses for GP-III mines for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Employee Expense	7.12	7.12
A&G Expense	0.82	0.82
R&M Expense	0.05	0.05
Total	**7.99**	**7.99**

3.4.5 Interest on Working Capital

CSPGCL's submission

CSPGCL submitted that the Interest on Working Capital has been calculated in line with the provisions of Regulation 61 of CSERC MYT Regulations, 2021. Accordingly working capital has been computed considering the input cost of coal stock for 7 days production corresponding to the ATQ, stores and spares including explosives, lubricants and fuel at 15% of O&M expenses, and O&M expenses for 15 days. As the normative O&M expenses are yet to be determined for GP-III mine, the actual O&M expenses have been considered. CSPGCL has considered the interest rate applicable as per CSERC MYT Regulations, 2021 for determination of interest on working capital.

Commission's View

Regulation 61 of the CSERC 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; and 240 CSERC Tariff Order FY 2022-23

(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 Interest on Working Capital for the Control Period has been computed in accordance with Regulation 61 of the CSERC MYT Regulations, 2021. The Commission has considered the input cost of coal stock for 7 days of production corresponding to the ATQ for FY 2021-22. Working capital for Spares has been worked out on the basis of 15% O&M expenses approved for FY 2021-22. Further, 15 days of O&M expenses have been considered in working capital for GP-III mines.

The interest rate of 10.90%has been considered, for computing the Interest on Working Capital. The Interest on Working Capital allowed for FY 2021-22 is shown in Table below:

Table 3-12: Interest on Working Capital Approved for GP-III mines for FY 2021-22 (Rs. Crore)

Particulars	Petition*	Approved
ATQ	3	3
Input Cost for 7 days of Stock	7.30	7.30

Particulars	Petition*	Approved
Spares as 15% of O&M Cost	1.20	1.20
Working capital for O&M	0.33	0.33
Total Working Capital Requirement	**8.82**	**8.82**
Rate of Interest on WC	10.90%	10.90%
Interest on WC	**0.96**	**0.96**

**Petition values revised by CSPGCL vide additional submission dated 03/02/2023*

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 2021-22. 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 2021-22.

3.4.7 GCV Adjustment

CSPGCL's submission

CSPGCL submitted that as per the provisions of CSERC 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 to Regulation 66 of CSERC MYT Regulations, 2021 is not applicable. The statutory charges are being paid in accordance to 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 required. 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. Per contra, during FY 2021-22, 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 mines is uncontrollable for CSPGCL.

Commission's View

Regulation 66.1 of the CSERC MYT Regulations, 2021 stipulates 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.

3.4.8 Non-Tariff Income (NTI) Adjustment

CSPGCL's submission

CSPGCL submitted that the adjustment of Non-Tariff Income has been made in accordance with Regulation 67 of the CSERC MYT Regulations, 2021.

Commission's View

CSPGCL has considered the interest income on FDR of Rs. 110.20 Crore as Non-Tariff Income for FY 2021-22. The Commission has accordingly considered the Non-Tariff Income for FY 2021-22 as submitted by CSPGCL.

Table 3-13: Non-Tariff Income Approved for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Non-Tariff Income	3.34	3.34

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 2021-22.

Commission's View

In line with the submission of CSPGCL, the Commission has not considered Mine Closure Expenses for GP-III mines for FY 2021-22.

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 2021-22, the base rate of coal for royalty computation, was 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 from retrospective effect. The Statutory charges considered for the purpose of calculation of input price are tabulated below:

Table 3-14: 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
GST on Royalty, DMF and NMET	18.00%	

Commission's View

The Commission noted that in reply to data gaps, CSPGCL has submitted the copies of all relevant Government notifications for levy of Statutory charges as claimed in the True up Petition. The Commission has verified the same.

Regulation 52.2 of the CSERC 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 from 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 to 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 mines as under:

Table 3-15: Approved Statutory Charges for GP-III mines for FY 2021-22 (Rs. Crore)

Particulars	Petition	Approved
Statutory charges	53.58	53.58

3.4.11 MDO Charges

CSPGCL's submission

CSPGCL submitted that it has appointed Gare-Pelma III Collieries Ltd. as MDO through open transparent competitive bidding process. The same has been adopted by the Commission in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022. For the purpose of pre-COD period computation as well as True up for FY 2021-22, the actual charges as per the Audited Accounts have been considered. The actual per tonne charges are lower than the coupon rates. Thus, deductions as applied, have been fully passed on to the beneficiaries, i.e., the Power Plants of CSPGCL.

Commission's View

As per Regulation 53.2 of the CSERC MYT Regulations, 2025, the Run of Mine 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, the Commission accepts the actual MDO charges for FY 2021-22 as submitted by CSPGCL for GP-III mines.

Table 3-16: Approved MDO Charges for GP-III mines for FY 2021-22

Particulars	Petition	Approved
MDO charges (Rs. Crore)	228.97	228.97
MDO charges (Rs./Tonne)	651.38	651.38

3.4.12 Sharing of Gains/Loss

CSPGCL's submission

CSPGCL submitted that the principles of sharing of gain or loss laid down in Regulation 12 and 13 of the CSERC MYT Regulations, 2021 are applicable in case of the integrated coal mine also. For the operation of the integrated coal mine, the only materialistic performance criteria are achievement of the coal production targets as set in the approved mining plan. While the fixed reserve price and the statutory charges are directly related to the quantity of coal produced, the financial costs - such as RoE, interest and finance charges and depreciation are directly dependent on the average capital cost and capital structure during the year and there is no direct relation with the quantity of coal actually produced. Thus, in case of over / under achievement of the production target, the per tonne cost attributable to these components tend to vary. IOWC has also been considered as the cost component, which affects the beneficiary in case of over / under achievement of the target. To a large extent, the O&M expenses also follow the same path. However, as in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022, the Commission has ruled that gain or loss on account of O&M expenses shall not be considered for integrated mine, CSPGCL has not considered any gain or loss on account of O&M expense. For calculating gain or loss for integrated mines, CSPGCL has calculated the per tonne cost attributable to the above cost components (ROE, interest and finance charges, depreciation and IOWC) considering the normative ATQ, which was equal to the target set in the mining plan. The same has been recomputed for the 'actual quantity' achieved during the year. When the actual production exceeds the target production, the per tonne cost of coal is reduced benefitting the end consumer and when the actual production is lower than the mining plan target, there is an adverse impact on the beneficiaries. As during FY 2021-22, CSPGCL exceeded the target set in the mining plan, savings have been achieved and the gain has been shared on 50-50 basis.

Commission's View

Regarding sharing of gains and losses, the Commission notes that there is no specific provision mentioned in the CSERC 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 50:50, the Commission has considered the ratio of 50:50 for sharing of gains / losses for coal mine also.

Further, as per the ruling of the Commission in the MYT Order dated April 13, 2022 in Petition No. 1 of 2022, no sharing of gains or losses in O&M expenses for GP-III mine is allowable. Thus, the Commission accepts the method of determination of gains due to higher production of coal proposed by CSPGCL and has allowed the sharing of same in the ratio 50:50.

The share of gains due to higher production of coal approved for FY 2021-22 is shown in Table below:

Table 3-17: Sharing of Gains due to Higher Production Approved for FY 2021-22 between GP-III Mine and CSPGCL Plants

Particulars	Petition	Approved
Depreciation, Interest on Loans, ROE, IoWC and NTI (Rs. Crore)	104.82	104.82
ATQ (MMT)	3.00	3.00
AFC/ Tonne on ATQ basis (Rs. /MT)	349.38	349.38
Actual Production (Grossed up quantity of Coal Dispatched) - MMT	3.52	3.52
AFC/ Tonne on Actual basis (Rs. /MT)	298.18	298.18
Gain/ (Loss)/ Tonne due to Excess / (less) production (Rs. Crore)	18.00	18.00
Share of CSPGCL (Rs. Crore)	**9.00**	**9.00**

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 for the Control Period.

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 the Control Period in line with the Notification issued by the Ministry of Coal, GoI and considering the applicable GST.

3.4.14 Annual Target Quantity

CSPGCL's submission

As regard the Annual Target Quantity (ATQ), CSPGCL submitted that as per the Regulations of the Commission, it is the quantity in accordance with the Mining Plan. The same was relied by the Commission at the time of determination of input price in the MYT Order dated April 13, 2022 in Petition No.1 of 2022. However, it may not be prudent to consider the same at the time of True up. As the Regulations do not provide any express clause or methodology for the True up, CSPGCL has considered the actual quantity as the ATQ.

CSPGCL submitted that the 'actual quantity' may be inferred as the excavated quantity or the dispatch quantity from mine or the RR quantity or the net quantity received at the plant. While the excavated quantity may be a true parameter for an independent commercial mine, the same may not be just and proper for an integrated mine. If at the time of True up, actual excavated quantity is considered in place of ATQ, then it is quite possible that no coal reaches to the plant and still it may be claimed that the integrated mine has over achieved the bench mark. It may not be proper to consider the excavated quantity from another perspective. The input price as per the Regulations reflects the price at the mine end including the statutory charges as may be applicable. As the statutory charges i.e., royalty, DMF, NMET etc. are paid only at the time of dispatch of the coal, the AEC/ton derived on the excavated quantity may not reflect such cost components.

CSPGCL further submitted that though the dispatch quantity to a large extent meets the criteria for consideration as actual quantity matching to the ATQ, in the cases where multiple modes of transportation are involved, there may be difference between the quantity dispatched from the mine and the quantity, which is finally dispatched to the plant from any intermediate siding. Therefore, while for the purpose of integrated mines with direct connectivity to the end use plant, the dispatch quantity is a true reflector of actual quantity to be considered in place of the ATQ, the same may need some correction in case of multiple transfers with intermediate yard/ sidings.

As regards the RR quantity or net quantity received at plant, CSPGCL submitted that the input price is determined at the mine end, the FRP is paid at the time of excavation of coal and all the other statutory charges are paid at the time the coal is dispatched from the mine end. Therefore, consideration of RR quantity/plant quantity will lead to under recovery of proper cost.

Based on the above, CSPGCL submitted that the quantity of coal dispatched from the mine end commensurate to the net quantity received at the plant end is the most proper representation of actual quantity. In other words, it applies the grossed-up quantity from the mine end. By such methodology, true cost at the plant end can be reflected. CSPGCL also submitted that that since the beginning of the regulatory regime of determination of plant wise tariff, the Commission has adopted the same principle in respect of coal from SECL. Since the coal from SECL do not involve multiple transfers, the transit losses for only one mode were considered. In the case of coal supply from GP-III mine, Rail Cum Road system is applicable. Hence, the net impact of both the transit losses has to be considered.

Commission's View

As regards the ATQ to be considered for True up, CSPGCL has submitted the pros and cons of different quantities, i.e., extracted quantity, dispatched quantity, RR quantity and net quantity, if considered as ATQ. The extracted quantity is least suitable since this represents only the coal produced from mine and not the quantity used for generation of electricity at CSPGCL plants. The dispatched quantity or RR quantity are also not representative as they do not reflect the coal used for generation of electricity at CSPGCL plants. The RR quantity or net quantity received at plant are also not suitable, since the FRP is paid at the time of excavation of coal and all the other statutory charges are paid at the time the coal is dispatched from the mine end. Considering the above, the Commission accepts the submission of CSPGCL and considers 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 for FY 2021-22.

3.4.15 Other Charges while carrying out True up of coal cost supplied from GP-III mine

CSPGCL submitted that for the purpose of True up of coal cost for FY 2021-22 for coal supplied from GP-III coal mine, it has considered various elements for deriving the landed cost of the coal as discussed below:

a) ***<u>Dispatch from Mine</u>***

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, GoCG. The transit pass contains the vehicle number, tare and gross weight of vehicle and the grade of coal. For the purpose of True up Petition, CSPGCL has considered the dispatch quantity compiled from the daily transit passes issue through the portal.

The Commission has accepted the submission of CSPGCL and has considered the dispatch quantity compiled from the daily transit passes issued through the portal.

b) ***Road transportation charges***

CSPGCL submitted that the actual payment of road transportation charges has been considered from the accounts. The net quantity after accounting for the transit losses has been considered for deriving the per tonne road transportation charges. As there is difference between the actual quantity dispatched from the mine and the quantity, which is dispatched from the railway siding to the plant, the road transportation charges have been claimed only for the corresponding quantity required for loading on the railway racks.

For the purpose of True up, the Commission has considered the road transportation charges only corresponding to the quantity required for loading on the railway tracks.

c) ***Coal dispatch from railway siding***

CSPGCL submitted that the details of railway receipts (RR) are submitted along with each FCA bill raised by CSPGCL on CSPDCL. Copies of the same are also submitted to the Commission. For the purpose of True up Petition, the RR quantity indicated in individual FCA bills for FY 2021-22 have been relied upon.

For True up purposes, the Commission has considered the RR quantity as submitted in the individual FCA bills for FY 2021-22.

d) ***Rail transportation Charges***

CSPGCL submitted that the RR details are submitted with the FCA bills. For the purpose of true up, the quantity and charges indicated in the FCA bills are considered.

For True up purposes, the Commission has considered the RR quantity as submitted in the individual FCA bills for FY 2021-22.

e) ***Coal Sampling charges***

CSPGCL submitted that as per the Regulations of the Commission, third party sampling of coal is required. CSPGCL has appointed CIMFR, which is the most renowned agency in coal sampling and is also a Central Government undertaking. The rate allowed to CIMFR for carrying out the quality test is same, which is being paid to CIMFR in case of coal supply by Coal India. However, unlike CIL coal, in this case, the charges are borne fully by the beneficiary and the charges are pass through.

For True up purposes, the Commission has considered the coal sampling charges based on actual as submitted by CSPGCL.

3.4.16 Input Price of Coal

CSPGCL's submission

CSPGCL computed the Input Price of coal from GP-III mines for FY 2021-22 as shown in the Table below:

Table 3-18: Input Price of Coal from GP-III mines for FY 2021-22 as submitted by CSPGCL

Particulars	Unit	FY 2021-22
Depreciation	Rs Crore	30.05
Interest on loan	Rs Crore	47.91
Return on Equity	Rs Crore	29.22
Interest on Working Capital	Rs Crore	0.96
O&M Charges	Rs Crore	7.99
Statutory Charges	Rs Crore	53.58
Sharing of gain due to Higher Production	Rs Crore	9.00
Annual Extraction Cost	**Rs Crore**	**178.71**
Actual Quantity of Coal	MMT	3.52
Annual Extraction Cost	Rs./ MT	508.41
MDO Charges	Rs./ MT	651.38
Sub Total	**Rs./ MT**	**1159.79**
Less -NTI	Rs Crore	3.34
Less – NTI	Rs./ MT	9.51
Add- Fixed Reserve Price	Rs./ MT	118.00
Input Price	**Rs./ MT**	**1268.29**

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 2021022 is shown in Table below.

Table 3-19: Approved Input Price of Coal from GP-III mines for FY 2021-22 (Rs. Crore)

Particulars	Unit	FY 2021-22
Depreciation	Rs Crore	30.05
Interest on loan	Rs Crore	47.91
Return on Equity	Rs Crore	29.22
Interest on Working Capital	Rs Crore	0.96
O&M Charges	Rs Crore	7.99
Statutory Charges	Rs Crore	53.58
Sharing of gain due to Higher Production	Rs Crore	9.00
Annual Extraction Cost	**Rs Crore**	**178.71**
Actual Quantity of Coal	MMT	3.52
Annual Extraction Cost	Rs./ MT	508.41
MDO Charges	Rs./ MT	651.38
Sub Total	**Rs./ MT**	**1159.79**
Less -NTI	Rs Crore	3.34
Less - NTI	Rs./ MT	9.51
Add- Fixed Reserve Price	Rs./ MT	118.00
Input Price	**Rs./ MT**	**1268.29**

Table 3-20: Breakup of Approved Input Price of Coal from GP-III mines FY 2021-22

Particulars	Unit	FY 2021-22
Base Price of coal	Rs. /MT	997.86
Statutory Charges	Rs. /MT	152.43
Fixed Reserve Price including GST	Rs. /MT	118.00
Total Price/Tonne	**Rs. /MT**	**1268.29**

4 TRUE-UP FOR FY 2021-22 FOR CSPGCL

4.1 Background

The Commission notified the CSERC MYT Regulations, 2015 for the third MYT Control Period from FY 2016-17 to FY 2020-21 on September 9, 2015. Subsequently, the Commission notified the First Amendment to CSERC MYT Regulations, 2015 on June 16, 2017.

However, due to COVID-19, the new Regulations could not be notified and vide Public Notice No. 03/CSERC/Tariff 2020/1227 dated November 26, 2020, the Commission extended the prevailing MYT Regulations, 2015 till FY 2021-22 and directions were issued to file the Tariff Petition accordingly.

Based on the direction, CSPGCL filed the Petition for determination of ARR and Tariff for FY 2021-22 (numbered as Petition No. 09 of 2021 (T)) and an Order on the same was issued on 2 August, 2021.

CSPGCL has now filed this Petition for true-up of FY 2021-22 for its existing thermal generating stations, viz., HTPS, DSPM TPS, 500 MW Korba West TPP, ABVTPP, and Hasdeo Bango Hydro Power Plant in accordance with the CSERC MYT Regulations, 2015.

Regulation 10.4 of the CSERC MYT Regulations, 2015 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 2021-22 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 2021-22 and considered the final true-up of expenses and revenue in accordance with Regulation 10 of the CSERC MYT Regulations, 2015. 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 CSERC MYT Regulations, 2015.

4.2 Generation Capacity of Existing Generating Stations

The details of the existing generating stations are shown in the Table below:

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

Sr. No.	Particulars	No. of Units & Capacity in MW
1	Hasdeo Thermal Power Station (HTPS)	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)	2x250=500 MW
4	Mini Mata Hasdeo Bango Hydro Electric Project	3x40=120 MW
5	Atal Bihari Vajpayee Thermal Power Plant (ABVTPP), Janjgir Champa	2x500 = 1000 MW

4.3 Plant Availability Factor (PAF)

CSPGCL's submission

The actual Plant Availability Factor (PAF) for CSPGCL's stations for FY 2021-22 is shown in the Table below:

Table 4-2: Actual PAF for FY 2021-22 as submitted by CSPGCL

Station	FY 2021-22
HTPS	68.45%
DSPM	96.29%
KWTPP	84.93%
ABVTPP	54.67%

As regards DSPM, CSPGCL submitted that DSPM TPS has outperformed all the performance norms.

As regards HTPS, CSPGCL submitted that during the year, there was sharp rise in demand of coal by the Thermal Power Stations across the nation, which led to pan India coal crisis. The reduced availability of coal was totally uncontrollable for CSPGCL. The only option would have been import of coal but in such case the landed cost of coal, which is less than Rs 2500/- per tonne in case of domestic coal, would have sky rocketed to more than Rs 15000/- per tonne, implying a steep rise in energy charges. CSPGCL also 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.

As regards KWTPP and ABVTPS, CSPGCL submitted that coal availability affected these Plants too. CSPGCL has considered the normative values for ABVTPS as approved by the Commission. CSPGCL submitted that the gains / loss from performance are proposed to be shared as per the Regulations.

Commission's View

The Commission asked CSPGCL to provide break-up of availability in terms of machine availability and fuel availability considering outages and fuel availability separately for HTPS and KWTPP.

CSPGCL submitted that coal shortage during the year was a well-known phenomenon during the year under review and HTPS was no different. The daily coal requirement for the Plant to meet the normative generation target with normative SHR, AEC and Calorific Value is about 19,219 Tonnes and after accounting for carpet coal, for minimum useable coal at the very critical level (3 days), the minimum about 70000-tonne coal may be required, however for a significant number of days the same was not there. Under such situation, as KWTPP is a comparatively new unit and its thermal efficiency is higher (reflected in lower normative SHR) hence, it was prudent on the part of CSPGCL that in the larger interest of all stakeholders, more allocation of coal was made to KWTPP.

CSPGCL also submitted that though these factors for DSPM, HTPS and ABVTPS may be contended as uncontrollable, however, considering the view taken by the Commission in previous Orders, no exception is pleaded, and the impact of lower availability has been treated in line with methodology prescribed in the Regulations.

The Commission has examined the actual PAF of the generating stations for FY 2021-22 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 2021-22 for determining sharing of gains and losses.

The Commission has considered the NAPAF for all Power Stations as approved in the Tariff Order dated 2 August, 2021.

The station-wise NAPAF and actual PAF approved by the Commission in the true-up of FY 2021-22 is shown in the Table below:

Table 4-3: Approved Plant Availability Factor for FY 2021-22

Station	NAPAF	Actual PAF
HTPS	78.69%	68.45%
DSPM	85%	96.29%
KWTPP	85%	84.93%
ABVTPP	76.50%	54.67%

4.4 Auxiliary Energy Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Auxiliary Energy Consumption (AEC) for its stations for FY 2021-22, as shown in the Table below:

Table 4-4: Auxiliary Energy Consumption for FY 2021-22 as submitted by CSPGCL

Station	Tariff Order	CSPGCL's Submission
HTPS	9.70%	10.04%
DSPM	9.00%	7.95%
HBPS	1.00%	0.19%
KWTPP	5.25%	5.37%
ABVTPP	5.25%	6.12%

CSPGCL submitted that during FY 2021-22, all other generating stations except HTPS, KWTPP and ABVTPP have achieved AEC better than the specified norms.

Commission's View

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

For the purpose of sharing of efficiency gains and losses, the actual AEC as submitted by CSPGCL for FY 2021-22 has been considered. Further, the normative AEC for FY 2021-22, as shown in the Table below, has been considered for computation of normative net generation:

Table 4-5: Approved Auxiliary Energy Consumption for FY 2021-22

Station	Normative	Actual
HTPS	9.70%	10.04%
DSPM	9.00%	7.95%
HBPS	1.00%	0.19%
KWTPP	5.25%	5.37%
ABVTPP	5.25%	6.12%

4.5 Gross Generation and Net Generation

CSPGCL's Submission

CSPGCL submitted that the actual gross generation and net generation for FY 2021-22 for its generating stations, as shown in the Table below:

Table 4-6: Actual Gross Generation and Net Generation for FY 2021-22 as submitted by CSPGCL (MU)

Station	Gross Generation	Net Generation
HTPS	5044.96	4538.36
DSPM	3908.42	3597.60
HBPS	404.12	403.35
KWTPP	3734.10	3533.47
ABVTPP	4828.05	4532.54

As regards HBPS, CSPGCL submitted that the generating station not only contributes green power but is the cheapest source of power in the State. The generating station has achieved its operational parameters for FY 2021-22. During the year, the plant injected much higher energy than what was envisaged. However, as 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, in compliance with the regulatory philosophy, no gain on account of excess generation is being 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 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 2021-22 (MU)

Station	Normative		Actual	
	Gross Generation	Net Generation	Gross Generation	Net Generation
HTPS	5790.32	5228.66	5044.961	4538.36
DSPM	3723.00	3387.93	3908.420	3597.60
HBPS	274.00	271.26	404.123	403.35
KWTPP	3723.00	3527.54	3734.10	3533.47
ABVTPP	6701.40	6349.58	4828.045	4532.54

4.6 Gross Station Heat Rate

CSPGCL's Submission

CSPGCL submitted the actual Gross Station Heat Rate (GSHR) for FY 2021-22 for existing generating stations, as shown in the following Table:

Table 4-8: GSHR for FY 2021-22 (kcal/kWh)

Station	FY 2021-22
HTPS	2725.59
DSPM	2409.43
KWTPP	2521.62
ABVTPP	2572.42

Commission's View

The Commission asked CSPGCL to provide reasons for increase in GSHR as compared to the normative parameters. CSPGCL submitted that SHR too has relationship with the loading. Part loading (particularly below 80%) adversely affects the turbine / boiler efficiency, which in turn reflects on SHR. As during the year, due to coal shortage and other reasons, the availability and machine loading was lower hence, the AEC and SHR got adversely affected. To make conditions worse, the plant suffered from number of backing down instructions too. During the year, HTPS, which has much lower ECR (about Rs 1.67/ unit) got 534 Backing down instructions resulting in loss of about 41 MU generation. Thus, even when the coal shortage was not there and machine was available, there were number of occasions when part loading had to be resorted to. As is well known, thermal power stations are base load stations and at times of part loading, the fluctuations in loading worsen the performance. It may be appreciated that both conditions, i.e., coal shortage and fluctuations in demand, were uncontrollable for CSPGCL. CSPGCL submitted that in the petition, though the impact has been treated in line with methodology prescribed in the MYT Regulations, 2015, however, the Commission is requested to consider the difficulties faced due to uncontrollable factors and allow relief as may be deemed fit.

After due verification, the actual GSHR as submitted by CSPGCL for FY 2021-22 has been considered for the computation of actual Fuel Cost and the normative GSHR as approved in Tariff Order dated August 11, 2021 has been considered for computation of normative Fuel Cost. GSHR for thermal power stations as approved by the Commission for FY 2021-22 are shown in the Table below:

Table 4-9: Approved GSHR for FY 2021-22 (kcal/kWh)

Station	Normative	Actual
HTPS	2,650.00	2725.59
DSPM	2,500.00	2409.43
KWTPP	2,375.00	2521.62
ABVTPP	2,378.42	2572.42

4.7 Secondary Fuel Oil Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Secondary Fuel Oil Consumption (SFOC) for FY 2021-22 as shown in the Table below:

Table 4-10: SFOC submitted by CSPGCL for FY 2021-22 (ml/kWh)

Station	Tariff Order	Actual
HTPS	0.90	0.87
DSPM	0.50	0.09
KWTPP	0.50	0.28
ABVTPP	0.50	0.50

Commission's View

The Commission observes that all generating stations have achieved the norms for SFOC. 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 2021-22 (ml/kWh)

Station	Normative	Actual
HTPS	0.90	0.87
DSPM	0.50	0.09
KWTPP	0.50	0.28
ABVTPP	0.50	0.50

4.8 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 2021-22

Station	FY 2021-22
HTPS	0.19%
DSPM	0.198%
KWTPP	0.19%
ABVTPP	0.9138%

CSPGCL submitted that during FY 2021-22, due to coal crisis at national level and difficulty faced by Coal India in supplying additional coal required for DSPM TPS, in the larger interest of all the stakeholders, part of coal required for DSPM was supplied from GP III mine. The applicable norm of transit loss for the plant is to consider weighted average of normative transit losses for SECL coal and the GP III coal. For the DSPM TPS, the normative transit loss for SECL coal is 0.20%, but for coal transported from GP III mine, normative transit loss has been taken as 0.9984%. The weighted average normative transit loss for the plant comes out to 0.288% for DSPM.

Regarding transit loss for AVBTPS, CSPGCL submitted that during the year, the bridge linkage from Coal India came to an end and as per the Government Policy, no extension was granted. Further, during the year, to meet the coal requirement, substantial quantity of coal supply was ensured from GP III mine. Therefore, the applicable norm for the plant is to consider weighted average of normative transit losses for SECL coal and the GP III coal.

As far as coal from GP III mine is concerned, coal from integrated mine has been dealt for the first time in MYT Regulations, 2021 and the last proviso of Regulation 43.6 specifically states:

> "*In case of integrated mines, the transit and handling loss shall be decided on case to case basis subject to prudence check*".

CSPGCL further submitted that the Transit loss depends upon the mode of transport. In case of dedicated mode (i.e., pit head), the normative transit loss is allowed as 0.2% and in case of public mode transport (i.e., non pit head), the allowable normative loss is 0.80%. In case of an integrated mine, the coal transfer may take place through multiple modes. It may be LDCC, or MGR or Indian Railway or Trucks or a combination of such modes. Hence, the Commission, took a stand for deciding such cases on case-to-case basis.

The coal transport from GP III mine, involves dual transport in RCR (Rail Cum Road) mode. First, coal is transported from mine to railway siding through trucks (which may be considered as dedicated mode) and then from railway siding, transportation occurs through Indian Railways (which is public transport). As per settled principle, for the first phase, the applicable normative transit loss is 0.20% and for the next phase (railway siding to plant) the applicable normative loss is 0.80%. Combining the two the resultant net normative transit loss for GP III coal transported through Robertson/ Gharghoda siding, stands at 0.9984%.

For ABVTPS, the normative transit loss for SECL coal is 0.80%. Accordingly, taking into account the share of SECL coal and GP III coal, the weighted average normative transit loss for the plant comes out to 0.9763%.

Commission's View

The actual transit loss for FY 2021-22 has been considered as submitted by CSPGCL for the purpose of sharing of efficiency gains and losses, while the normative transit loss for FY 2021-22 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 CSERC MYT Regulations, 2015, 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%. Since, coal was also supplied to DSPM during the year, appropriate adjustment in the normative transit loss has been considered.

Table 4-13: Approved Transit loss for FY 2021-22

Station	Normative	Actual
HTPS	0.20%	0.19%
DSPM	0.286%	0.198%
KWTPP	0.20%	0.19%
ABVTPP	0.9763%	0.9138%

4.9 Calorific Value and Price of Fuel

CSPGCL's Submission

CSPGCL submitted that Regulation 41.6 of the CSERC MYT Regulations, 2015 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, coal was received from SECL as well as the integrated mine at GP –III. For coal received from GP–III mine, as no Regulations were in place at that time, hence, as per the Commission's directions, the ECR and FCA were computed in accordance with the notified price of equivalent grade of coal from SECL. Later on, the Regulations for the current Control Period were notified which contain a Chapter for determination of cost of coal from captive coal mines. It also provides that for coal mines which achieved COD before April 1, 2022, the cost of coal for such prior period shall be computed in accordance with the Regulations and the excess / under recovery shall be dealt at the time of true up. The cost of coal from the integrated mine at GP III has been computed accordingly in the Petition.

CSPGCL submitted the actual Calorific Value (CV) and price of fuels for FY 2021-22, as shown in the following Table:

Table 4-14: Actual Calorific Value and Price of fuels for FY 2021-22

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	3,446.03	1860.64	10,000.00	63,049.63
DSPM	3,355.74	2079.60	10,000.00	89,068.21
KWTPP	3,423.61	1860.64	10,000.00	63,049.63
ABVTPP	3,470.00	2270.61	10,000.00	66,308.06

Commission's View

Common facility is used for transportation of coal for HTPS and KWTPP. In the present Tariff Petitions, 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 2021-22 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 2021-22.

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 2021-22. The calorific value of fuel and price of fuel considered by the Commission for computation of actual and normative fuel cost for FY 2021-22 are shown in the Table below:

Table 4-15: Approved Calorific Value and Price of fuels for FY 2021-22

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	3,446.03	1,860.83	1,860.64	10,000.00	63,049.63
DSPM	3,355.74	2,081.43	2,079.60	10,000.00	89,068.21
KWTPP	3,423.61	1,860.83	1,860.64	10,000.00	63,049.63
ABVTPP	3,470.00	2,272.04	2,270.61	10,000.00	66,308.06

4.10 Fuel Cost

CSPGCL's Submission

The Table below shows the fuel cost claimed by CSPGCL in the True-up of FY 2021-22:

Table 4-16: Actual Fuel Cost for FY 2021-22 (Rs. Crore)

Station	Normative	Actual
HTPS	858.63	767.65
DSPM	592.73	586.38
KWTPP	491.32	517.75
ABVTPP	1,063.64	827.18

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 2021-22 as shown in the Table below:

Table 4-17: Approved Fuel Cost for FY 2021-22 (Rs. Crore)

Station	Normative	Actual
HTPS	858.63	767.65
DSPM	592.73	586.38
KWTPP	491.32	517.75
ABVTPP	1,063.64	827.18

4.11 Annual Fixed Charges for CSPGCL

Regulation 35 of the CSERC MYT Regulations, 2015 specifies the components of Annual Fixed Charges (AFC) for CSPGCL as under:

(a) Depreciation;

(b) Return on Equity;

(c) Interest and Finance Charges;

(d) Interest on Working Capital;

(e) Operation and Maintenance Expenses;

Less:

(f) Non-Tariff Income

In addition to the above, the Commission has approved the Contribution to Pension Fund as a part of AFC in the Tariff Order for FY 2021-22.

4.12 Capital Cost and Additional Capitalisation

CSPGCL's Submission

CSPGCL submitted that the opening GFA and capital structure (Debt / Equity) for FY 2021-22, have been taken as per the closing values approved by the Commission in the final True-up of FY 2020-21. Additions have been considered as per accounts /

Fixed Asset Register (FAR) after mapping with approved Capital Investment Plans (CIPs).

As the Regulatory principles and practices slightly differ from financial accounting principles and practices, there are some deviations from accounts as mentioned below:

- The Commission directed for erection and commissioning of new 220 kV interconnecting line between DSPM TPS and the KTPS vide Order dated 15 November, 2017. The work related to erection of two number feeder bays at DSPM TPS was allocated to CSPGCL. For proper execution and better coordination in the line and bay work, CSPGCL assigned the work to CSPTCL. An advance of Rs. 6.04 Crore was issued to CSPTCL on 31 August, 2019. During the year under consideration, on 25 October, 2021 at 18:33 hours, the feeders were successfully charged and the power flow is taking place since then. As per the well settled Regulatory principle, an asset qualifies for capitalization as soon as it is “put to use”. Thus, the expenditure incurred on erection and commissioning of the bays qualified for capitalization during FY 2021-22. However as this was a unique work involving the two Companies, during the capitalization process on SAP, some procedural issues crept in which led to non-capitalization of the expenditure in the books of accounts for FY 2021-22. In the Accounts, the capitalization will appear in FY 2022-23. However as per the settled principle in the Tariff Order dated 30 May, 2020 on the Petition No. 02 of 2020(T), in such cases, for the regulatory treatment, the capitalization has to be considered in the year in which the qualifying criteria has been satisfied. Accordingly, CSPGCL has considered capitalization of Rs. 6.04 Crore, i.e., the advance paid against the work. CSPGCL submitted that in FY 2022-23, no additional capitalization against the said work shall be claimed except for the difference between the capitalization, which may appear in the audited accounts and the capitalization considered in the instant petition.
- During the year under consideration, it was earlier planned that the Complete Overhaul (COH) of Unit No. 2 at HTPS may be undertaken in the month of March 2022. Accordingly, user divisions issued indents for withdrawal of required items from the stores. However, due to system constraints and logistical issues, the work could be undertaken in the first quarter of FY 2022-23. Thus, these expenses would qualify for regulatory claim in the true up for FY 2022-23. Accordingly, CSPGCL has not claimed such expense incurred on condenser tubes, to the tune of approximately Rs. 3.22 Crore though the same appear in the financial accounts.
- Following the same principle and for the same reason, CSPGCL has also not claimed repair and maintenance expense of Rs 2.80 Crore and Rs. 2.76 Crore for economizer coil element (lower and upper bank). As the work got completed in first quarter of FY 2022-23, leave is humbly craved for claiming these expenses during true up of FY 2022-23.

Further, in compliance with the directive of the Commission and in line with consideration adopted by the Commission in the previous True-up Orders, the Petitioner has attempted to segregate the capital expenses considered in the books of accounts on best effort basis.

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.

With regard to capitalisation of new 220 kV interconnecting line between DSPM TPS and KTPS, as per settled Regulatory principle, an asset qualifies for capitalisation as soon as it is "put to use", hence, the Commission has considered the expenditure incurred on erection and commissioning of the bays for capitalisation during FY 2021-22. CSPGCL shall not claim such expenses during FY 2022-23.

Since, work pertaining to COH of Unit No. 2 of HTPS and repair and maintenance expenses for economiser coil element got completed in FY 2022-23, the Commission grants liberty to claim such expenses during the truing up of FY 2022-23 subject to prudence check.

The Commission accordingly approves the additional capitalisation claimed in True-up of FY 2021-22 for all the power stations as shown in the Table below:

Table 4-18: Approved Additional Capitalisation in true up for FY 2021-22 (Rs. Crore)

Station	Tariff Order	Petition	Approved
HTPS	114.20	89.97	89.97
DSPM	13.86	11.66	11.66
HBPS	3.07	-	-
KWTPP	80.54	84.19	84.19
ABVTPP	155.74	15.56	15.56
Total	**367.41**	**201.39**	**201.39**

4.13 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 CSERC MYT Regulations, 2015 and the settled methodology in the previous Orders. In cases of higher than normative equity, the normative debt:equity (D:E) ratio has been considered. However, for additional capitalisation of the project cost at KWTPP and ABVTPS, the opening D:E 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 provisions of CSERC MYT Regulations, 2015 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 Order dated July 07, 2018.

The approved means of finance for additional capitalisation for FY 2021-22 is shown in the Table below:

Table 4-19: Approved Means of Finance for existing stations for FY 2021-22 (Rs. Crore)

Station	CSPGCL Petition			Approved		
	Equity	Debt	Total	Equity	Debt	Total
HTPS	26.99	62.98	89.97	26.99	62.98	89.97
DSPM	3.50	8.16	11.66	3.50	8.16	11.66
HBPS	0	0	0.00	0	0	0.00
KWTPP	15.07	69.13	84.19	15.07	69.13	84.19
ABVTPP	2.56	13.00	15.56	2.56	13.00	15.56
Total	**48.11**	**153.27**	**201.39**	**48.11**	**153.27**	**201.39**

4.14 Depreciation

CSPGCL's submission

CSPGCL submitted that Depreciation for DSPM has been computed by applying the weighted average depreciation rate on the average regulatory Gross Fixed Assets (GFA). The weighted average depreciation rate has been computed by applying category-wise scheduled rates specified in Regulation 24.4 of CSERC MYT Regulations, 2015 on average GFA.

For KWTPP and ABVTPS, in the Tariff Order for FY 2021-22, the depreciation rate was determined in accordance with the last proviso of Regulation 24.4, hence, as per settled philosophy, in the true up, the principle relied in the Tariff Order has been adopted and depreciation rate has been worked out accordingly.

For HTPS, CSPGCL has computed the average depreciation rate on assets added after 1 April, 2010 as per the settled methodology adopted by the Commission in the previous Orders.

The depreciation for Hasdeo Bango Hydel plant has been computed in accordance with the first proviso of Regulation 24.4 and in line with the methodology adopted in the MYT Order, by spreading the balance depreciable value over the balance useful life.

The summary of the depreciation claimed by CSPGCL for FY 2021-22 is shown in the Table below:

Table 4-20: Depreciation for FY 2021-22 as submitted by CSPGCL (Rs. Crore)

Particulars	HTPS	DSPM TPS	Hasdeo Bango	KWTPP	ABVTPP
Opening GFA	620.18	2,374.10	111.22	3611.80	8771.85
Additional Capitalization	89.97	11.66	0.00	84.19	15.56
Closing GFA	710.15	2,385.76	111.22	3695.99	8787.41
Average GFA	665.17	2,379.93	111.22	3,653.90	8,779.63
Average Rate of Depreciation	5.31%	5.47%		6.09%	5.94%
Balance Depreciation to be recovered			24.95		

Particulars	HTPS	DSPM TPS	Hasdeo Bango	KWTPP	ABVTPP
Balance Useful Life			9.00		
Depreciation	**35.31**	**130.16**	**2.77**	**222.49**	**521.53**
Accumulated Depreciation till 31.03.2022	**233.39**	**1,659.41**	**77.92**	**1,585.38**	**2697.08**

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. For the additional capitalisation after 2010, the depreciation on average GFA and depreciation rate based on scheduled depreciation rates of 5.32% for FY 2021-22 have been considered.

As regards KWTPP and ABVTPP, the Commission in accordance with the provision specified in Regulation 24.4 of the CSERC MYT Regulations, 2015 has accepted the submission of CSPGCL and has considered the revised average depreciation rates of 6.09% and 5.94%, respectively, as submitted by CSPGCL for FY 2021-22.

For DSPM, the Commission has computed depreciation based on scheduled rates specified in the CSERC MYT Regulations, 2015. 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.

In view of the above, the Commission approves the Depreciation for FY 2021-22 after final true-up, as shown in the Table below:

Table 4-21: Depreciation approved for CSPGCL for FY 2021-22 (Rs. Crore)

Particulars	HTPS	DSPM TPS	Hasdeo Bango	KWTPP	ABVTPP
Opening GFA	620.18	2,374.10	111.22	3611.80	8771.85
Additional Capitalization	89.97	11.66	0.00	84.19	15.56
Closing GFA	710.15	2,385.76	111.22	3695.99	8787.41
Average GFA	665.17	2,379.93	111.22	3,653.90	8,779.63
Average Rate of Depreciation	5.31%	5.47%		6.09%	5.94%
Balance Depreciation to be recovered	-	-	24.95	-	-
Balance Useful Life	-	-	9.00	-	-
Depreciation	**35.31**	**130.16**	**2.77**	**222.49**	**521.53**
Accumulated Depreciation till 31.03.2022	**233.39**	**1,659.41**	**77.92**	**1,585.38**	**2697.08**

4.15 Return on Equity

CSPGCL's submission

CSPGCL has computed RoE as per Regulation 22 of the CSERC MYT Regulations, 2015 for FY 2021-22. CSPGCL 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 2021-22 as shown in the Table below:

Table 4-22: Return on Equity for FY 2021-22 as submitted by CSPGCL (Rs. Crore)

Particulars	HTPS	DSPM	Hasdeo Bango	KWTPP	ABVTPP
Permissible Equity in Opening GFA	442.34	707.01	38.11	619.33	1091.72
Equity addition during the year	26.99	3.50	0.00	15.07	2.56
Permissible Equity in Closing GFA	469.33	710.51	38.11	634.40	1094.28
Rate of return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	**70.65**	**109.86**	**5.91**	**97.16**	**169.41**

Commission's View

Regulation 22 of the MYT Regulations, 2015 specifies as under:

*"**22. RETURN ON EQUITY***

22.1 Generation and Transmission: 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 on pre-tax basis at the base rate of maximum 15.5 % to be grossed up as per Regulation 22.3 of these Regulations.

…

22.3 The rate of return on equity for each year of the control period shall be computed by grossing up the base rate with the prevailing MAT rate of the base year: Provided that return on equity with respect to the actual tax rate applicable to the generating company or the transmission licensee or distribution licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the Control Period shall be trued up separately for each year of the Control Period. In case, no tax is payable during the financial year, the tax rate for the purpose of truing up shall be taken as nil.…"

For existing stations, the closing equity approved in true-up for FY 2020-21 has been considered as the opening equity for FY 2021-22. The addition of equity has been considered equivalent to equity amount approved towards additional capitalisation. RoE has been computed as per Regulation 22 of the MYT Regulations, 2015.

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. The base rate of RoE of 15.50% has been considered as specified in the MYT Regulations, 2015. RoE approved for FY 2021-22 is shown in the table below:

Table 4-23: Approved Return on Equity for FY 2021-22 (Rs. Crore)

Particulars	HTPS	DSPM	Hasdeo Bango	KWTPP	ABVTPP
Opening Equity	442.34	707.01	38.11	619.33	1091.72
Equity addition during the year	26.99	3.50	0.00	15.07	2.56
Closing Equity	469.33	710.51	38.11	634.40	1094.28
Rate of return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	**70.65**	**109.86**	**5.91**	**97.16**	**169.41**

Further, CSPGCL has claimed Income Tax of Rs. 9.20 Crore for FY 2021-22. Since, the Commission has not considered pre-tax RoE rate for computation of RoE for FY 2021-22, the Commission has allowed the actual Income Tax paid during FY 2021-22, as reflecting in the Audited Accounts of FY 2021-22, in line with the approach adopted in previous Orders. The Commission accordingly approves the Income Tax of Rs. 9.20 Crore for FY 2021-22 for CSPGCL. The Commission has considered the amount of Income Tax approved for FY 2021-22 in the Table for computation of final Revenue Gap for FY 2021-22.

The Commission asked CSPGCL whether any Income Tax refund of previous years, received by CSPGCL in FY 2021-22 and how the same has been adjusted in the Income Tax claim of FY 2021-22. CSPGCL submitted that in none of the previous years, for CSPGCL, the RoE was grossed up by the tax rate. The tax was always allowed by the Commission on actual basis. During the year, refund of Rs. 59.89 Crore has been received for AY 2020-21. From combined reading of the income tax refund order and the True up Order for FY 2019-20, it can be noted that though actual pre-paid tax of Rs. 130.57 Crore was paid, actual income tax was computed as Rs. 70.68 Crore and refund of Rs. 59.89 Crore was claimed. In the true up, only the computed tax of Rs. 70.68 Crore was claimed and allowed by the Commission. No claim was made / allowed for the refund claim of Rs. 59.89 Crore. The said refund claim materialized during FY 21-22. As explained above, as the above refund was never considered as pass through by the Commission hence, no treatment of such refund from the income tax being claimed this year is applicable.

The Commission has accepted the submission of CSPGCL regarding receipt of income tax refund since at the time of True up for FY 2019-20, actual income tax computed as Rs. 70.68 Crore was allowed and not entire income tax amount of Rs. 130.57 Crore paid. Therefore, no treatment of such refund from the income tax has been made in the true up for FY 2021-22.

4.16 Interest and Finance Charges

CSPGCL's submission

CSPGCL submitted that Interest and Finance charges have been computed for FY 2021-22 as per Regulation 23 of the CSERC MYT Regulations, 2015. 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 2021-22 are shown in the Table below:

Table 4-24: Interest & Finance Charges as submitted by CGPGCL for FY 2021-22 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPP
Opening Normative loan	171.89	137.84	1,629.59	5,504.60
Repayment during the period	35.31	130.16	222.49	521.53
Debt Addition during the year	62.98	8.16	69.13	13.00
Closing Net Normative Loan	199.56	15.84	1,476.22	4,996.08
Weighted Average Interest Rate (%)	11.43%	10.25%	10.15%	10.15%
Interest Expense for the Period	21.22	7.88	157.62	532.94
Sharing of net savings for re-financing	-	0.15	3.62	12.24
Financing and Other Charges	0.06	0.04	0.04	0.09
Total Interest Expenses	**21.28**	**8.07**	**161.28**	**545.28**

Commission's View

The Commission has computed Interest and Finance charges for FY 2021-22 as per Regulation 23 of CSERC MYT Regulations, 2015.

For existing stations, the closing net normative loan balance approved after True-up for FY 2020-21 has been considered as opening net normative loan balance for FY 2021-22. The debt addition has been considered as equal to debt amount approved in this Order towards additional capitalisation for FY 2021-22. The deprecation has been considered as normative repayment during the year.

The actual weighted average interest rate as on April 1, 2021 have been considered as per accounts and documentary evidences as submitted by CSPGCL. Accordingly, the station-wise weighted average rate of interest has been considered for FY 2021-22.

As per Regulation 23.8 of the CSERC MYT Regulations, 2015, the savings in re-financing shall be shared between the beneficiaries, i.e., CSPDCL, and CSPGCL in the ratio of 2:1. The Commission, in the past Tariff Orders, 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 2021-22 are shown in the Tables below:

Table 4-25: Interest & Finance Charges approved for FY 2021-22 (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPP**
Opening Normative loan	171.89	137.84	1,629.59	5,504.60
Repayment during the period	35.31	130.16	222.49	521.53
Debt Addition during the year	62.98	8.16	69.13	13.00
Closing Net Normative Loan	199.56	15.84	1,476.22	4,996.08
Weighted Average Interest Rate (%)	11.43%	10.25%	10.15%	10.15%
Interest Expense for the Period	21.22	7.88	157.62	532.94
Sharing of net savings for re-financing	-	0.15	3.62	12.24
Financing and Other Charges	0.06	0.04	0.04	0.09
Total Interest Expenses	**21.28**	**8.07**	**161.28**	**545.28**

4.17 Normative 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 38.5 of the CSERC MYT Regulations, 2015.

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 it has computed the normative O&M expenses in the similar manner as approved in the previous Orders.

However, at KTPS, after retirement of the plant, during the year under consideration, along-with the decommissioning activities, the O&M of switchyard and hydrogen plant remained in service. During the year, the switchyard was transferred to CSPTCL at notional cost of Rs 1/- but for smooth transition CSPGCL continued O&M support till 31 March, 2022. As per settled principle, the employee cost, being pass through, has been clubbed with CAU cost. The R&M and A&G incurred for switchyard and hydrogen plant and also for decommissioning activities have been submitted as separate line item. However, in the Petition, no claim has been included against the same. In line with the principle approved by the Commission in the previous Order, CSPGCL craved leave to submit the R&M and A&G cost incurred during the year at the time of settlement of salvage value and income from sale of scrap, which is expected during FY 2022-23.

For the purpose of normalization of O&M expenses for FY 2021-22, CSPGCL has considered weighted average WPI-CPI inflation as shown in the following Table:

Table 4-26: CPI and WPI Index considered by CSPGCL

Particulars	FY 2021-22
WPI Variation	13.00%
CPI variation	5.13%
Average (60:40)	8.28%

CSPGCL further submitted that the normative O&M Expenses for KWTPP and ABVTPS, whose COD was later than April 1, 2010, have been computed as per Regulation 38.5.1.1 of the CSERC MYT Regulations, 2015, normalizing the same with actual weighted average rate of inflation.

CSPGCL 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. Further, in light of the first amendment to the Regulations and as per the methodology adopted in previous true ups, separate computation of impact of wage revision has not been considered.

In the Accounts, the leave encashment expenses have been settled against the provision made in the previous year. In the previous orders, the Commission has taken a view that for the true-up purpose, instead of provisions, only actual expenses/income shall be considered. Accordingly, actual leave encashment has been considered as part of employee cost within O&M Expenses.

CSPGCL further submitted that as per Regulations, the MYT Order has not considered the contribution to the pension trust as part of O&M expenses. For the purpose of this petition, CSPGCL has also followed the same.

Further, as per the methodology adopted in earlier Orders, the cost incurred on coal transport has been reduced from the O&M Expenses and added to the fuel cost.

The O&M Expenses submitted by CSPGCL for FY 2021-22 is shown in the Table below:

Table 4-27: O&M Expenses for FY 2021-22 submitted by CSPGCL (Rs. Crore)

Station	Petition
HTPS	308.12
DSPM	171.06
HBPS	8.07
KWTPP	115.21
ABVTPP	252.12
Total	**854.58**

Commission's View

As regards O&M Expenses, Regulation 38.5 of the MYT Regulations, 2015 specifies as under:

"38.5 Operation and Maintenance expenses

... ...

Employee Cost

c) The employee cost, excluding pension fund contribution, impact of pay revision arrears and any other expense of non-recurring nature, for the base year i.e. FY 2016-17, shall be derived on the basis of the normalized average of the actual employee expenses excluding pension fund contribution, impact of 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 2016-17, subject to prudence check by the Commission.

d) The normalization shall be done by applying last five year average increase in Consumer Price Index (CPI) on year to year basis. The average of normalized net present value for FY 2011-12 to FY 2015-16, shall then be used to project base year value for FY 2016-17. The base year value so arrived, shall be escalated by the above inflation rate to estimate the employee expense (excluding impact of pension fund contribution and pay revision, if any) for each year of the Control Period.

At the time of true up, the employee costs shall be considered after taking into account the actual increase in CPI during the year instead of projected inflation for that period.

Provided further that impact of pay revision (including arrears) and pension fund contribution shall be allowed on actual during the true-up as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.

A&G Expenses and R&M Expenses

e) The administrative and general expenses (excluding water charges) and repair and maintenance expenses, for the base year i.e. FY 2016-17, shall be derived on the basis of the normalized average of the actual administrative and general expenses (excluding water charges) and repair and maintenance expenses, respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2016-17, subject to prudence check by the Commission. Any expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.

f) The normalization shall be done by applying last five year average increase in Wholesale Price Index (WPI) on year to year basis. The average of normalized net present value for FY 2011-12 to FY 2015-16, shall then be used to project base year value for FY 2016-17. The base year value so arrived, shall be escalated by the above inflation rate to estimate the administrative and general expense and repair and maintenance expenses for each year of the Control Period.

At the time of true up, the administrative and general expenses and repair and maintenance 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 2021-22 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 O&M expenses for FY 2021-22 by applying the actual inflation on base O&M expenses for FY 2020-21 as approved in previous True-up Order, by considering the actual CPI and WPI for FY 2021-22. For FY 2021-22, the Commission has considered escalation factor of 5.13% for employee expenses and 13% for R&M expenses and A&G Expenses. Further, as regards KWTPP and ABVTPP, the normative O&M expenses have been determined in accordance with the norms specified in the CSERC MYT Regulations, 2015, with escalation factor considered as 8.28% for FY 2021-22.

CSPGCL 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 normative O&M Expenses computed for FY 2021-22 are as shown in the Table below:

Table 4-28: Approved Normative O&M Expenses for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Revised Normative Expenses
HTPS	361.03	374.74
DSPM	179.95	190.72
Hasdeo Bango	15.62	16.06
KWTPP	108.74	113.58
ABVTPP	217.47	227.16

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.

The Commission has undertaken sharing of gains and losses as per CSERC MYT Regulations, 2015, between normative expenses and actual expenses as per Audited Accounts.

As regards the sharing of gains and losses, the following provision has been inserted in Regulation 13.1 by the First Amendment to the MYT Regulations, 2015 on June 16, 2017:

> *"Provided further that employee cost shall not be factored in for sharing of gains or losses on account of operations and maintenance expenses…"*

Accordingly, the Commission approves the actual Employee Expenses as per audited Accounts for FY 2021-22, and Employee 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 2021-22. 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 2021-22 (Rs. Crore)

Particulars	Actual	Normative
HTPS	308.12	374.74
DSPM	171.06	190.72
Hasdeo Bango	8.07	16.06
KWTPP	115.21	113.58
ABVTPP	252.12	227.16

4.18 Pension and Gratuity Contribution

CSPGCL's Submission

CSPGCL submitted that the Commission in the MYT Order approved Pension and Gratuity (P&G) Fund Trust Contribution by CSPGCL as Rs. 233.23 Crore. Plant-wise allocation considered in the Order has been maintained. CSPGCL submitted that actual contribution to the Trust has been in conformity to the Order.

CSPGCL further submitted the plant-wise allocation considered as shown in the Table below:

Table 4-30: Pension and Gratuity Contribution for FY 2021-22 as submitted by CSPGCL (Rs. Crore)

Station	Tariff Order	CSPGCL's Petition
HTPS	104.49	104.49
DSPM	38.77	38.77
HBPS	3.30	3.30
KWTPP	23.21	23.21
ABVTPP	63.46	63.46
Total	**233.23**	**233.23**

Commission's View

The P&G contribution of Rs. 233.23 Crore has been approved for CSPGCL for FY 2021-22 in the Tariff Order dated August 2, 2021. The Commission has considered the same in the Truing-up for FY 2021-22.

4.19 Interest on Working Capital

CSPGCL's Submission

CSPGCL submitted that it has calculated the normative Interest on Working Capital (IoWC) as per Regulation 25 of CSERC MYT Regulations, 2015. Normative cost of coal/oil has been taken as per Regulation 25.1(a) (i)/(ii), O&M cost as per sub-clause (iii), and cost of maintenance spares has been taken as per sub-clause (iv). The Receivables have been computed as per Regulation 25.2 equivalent to one (1) month of actual revenue billed.

As per Regulation 25.4, IoWC has been calculated at the rate equal to the applicable Base Rate of State Bank of India as on 1st April plus 350 basis points for the year, i.e., 10.90%.

CSPGCL submitted the interest on working capital as shown in the Table below:

Table 4-31: IoWC for FY 2021-22 as submitted by CSPGCL (Rs. Crore)

Particulars	Tariff Order	CSPGCL's Petition
HTPS	27.71	28.47
DSPM	19.16	21.35
HBPS	0.50	1.02
KWTPP	16.94	18.11
ABVTPP	40.45	37.75
Total	**104.75**	**106.70**

Commission's View

The Commission has computed the IoWC for FY 2021-22 as per Regulation 25 of the MYT Regulations, 2015. The rate of interest has been considered as 10.90% for FY 2021-22 as per the provisions of MYT Regulations, 2015. 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. Further, in line with the approach adopted in the past Orders, DSPM has been considered as a pithead station, and one-month cost of coal has been considered. Accordingly, the IoWC approved by the Commission after truing up for FY 2021-22 is shown in the Table below:

Table 4-32: Approved IoWC for CSPGCL for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Approved
HTPS	27.71	28.47
DSPM	19.16	21.35
HB	0.50	1.02
KWTPP	16.94	18.11
ABVTPP	40.45	37.75
Total	**104.75**	**106.70**

4.20 Non-Tariff Income

CSPGCL's submission

CSPGCL submitted the Non-Tariff Income as per Regulation 38.6 of the CSERC MYT Regulations, 2015 for FY 2021-22 for its existing Stations. For computation purpose, plant-specific income has been booked to respective plants and income appearing against HO and CAU has been allocated to thermal plants on the basis of installed/effective capacity. Delayed Payment Surcharge has not been taken into account while determining the Non-Tariff Income for FY 2021-22 as per well-settled principle in previous Orders.

As per settled methodology, provisions for income as well as expenses are not considered for the purpose of true-up. However, there are specific exclusions from Non-Tariff Income, which are detailed below.

As regards interest on Fixed Deposit Receipt (FDR), 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 FDR value of Rs. 110.20 Crore has been considered as NTI for GP III mine (along with other income appearing in the Gare Palma Accounts) and the interest attributable to FDR of about Rs. 132.048 Crore for Gidhmuri Pathuria Coal block has been reduced from expenses on the Gidhmuri Pathuria mine.

In-line with the previous Order, no income from sale of assets at KTPS has been considered, as the same is accounted for recovery of salvage value, stores and the cost of decommissioning. The cost of decommissioning includes R&M and A&G cost after the retirement of the plant. Further, as per the regulatory principle, 10% of GFA is recovered through the salvage value. The balance value of stores and inventories has also to be charged to the cost of scrap. Thus, even after accounting for the revenue of Rs. 30 Crore in FY 2020-21 and Rs. 46.05 Crore in FY 2021-22, there is balance residual value of more Rs. 61 Crore, which still qualifies for recovery through tariff. However, as further receipts are due in FY 2022-23, as settled in the previous Order, no claim has been made in the Petition on account of such residual recovery. CSPGCL craved leave for submission of detailed settlement of revenue from sale of scrap and recovery of salvage value of plant/ balance stores / cost of decommissioning etc., as allowed in the previous Order.

The Non-Tariff Income submitted by CSPGCL for FY 2021-22 is shown in the Table below:

Table 4-33: Non-Tariff Income for FY 2021-22 as submitted by CSPGCL (Rs. Crore)

Station	Tariff Order	CSPGCL's Petition
HTPS	7.15	9.42
DSPM	3.71	5.47
HBPS	0.03	0.02
KWTPP	3.03	5.19
ABVTPP	6.38	11.05
Total	**20.30**	**31.15**

**Note: CSPGCL vide its additional submission dated February 3, 2023 submitted that in absence of any express accounting head of interest on refund of Income Tax, in the trail balance, the same got subsumed in the account head "Interest on other loans and advances" therefore CSPGCL rectified the error and requested not to consider as part of NTI and submitted the revised NTI amount as Rs. 31.15 Crore.*

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 2021-22, as shown in the Table below:

Table 4-34: Approved Non-Tariff Income in True-up for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Approved
HTPS	7.15	9.42
DSPM	3.71	5.47
KWTPP	0.03	0.02
HB	3.03	5.19
ABVTPP	6.38	11.05
Total	**20.30**	**31.15**

4.21 Ash Utilization Expenses

CSPGCL's Submission

CSPGCL submitted that the Ministry of Environment and Forests (MoEF) amended the Environment (Protection) Act, 1986 vide notification dated January 25, 2016. Since, the notification was issued after the notification of CSERC MYT Regulations, 2015, CSPGCL did not get an opportunity to consider the implications of the said amendment and the O&M expenses were computed as per CSERC MYT Regulations, 2015 and the actual cost implication kept on piling up.

Regulation 11.1 lists the uncontrollable factors and the entry at 11.1 (b) is "Change in law". Further, Regulation 12 provides that any gain/loss on account of uncontrollable item shall be pass through in ARR. During the previous year, CSPGCL submitted the difficulty due to diversion of O&M funds for Ash Utilization and prayed for allowing detailed submission in the matter.

The Commission vide its Order dated August 2, 2021 in Petition No. 09 of 2021 has 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 of 2022, the Commission has allowed such expenses as pass through.

For FY 2021-22, the Ash Utilization expenses have been reduced from the O&M expenses and equal amount has been claimed under the separate head. Thus, the total expenses remain same.

Commission's View

The Commission vide its Order dated August 2, 2021 in Petition No. 09 of 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 of 2022, the Commission has 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 (Rs. Crore)

Year	HTPS	DSPM	ABVTPS	KWTPP
CSPGCL	6.56	1.42	19.14	4.51
Approved	6.56	1.42	19.14	4.51

4.22 Statutory Charges

CSPGCL's Submission

CSPGCL submitted that as per the CSERC MYT Regulations, 2015, it has claimed the statutory and other charges such as water charges, SLDC charges, Start-up power charges, etc., on reimbursement basis. 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. 131.80 Crore as Water Charges, Rs. 5.94 Crore as SLDC Charges and Rs. 5.18 Crore as Start-up power charges have been claimed for FY 2021-22, totalling to Rs. 142.92 Crore for FY 2021-22.

Further, CSPGCL submitted that as per Regulation 82 of CSERC MYT Regulations, 2015, 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 2021-22, the Commission has considered Statutory Charges based on audited accounts for FY 2021-22.

4.23 Aggregate Revenue Requirement for CSPGCL for FY 2021-22

The Summary of ARR for HTPS, DSPM, HBPS, ABVTPP, and KWTPP for FY 2021-22 is shown in the following Table:

Table 4-36: Approved ARR for CSPGCL's Generating Stations for FY 2021-22 (Rs. Crore)

Particulars	HTPS			DSPM			KWTPP			ABVTPP			Hasdeo Bango		
	Tariff Order	Petition	Approved	Tariff Order	Petition	Approved	Tariff Order	Petition	Approved	Tariff Order	Petition	Approved	Tariff Order	Petition	Approved
Depreciation	37.73	35.31	35.31	130.52	130.16	130.16	233.99	222.49	222.49	532.78	521.53	521.53	2.96	2.77	2.77
Interest & Finance Charges	24.29	21.28	21.28	8.86	8.07	8.07	170.52	161.28	161.28	571.84	545.28	545.28	0.00	0.00	
Return on Equity	72.71	70.65	70.65	110.06	109.86	109.86	97.92	97.16	97.16	170.07	169.41	169.41	5.92	5.91	5.91
O&M Expenses	361.03	308.12	308.12	179.95	171.06	171.06	108.74	115.21	115.21	217.47	252.12	252.12	15.62	8.07	8.07
Interest on Working Capital	27.71	28.47	28.47	19.16	21.35	21.35	16.94	18.11	18.11	40.45	37.75	37.75	0.50	1.02	1.02
Less: Non-Tariff Income	7.15	9.42	9.42	3.71	5.47	5.47	3.03	5.19	5.19	6.38	11.05	11.05	0.03	0.02	0.02
Total Annual Capacity Charge	**516.45**	**454.42**	**454.42**	**444.90**	**435.03**	**435.03**	**625.12**	**609.07**	**609.07**	**1,526.18**	**1,515.04**	**1,515.04**	**24.94**	**17.75**	**17.75**
Cost of Coal	759.20	740.08	740.08	517.34	583.38	583.38	438.47	511.17	511.17	872.06	811.10	811.10		0.00	
Cost of Oil	25.99	27.57	27.57	9.52	3.01	3.01	9.29	6.58	6.58	16.60	16.08	16.08		0.00	
Total Energy Charges	**784.93**	**767.65**	**767.65**	**526.86**	**586.38**	**586.38**	**447.92**	**517.75**	**517.75**	**888.67**	**827.18**	**827.18**	**0.00**	**0.00**	**0.00**
Pension and Gratuity Contribution	104.49	104.49	104.49	38.77	38.77	38.77	23.21	23.21	23.21	63.46	63.46	63.46	3.31	3.30	3.30
Ash Utilization Expenses	0.00	6.56	6.56		1.42	1.42		4.51	4.51	0.00	19.14	19.14	0.00	0.00	0.00
Aggregate Revenue Requirement	**1,405.86**	**1,333.12**	**1,333.12**	**1,010.59**	**1,061.60**	**1,061.60**	**1,096.25**	**1,154.54**	**1,154.54**	**2,478.31**	**2,424.82**	**2,424.82**	**28.24**	**21.05**	**21.05**

4.24 Sharing of Gains and Losses

Regulation 11 of the CSERC MYT Regulations, 2015 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 SHR, Auxiliary consumption, etc;

...

(f) Variation in Wires Availability and Supply Availability"

Further, Regulation 12 of the CSERC MYT Regulations, 2015 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 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 Regulations."

Regulation 13 of the CSERC MYT Regulations, 2015 specifies as under:

"13. MECHANISM FOR SHARING OF GAINS OR LOSSES ON ACCOUNT OF CONTROLLABLE FACTORS

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 other than energy losses computed in accordance to Regulation 7l 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 50:50 or as may be specified in the Order of the Commission passed under these Regulations.

Provided that the mechanism for sharing of aggregate net gain on account of over achievement in reference to the target set in tariff *order for energy losses computed in accordance to Regulation 71 shall be passed on to the consumer(s) and retained by the licensee, as the case may be, in the ratio of 2: 1 or as may be specified in the Order of the Commission passed under these Regulations.*

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 50:50 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. Further, as per amendment to the CSERC MYT Regulations, 2015 dated June 16, 2017, Employee cost has been excluded from the O&M cost for the purpose of sharing of Gains/Losses. Also, in line with previous Order, impact of DSM charges has been shared in 50:50 ratio. CSPGCL submitted the sharing of loss of Rs. 149.53 Crore for FY 2021-22.

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 the ratio of 50:50 in accordance with the CSERC MYT Regulations, 2015. 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 2021-22 is as shown in the Table below:

Table 4-37: Approved Sharing of Gains and Losses for final True-up for FY 2021-22 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	%	78.69%	85.00%	85.00%	76.50%	-
Actual PAF achieved (billed)	%	68.45%	96.29%	84.93%	54.67%	-
Normative Net Generation	MU	5228.66	3387.93	3527.54	6349.58	400.08

Particulars	Units	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Actual Net generation	MU	4538.36	3597.60	3533.47	4532.54	403.35
Net generation for Fuel Cost recovery	**MU**	**4538.36**	**3597.60**	**3533.47**	**4532.54**	**403.35**
Fixed Cost (norm-wise)						
Depreciation	Rs Crore	35.31	130.16	222.49	521.53	2.77
Interest on Loan and Finance charges	Rs Crore	21.28	8.07	161.28	545.28	0.00
Return on Equity	Rs Crore	70.65	109.86	97.16	169.41	5.91
Interest on Working Capital	Rs Crore	28.47	21.35	18.11	37.75	1.02
O & M Expenses	Rs Crore	374.74	190.72	113.58	227.16	16.06
Less - Non Tariff Income	Rs Crore	9.42	5.47	5.19	11.05	0.02
Fixed Cost allowed on Normative Basis	**Rs Crore**	**521.05**	**454.68**	**607.44**	**1490.08**	**25.75**
Fixed cost expenditure excluding O&M	Rs Crore	146.30	263.96	493.85	1262.92	9.68
Normative Fixed Cost (Cr. Rs/% of PAF) excluding O&M	Rs Crore/%PAF	1.86	3.11	5.81	16.51	0.02
Prorata Fixed cost allowable from Actual PAF	Rs Crore	127.27	299.02	493.45	902.53	9.76
Fixed cost gain from normative cost	**Rs Crore**	**-19.04**	**35.06**	**-0.41**	**-360.39**	**0.08**
Total gain / loss	**Rs Crore**			**-344.69**		
R&M + A&G expenses						
Normative R&M + A&G Cost allowed	Rs Crore	134.39	105.17	64.74	129.48	4.38
Normative R&M + A&G Cost (Cr. Rs/% of PAF)	Rs Crore/%PAF	1.71	1.24	0.76	1.69	0.01
Prorata R&M + A&G cost allowable from actual PAF	Rs Crore	116.90	119.13	64.69	92.53	4.42
Actual R&M + A&G expenditure	Rs Crore	111.99	70.52	66.30	119.93	2.82
Difference of recovery and expenditure	**Rs Crore**	**4.90**	**48.62**	**-1.61**	**-27.40**	**1.60**
Total gain / loss				**26.12**		
Secondary Fuel Cost						
Normative SFC	Rs Crore	32.86	16.58	11.74	22.22	
Normative SF Cost derived from Norm Net Gen	Rs/kwh	0.06	0.05	0.03	0.03	
Secondary fuel cost	Rs Crore	28.52	17.61	11.76	15.86	

Particulars	Units	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
recovery from actual generation						
Actual SFC incurred	Rs Crore	27.57	3.01	6.58	16.08	
Savings due to performance improvement	**Rs Crore**	**0.94**	**14.60**	**5.18**	**-0.22**	
Total Impact of Savings/Excess Expenditure due to SFC	Rs Crore			**20.51**		
Coal Cost (primary fuel)						
Normative Coal Cost	Rs Crore	825.7690	576.15	479.582	1041.42	
Normative ECR (Coal)	Rs/kwh	1.58	1.70	1.36	1.64	
Normative fuel cost on actual sent out	Rs Crore	716.75	611.81	480.39	743.40	
Actual fuel cost	Rs Crore	740.08	583.38	511.17	811.10	
Coal Cost Surplus/(deficit)	**Rs Crore**	**-23.33**	**28.43**	**-30.78**	**-67.70**	
Total Impact of Savings/Excess Expenditure due to Coal	**Rs Crore**			**-93.38**		
Total plant wise impact of gain/ loss	**Rs Crore**	**-36.52**	**126.71**	**-27.62**	**-455.70**	**1.68**
Total Impact of Savings/Excess Expenditure	**Rs Crore**			**-391.45**		
Plant-wise Impact of DSM Charges	**Rs Crore**	27.95	23.46	17.45	23.52	0.00
Total Impact of DSM Charges	**Rs Crore**			**92.38**		
Net total Impact Savings/Excess Expenditure	**Rs Crore**			**-299.07**		
Net applicable Gain/(Loss) to CSPGCL on 50:50 basis	**Rs Crore**	**-149.53**				

From the above table, it is seen that CSPGCL has incurred loss of Rs. 299.07 Crore in FY 2021-22. As per the provisions of the Regulations, 50% of this loss has to be retained by CSPGCL and remaining 50% will be passed on to the consumers of the State. Accordingly, the Commission approves the loss of Rs. 149.53 Crore for FY 2021-22, after undertaking the sharing of gains and losses.

4.25 Revenue Gap/(Surplus) for CSPGCL for FY 2021-22

Commission's view

The Commission has considered the revenue from sale of power based on the Audited Accounts submitted by CSPGCL for FY 2021-22.

The Water Charges, SLDC Charges and Start Up Power Charges have been considered separately for FY 2021-22. The revenue from DSM Charges has been apportioned for respective Generating Station.

The Commission has considered the Income Tax of Rs. 9.20 Crore approved in earlier section of this Order separately in the Revenue Gap/(Surplus) Table for FY 2021-22.

In view of the above, the Revenue Gap/(Surplus) for CSPGCL for FY 2021-22 after final truing up has been approved as shown in the Table below:

Table 4-38: Revenue Gap/(Surplus) after True-up for FY 2021-22 for CSPGCL (Rs. Crore)

Particulars	Petition	Approved
ARR for HTPS	1,333.12	1,333.12
ARR for DSPM TPS	1,061.60	1,061.60
ARR for KWTPP	1,154.54	1,154.54
ARR for ABVTPP	2,424.82	2,424.82
ARR for Hasdeo Bango	21.05	21.05
Total ARR for Generating Stations of CSPGCL	**5,995.12**	**5,995.12**
Sharing of Gain/(Losses)	-149.53	-149.53
Petition Filing Fee & Advertising expenses	0.47174	0.47174
Impact of previous year's Revenue Gap	324.03	324.03
Water, SLDC Charges and Start up power for recovery	142.92	142.92
Cost on account of Change in law	40.83	40.83
Income Tax for Current Year	9.20	9.20
Total ARR	**6,363.04**	**6,363.04**
Revenue from sale of power for HTPS	1,301.73	1,301.73
Revenue from sale of power for DSPM TPS	1,100.49	1,100.49
Revenue from sale of power for KWTPP	1,144.64	1,144.64
Revenue from sale of power for ABVTPP	1,860.69	1,860.69
Revenue from sale of power for Hasdeo Bango	40.59	40.59
Total Revenue from Sale of Power for CSPGCL	**5,448.14**	**5,448.14**
Water, SLDC charges & start up power for recovery	142.92	142.92
Recovery Impact previous year Revenue Gap	324.03	**324.03**
Total Recovery and Revenue	**5,915.09**	**5,915.09**
Standalone ARR Gap/(Surplus)for the year	**447.94**	**447.94**

The Commission approves Standalone Revenue Gap of Rs. 447.94 Crore after Truing-up of FY 2021-22.

The Commission has considered carrying cost on the Revenue Gap arrived after final Truing-up of FY 2021-22. The Commission has considered the interest rates as SBI Base Rate plus 350 basis points for FY 2021-22 as specified in the Regulations:

Table 4-39: Revenue Gap after True-up for FY 2021-22 for CSPGCL along with carrying cost (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening Gap/(Surplus) for the year	-	472.36	514.87
Gap/(Surplus) for the year	447.94	-	
Closing Gap/(Surplus)	447.94	472.36	-
Interest Rate (%)	10.90%	9.00%	9.00%
Carrying Interest/Cost for the year	24.41	42.51	23.17
Total Closing Gap/(Surplus)	**472.36**	**514.87**	**538.04**

Accordingly, the Revenue Gap including carrying cost, which is required to be factored in the revenue requirement of CSPDCL for FY 2023-24 works out to Rs. 538.04 Crore.

The Commission, hence, approves cumulative Revenue Gap of Rs. 538.04 Crore up to FY 2023-24 for CSPGCL. CSPGCL is allowed to recover the same in 12 equal monthly instalments from April 2023 from CSPDCL. This Revenue Gap has been adjusted in ARR of CSPDCL for FY 2023-24 as discussed in subsequent Chapter.

5 TRUE-UP OF ARR FOR FY 2021-22 FOR CSPTCL

5.1 Background

The Commission notified the CSERC MYT Regulations, 2015 for the third MYT Control Period from FY 2016-17 to FY 2020-21 on September 9, 2015. Subsequently, the Commission notified the First Amendment to CSERC MYT Regulations, 2015 on June 16, 2017. The Commission vide public notice CSERC letter 03/CSERC/Tariff 2020/1228 dated November 26, 2020 has notified the extension of CSERC MYT Regulations, 2015 for the next year, i.e., 2021-22. The Commission has determined the ARR and Tariff for FY 2021-22 on August 02, 2021 and the final true up of ARR for FY 2021-22 had been carried out by comparing actual performance with the values as approved in the Order dated August 02, 2021.

Based on the audited accounts of FY 2021-22, CSPTCL has submitted the Petition for final true-up of ARR for FY 2021-22.

Regulation 10.4 of the CSERC MYT Regulations, 2015 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:*
>
> *(d) 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;*
>
> *(e) Review of compliance with directives issued by the Commission from time to time;*
>
> *(f) Other relevant details, if any."*

In accordance with the above Regulation, in the present order, final true-up of ARR for FY 2021-22 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 2021-22 and undertaken the final true-up of expenses and revenue in accordance with Regulation 10 of the CSERC MYT Regulations, 2015. 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, 2015.

5.2 Transmission System of CSPTCL

The physical status of the transmission system of CSPTCL as on March 31, 2021 and March 31, 2022, as submitted by CSPTCL, is shown in the Table below:

Table-5-1: Physical status of transmission system of CSPTCL as on March 31, 2022

Particulars	Units	As on March 31, 2021	As on March 31, 2022
A. EHV Transmission Lines			
400 kV	ckt. km.	1918	1918
220 kV	ckt. km.	4032	4032
132 kV	ckt. km.	7192	7496
B. EHV Substations			
400 kV	No.	4	4
220 kV	No.	25	26
132 kV	No.	94	95
C. Transformation Capacity of EHV Substations			
400/220 kV	MVA		2835
220/132 kV	MVA		9460
132/33 kV	MVA		9290

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 2021-22 is 3.02%. The computation of the transmission losses submitted by CSPTCL is shown in the Table below:

Table 5-2: Transmission Losses for FY 2021-22 as submitted by CSPTCL (MU)

Sr. No.	Particulars	FY 2021-22
1	State Generation Ex-Bus at 132 kV and above	16611.25
2a	Import from CTU Grid at CG Periphery at 132 kV and above	19455.17
2b	Export to CTU Grid at CG Periphery at 132 kV and above	6954.59
2	Net Drawal from CTU Grid at State Periphery at 132 kV and above	12500.58
3	IPPs/CPP Injection in CSPTCL System at 132 kV and above	1255.32
4	Total Injection at State Grid of STU (MU) (1+2+3)	30367.15
5	EHV Sales from Sub Station	3514.00
6	Net Output to DISCOM	25929.46
7	Sum of import of data of transformers and import of data of Generating station feeder's import	5.29
8	Total Output from CSPTCL System (5+6+7)	29448.75
9	Transmission Loss (4-8)	918.39
10	**Transmission Loss (%) (9/4*100)**	**3.02%**

Commission's View

In the Tariff Order for FY 2021-22 dated August 2, 2021, the transmission losses were approved as 3.00% for FY 2021-22. The details of source-wise actual injection of energy, actual EHV sales and joint meter readings have been examined.

The Commission approves the transmission loss of 3.02% for FY 2021-22 as submitted by CSPTCL.

5.4 Operations and Maintenance (O&M) Expenses

CSPTCL's Submission

Employee Expenses

CSPTCL submitted that based on the audited accounts, the gross employee expense excluding SLDC expense is Rs. 188.32 Crore for FY 2021-22, as shown in the following Table:

Table 5-3: Gross Employee Expenses for FY 2021-22 as submitted by CSPTCL (Rs. Crore.)

Sr. No.	Particulars	FY 2021-22
		Actual
1	Gross Employee Expenses (CSPTCL + SLDC) excluding Terminal Benefits	197.78
2	Less: SLDC Employee Expenses	9.46
3	**CSPTCL Gross Employee Expenses**	**188.32**

The capitalisation of employee expenses has been considered as Rs. 11.00 Crore for FY 2021-22. CSPTCL requested the Commission to approve actual net employee expenses (net of capitalization) of Rs. 177.32 Crore for FY 2021-22.

CSPTCL submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2022. The total sanctioned strength of different class of employees exclusive of SLDC is 3,075 out of which 1,479 are currently working and balance 1596 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 2022

Sr. No.	Particulars	Sanctioned	Working	Vacant
CSPTCL				
1	Class I	159	144	15
2	Class II	241	187	54
3	Class III	1,533	740	793
4	Class IV	1,142	408	734
5	**Total**	**3,075**	**1,479**	**1,596**

Sr. No.	Particulars	Sanctioned	Working	Vacant
SLDC				
1	Class I	20	19	1
2	Class II	24	12	12
3	Class III	24	14	10
4	Class IV	8	2	6
5	**Total**	**76**	**47**	**29**
CSPTCL + SLDC				
1	Class I	179	163	16
2	Class II	265	199	66
3	Class III	1,557	754	803
4	Class IV	1,150	410	740
5	**Total**	**3,151**	**1,526**	**1,625**

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 2021-22 based on the audited accounts for FY 2021-22, as shown in the Table below:

Table 5-5: Gross R&M expenses and A&G expenses for FY 2021-22 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	FY 2021-22
		Actual
1	Gross A&G Expenses	50.33
2	Less: SLDC Expenses	0.90
3	**CSPTCL Gross A&G Expenses**	**49.42**
4	Gross R&M Expenses	64.14
5	Less: SLDC Expenses	1.70
6	**CSPTCL Gross R&M Expenses**	**62.44**

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. 0.98 Crore for FY 2021-22. 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 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition
1	Gross Employee Expenses	196.37	188.32
2	Gross A&G Expenses	46.37	49.42
3	Gross R&M Expenses	47.52	62.44
4	Interim Wage Relief amount		-
5	**Gross O&M Expenses (excluding SLDC)**	**287.37**	**300.18**
6	Employee expenses capitalized		11.00
7	A&G Expenses capitalized		0.98
8	**Net O&M Expenses (excluding SLDC)**	**287.37**	**288.21**

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 CSERC MYT Regulations, 2015 allows incentive/ disincentive for better/under performance in operational norms so that such efforts are appropriately reflected, thereby, ensuring improved efficiency on a sustainable basis.

CSPTCL has computed gain and losses considering the Regulation 8, 11.2, and 13 of the CSERC MYT Regulations 2015. Regulation 13.1 of CSERC MYT Regulations, 2015, as per amendment dated June 16, 2017 specifies as under:

"Provided further that employee cost shall not be factored in for sharing of gains or losses on account of operation & maintenance expenses,"

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 actual employee expenses for FY 2021-22.

CSPTCL submitted that the normative A&G expenses and R&M expenses for FY 2021-22 have been computed as per the Regulations and the approach adopted by the Commission in the previous Tariff Orders. CSPTCL has computed the base normative A&G Expenses and R&M Expenses for FY 2021-22 by considering the normative expenses for FY 2020-21 and Wholesale Price Index (WPI) of 13.00%. CSPTCL has computed the normative A&G expenses and R&M Expenses for FY 2021-22 as Rs. 51.88 Crore and Rs. 53.16 Crore, respectively.

Additional O&M Expenses

CSPTCL submitted that as per Regulation 47.5(g) of CSERC MYT Regulations, 2015, claim for additional A&G expenses and R&M expenses on new transmission lines/substations commissioned after March 31, 2016 have been determined 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 and FY 2021-22 are Rs. 5.78 Crore, Rs. 13.60 Crore, Rs. 24.49 Crore and Rs. 60.36 Crore, respectively.

Accordingly, CSPTCL has computed additional normative A&G and R&M expenses for FY 2021-22, as shown in the following Table:

Table 5-7: Additional Normative O&M Expenses as submitted by CSPTCL for FY 2021-22 (Rs. Crore.)

Sr. No.	Particulars	Formula	FY 2021-22
1	Average of opening and closing GFA for previous FY 2020-21	A	5278.41
2	Average of opening and closing GFA for current FY 2021-22	B	5,533.48
3	Increase in GFA (%)	C= (B-A)/A*100	4.83%
4	Normative A&G Expenses	D	51.88
5	Normative R&M Expenses	E	53.16
6	**Additional A&G Expenses on account of increase in GFA**	F = D * C	**2.51**
7	**Additional R&M Expenses on account of increase in GFA**	G = E * C	**2.57**

CSPTCL submitted the revised normative A&G Expenses and R&M Expenses for FY 2021-22 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 2021-22 (Rs. Crore)

Particulars	FY 2021-22
Normative A&G Expenses	
Base Normative Expenses	51.88
Additional A&G Expenses	2.51
Total Normative A&G Expenses	**54.38**
Normative R&M Expenses	
Base Normative Expenses	53.16
Additional R&M Expenses	2.57
Total Normative R&M Expenses	**55.73**

CSPTCL has submitted that normative A&G expenses and R&M expenses arrived 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 2021-22, 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 2021-22 (Rs. Crore.)

Sr. No.	Particulars	FY 2021-22		
		Normative	Actual	Gain/(Loss)
A	Net A&G expenses	54.38	48.44	5.94
B	Net R&M expenses	55.73	62.44	(6.71)
C	**Total**	**110.12**	**110.89**	**(0.77)**
D	**CSPTCL share (1/2 of Total Gain/(Loss))**			**(0.38)**

CSPTCL submitted that the prevalent norms for calculation of R&M expenses based on WPI alone are not sufficient and should be linked with the growth in the asset base of the Utility, and inflationary increase.

Consideration of Outsourced work under R&M Head

CSPTCL submitted that R&M works for FY 2021-22 have increased due to the reason that EHV sub-stations of CSPTCL are being outsourced for operational purposes (including cleaning, watch and ward). The details of the outsourced expenses are as under:

Table 5-10: Details of Outsourced Expenses (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
132 kV Substations	10.35	14.41	24.47	24.63	24.26	32.78
220 kV Substations	2.65	3.65	6.95	6.75	7.05	7.21
400 kV sub-station				0.89	0.91	4.80
Grand total	**13.00**	**18.06**	**31.42**	**32.27**	**32.21**	**44.81**

The reason for considering these expenses under R&M expenses is that these expenses have been incurred on R&M works for EHV sub-stations. There is no separate account head for booking expenditure incurred on outsourced employees. If regular employees of CSPTCL had been deployed for this purpose, then even more expenditure (2 to 3 times) would have to be incurred. Similarly, for economic reasons, it has employed various personnel through outsourcing against vacant posts in ministerial cadre and wages of such personnel are booked under A&G head, instead of salaries/employee expenses. The wages are variable and linked to price index. The vacancies created by retirement are mostly filled up through outsourcing. Hence, the expenditure incurred in the form of salaries and wages (plus a small profit) to outsourced personnel should be treated as a separate line item and not be subject to sharing of gain/(loss). It is pertinent to mention here that these wages are required to be paid by CSPTCL to outsourced employees against the vacant posts of CSPTCL for day-to-day operation (including cleaning, watch and ward) of existing/new EHV sub-stations/offices, etc. Since, the nature of these expenses (wages) are similar to employee expenses for regular employees, CSPTCL requested to consider these expenses at par with employee expenses, only for the purpose of computation of gain and loss of A&G expenses and R&M expenses.

Commission's View

As regards O&M Expenses, Regulation 47.5 of the CSERC MYT Regulations, 2015 specifies as under:

> *"**47.5 Operation and Maintenance expenses***
>
> ***Employee Cost***
>
> *a) The employee cost, excluding pension fund contribution and impact of pay revision arrears for the base year i.e. FY 16, shall be derived on the basis of the normalized average of the actual employee expenses excluding pension fund contribution and impact of pay revision arrears available in the accounts for the previous five (5) years immediately preceding the base year FY 16, subject to prudence check by the Commission. Any other expense of nonrecurring nature shall also be excluded while determining normalized average for the previous five (5) years.*
>
> *b) The normalization shall be done by applying last five year average increase in Consumer Price Index (CPI) on year to year basis. The average of normalized net present value for FY 2010-11 to FY 15, shall then be used to project base year value for FY 16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the employee expense (excluding impact of pension fund contribution and pay revision, if any) for each year of the Control period.*
>
> ***At the time of true up, the employee costs shall be considered after taking into account the actual increase in CPI during the year instead of projected inflation for that period.***
>
> *Provided further that impact of pay revision (including arrears) and pension fund contribution shall be allowed on actual during the true-up as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.*
>
> ***A&G Expenses and R&M Expenses***
>
> *c) The administrative and general expenses and repair and maintenance expenses, for the base year i.e. FY 16, shall be derived on the basis of the normalized average of the actual administrative and general expenses and repair and maintenance expenses, respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 16, subject to prudence check by the Commission. Any expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.*
>
> *d) The normalization shall be done by applying last five year average increase in Wholesale Price Index (WPI) on year to year basis. The average of normalized net present value for FY 2010-11 to FY 15,*

shall then be used to project base year value for FY 16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the administrative and general expense and repair and maintenance expenses for each year of the Control period.

At the time of true up, the administrative and general expenses and repair and maintenance expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.

e) ***The additional O&M Expenses on account of new transmission lines/ substations commissioned after March 31, 2016 shall be allowed by the Commission subject to prudence check at the time of true-up exercise." (Emphasis added)***

In accordance with the above-said Regulations, O&M Expenses had been approved in the MYT Order for the Control Period. 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.

The Commission has considered escalation factor of 13.00% for R&M expenses and A&G Expenses for FY 2021-22 based on applicable Wholesale Price Index (WPI).

Further, Regulation 47.5 (g) of the CSERC MYT Regulations, 2015, provides for consideration of additional O&M expenses on account of new transmission lines/sub-stations commissioned after March 31, 2016. 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 Commission has also considered the GFA towards deposit works as submitted by CSPTCL. The additional normative A&G expenses and R&M expenses on account of new transmission lines and sub-stations for FY 2021-22 are computed as shown in the Table below:

Table 5-11: Computation of Additional A&G expenses and R&M expenses for FY 2021-22 (Rs. Crore)

Particulars	Legend/Formula	FY 2021-22
Average of Opening and Closing GFA for FY Previous FY	A	5,278.41
Average of Opening and Closing GFA for current FY	B	5,533.48
Increase in GFA (%)	C=(B-A)/Ax100	4.83%
Normative A&G Expenses approved for FY	D	51.88
Normative R&M Expenses approved for FY	E	53.17
Additional A&G Expenses on account of increase in GFA for FY	**F=D x C**	**2.51**
Additional R&M Expenses on account of increase in GFA	**G = E x C**	**2.57**

For the purpose of true-up for FY 2021-22, 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 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	Revised
A&G Expenses	46.37	54.38	54.39
R&M Expenses	47.52	55.73	55.73
Grand total	**93.89**	**110.11**	**110.12**

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2021-22 in accordance with CSERC MYT Regulations, 2015.

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 2021-22 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Gross Employee Expenses (CSPTCL + SLDC) excluding terminal benefits	197.78	197.78
2	Less: SLDC Employee Expenses	9.46	9.46
3	Gross Employee Expenses (excluding SLDC)	188.32	188.32
4	Less: Employee Cost Capitalized	11.00	11.00
5	**Net Employee Expenses**	**177.32**	**177.32**

The Commission has approved actual A&G expenses and R&M expenses for FY 2021-22 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 2021-22 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Gross A&G Expenses	50.33	50.33
2	Less: SLDC Expenses	0.90	0.90
3	**Gross A&G Expenses (Excluding SLDC)**	**49.43**	**49.43**
4	A&G Expenses Capitalized	0.98	0.98
5	**Net A&G Expenses**	**48.45**	**48.45**
6	Gross R&M Expenses	64.14	64.14
7	Less: SLDC Expenses	1.70	1.70
8	**Gross R&M Expenses (Excluding SLDC)**	**62.44**	**62.44**
9	R&M Expenses Capitalized		
10	**Net R&M Expenses**	**62.44**	**62.44**

As regards the sharing of gains and losses, the following provision has been inserted in Regulation 13.1 by the First Amendment to the CSERC MYT Regulations, 2015 on June 16, 2017:

“Provided further that employee cost shall not be factored in for sharing of gains or losses on account of operations and maintenance expenses …”

Accordingly, the Commission approves the Employee Expenses at actuals for FY 2021-22.

Further, the Commission notes that CSPTCL in its subsequent submission, has requested the Commission to consider expenses of outsourcing and sub-contracting manpower as a separate line item instead of under R&M Expenses or A&G expenses, and not subject the same to sharing of efficiency gains or losses. According to the CSERC MYT Regulations, 2015, such expenses cannot be a part of employee expenses, and shall be booked under A&G expenses or R&M expenses, as appropriate.

Accordingly, the sharing of gains and losses in O&M expenses, computed after final true-up for FY 2021-22, is shown in the following Table:

Table 5-15: Sharing of gain/(loss) on A&G Expenses and R&M expenses for FY 2021-22 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/ (Loss)
A	Net A&G expenses	54.39	48.45	5.94
B	Net R&M expenses	55.73	62.44	(6.70)
C	Total Gain/(Loss)			(0.77)
D	**CSPTCL share (1/2 of Total Gain/(Loss))**			**(0.38)**

5.5 Contribution to Pension and Gratuity Fund

CSPTCL’s Submission

CSPTCL submitted that the Commission, in the Tariff Order dated 2nd August, 2021, allowed contribution to Pension and Gratuity (P&G) fund of Rs. 87.65 Crore for FY 2021-22 net of SLDC. Accordingly, CSPTCL has made P&G contribution of Rs. 87.65 Crore.

Commission’s View

The Commission approves the actual Contribution to P&G Fund for FY 2021-22 as submitted by CSPTCL, as shown in the following Table:

Table 5-16: Contribution to P&G Fund for FY 2021-22 as approved by the Commission (Rs. Crore)

Particulars	Tariff Order dated 02.08.2021	Petition	Approved
Contribution to P&G Fund	87.65	87.65	87.65

5.6 Gross Fixed Assets

CSPTCL's Submission

CSPTCL submitted that the Commission, in the MYT Order for the Control Period from FY 2016-17 to FY 2020-21 dated April 30, 2016, had approved the methodology for determination of capital structure into consumer contribution, debt and equity. The capital structure for FY 2021-22 has been considered as follows:

- The opening Capital Works in Progress (CWIP) of Rs. 494.93 Crore for FY 2021-22 has been considered equal to the closing CWIP of FY 2020-21;
- Closing CWIP of Rs. 589.21 Crore has been considered as per the audited accounts for FY 2021-22;
- The actual loan addition of Rs. 268.75 Crore has been considered as per the audited accounts for FY 2021-22;
- GFA addition of Rs. 134.83 Crore for FY 2021-22 (net of GFA addition for SLDC) have been considered as per audited accounts;
- 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 2021-22 as per the CSERC MYT Regulations, 2015.

CSPTCL submitted that assets of Rs. 134.83 Crore created during FY 2021-22 is a part of GFA mentioned in Audited Accounts of FY 2021-22, which excludes asset created through consumer contribution/grant. However, as per Audited Accounts, it is reflected that PSDF grants received during FY 2021-22 is Rs. 38.23 Crore. The amount received from grants has not been converted to assets till date and as per accounting practice, 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. 94.38 Crore and Equity amount of Rs. 40.45 Crore for FY 2021-22. CSPTCL requested the Commission to approve the capital structure and means of finance including GFA addition for FY 2021-22 as per its submissions.

Commission's View

In the previous Tariff Order, the Commission has approved the closing GFA as Rs. 5,435.88 Crore after true-up for FY 2020-21. The Commission has accordingly considered the same amount as opening GFA for FY 2021-22.

As regards GFA addition during the year, CSPTCL was asked to submit scheme-wise details of asset addition for FY 2021-22 with respect to the scheme-wise capitalisation approved for FY 2021-22. In the reply, CSPTCL submitted accounting head-wise details for capitalisation for FY 2021-22.

The Commission notes that audited accounts for FY 2021-22 indicate the capitalisation of Rs. 134.83 Crore, which is capitalisation of CSPTCL only as capitalisation by CSLDC during FY 2021-22 is Rs. 0.09 Crore. Accordingly, the Commission has considered the capitalisation of Rs. 134.83 Crore for FY 2021-22.

The Commission approves the GFA addition and its funding for FY 2021-22 as shown in the following Table:

Table 5-17: Approved GFA Addition and Means of Finance for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	GFA Addition	134.83	134.83
	Means of Finance		
2	Consumer Contribution	0.00	0.00
3	Equity	40.45	40.45
4	Debt	94.38	94.38
5	**Total Capitalisation**	**134.83**	**134.83**

5.7 Depreciation

CSPTCL's Submission

CSPTCL submitted that it has computed depreciation of Rs. 256.75 Crore FY 2021-22, in accordance with Regulation 24 of the CSERC MYT Regulations, 2015 and the methodology considered by the Commission in the past. CSPTCL requested the Commission to approve the same in the final true-up of ARR for FY 2021-22.

Commission's View

The Commission has approved the depreciation in accordance with the MYT Regulations, 2015 and approach adopted in the past Orders. The closing GFA for FY 2020-21, as approved in the true up for FY 2020-21, has been considered as the opening GFA for FY 2021-22. 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, 2015, has been considered for FY 2021-22. Depreciation on assets due to Consumer Contribution and grants equates to Rs. 2.84 Crore for FY 2021-22.

CSPTCL has submitted the depreciation on fully depreciated assets during the year as Rs. 29.75 Crore for FY 2021-22 and the same has been considered by the Commission. The depreciation computed by the Commission for FY 2021-22 is shown in the following Table:

Table 5-18: Approved Depreciation for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA excluding CSLDC	5,258.68	5,435.88	5,435.88
2	Add: Capitalization during the year	151.5	134.83	134.83
3	GFA at the end of the year excluding CSLDC	5,410.18	5,570.71	5,570.71
4	Average GFA for the year	5,334.43	5,503.29	5,503.30
5	Depreciation Rate	5.26%	5.26%	5.26%

Sr. No.	Particulars	Tariff Order	Petition	Approved
6	Depreciation @ applicable rates as per Regulations	280.50	289.33	289.33
7	Opening consumer contribution		54.04	54.04
8	Addition: consumer contribution during the year			0
9	Closing consumer contribution	0	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	26.32	29.75	29.75
13	**Net Depreciation**	**251.33**	**256.75**	**256.75**

5.8 Interest on Loan

CSPTCL's Submission

CSPTCL submitted that it has calculated interest and finance charges as per Regulation 23 of the CSERC MYT Regulations, 2015. CSPTCL has submitted details of actual loan for FY 2021-22 as per the audited accounts. CSPTCL has considered the approved closing normative loan balance for FY 2020-21 as per the true-up Order, as the opening normative loan balance for FY 2021-22. The debt component of 70% of GFA addition after deduction of grants during FY 2021-22 has been considered as the normative loan addition during the year. The allowable depreciation for FY 2021-22 has been considered as the normative repayment for the current year. The rate of interest has been computed in accordance with Regulation 23.5. The actual weighted average interest rate of 9.97% for FY 2021-22 has been considered for computation of the interest on loan. CSPTCL requested the Commission to approve Interest on Loan of Rs. 187.61 Crore for FY 2021-22.

Commission's View

The Commission has approved interest on loan capital for FY 2021-22 as per Regulation 23 of the CSERC MYT Regulations, 2015.

The Commission has considered the closing net normative loan balance for FY 2020-21, as approved after True-up, as the opening net normative loan balance for FY 2021-22. The addition of normative loan for FY 2021-22 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 2021-22 in this Order.

The Commission has computed the weighted average rate of interest of 9.97% for FY 2021-22, as per Regulation 23.5 of the CSERC MYT Regulations, 2015. Accordingly, the normative interest on loan approved for FY 2021-22 is shown in the Table below:

Table 5-19: Approved Interest on Loan for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Total Opening Net Loan	1,842.76	1,962.56	1,962.56
2	Repayment during the period	251.33	256.75	256.75
3	Additional Capitalization of Borrowed Loan during the year	106.05	94.38	94.38
4	Total Closing Net Loan	1,697.48	1,800.19	1,800.19
5	Average Loan during the year	1,770.12	1,881.38	1,881.37
6	Weighted Average Interest Rate	10.02%	9.97%	9.97%
7	**Interest Expenses**	**177.34**	**187.61**	**187.54**

5.9 Return on Equity (RoE) and Income Tax

CSPTCL's Submission

CSPTCL has computed Return on Equity (RoE) as per Regulation 22 of the CSERC MYT Regulations, 2015, using the base rate of Return on Equity of 15.50%. The Income Tax has been separately claimed based on actual Income Tax paid during the year. CSPTCL has claimed the Income Tax of Rs. 9.14 Crore for FY 2021-22. CSPTCL has considered the closing permissible equity balance of FY 2020-21, as approved in the true-up Order, as the opening permissible equity balance for FY 2021-22. The equity addition has been considered as 30% of the actual capitalisation during the year. CSPTCL requested the Commission to approve RoE of Rs. 226.48 Crore for FY 2021-22.

Commission's View

Regulation 22 of the MYT Regulations, 2015 specifies that RoE shall be computed by grossing up the base rate with the prevailing MAT rate of the base year for projection purposes. CSPTCL has paid Income Tax of Rs. 9.14 Crore for FY 2021-22. 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 approval of actual Income Tax paid. Accordingly, the Commission has approved RoE at base rate of 15.50% as per Regulation 22 of the CSERC MYT Regulations, 2015 and allowed the Income Tax separately.

For computation of RoE, the closing equity as approved after True-up for FY 2020-21 has been considered as opening equity for FY 2021-22. The equity addition has been considered based on the actual capitalisation as approved earlier in this Order. The Commission approves the RoE for FY 2021-22 as shown in the following Table:

Table 5-20: Approved Return on Equity for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Permissible Equity in Opening GFA	1,387.30	1,440.96	1,440.96
2	Addition of Permissible Equity during the year	45.45	40.45	40.45
3	Permissible Equity in Closing GFA	1,433.2	1,481.	1,48

Sr. No.	Particulars	Tariff Order	Petition	Approved
		5	41	1.41
4	Average Gross Permissible Equity during the year	1410.53	1461.19	1461.19
5	Rate of Return on Equity	15.50%	15.50%	15.50%
6	**Return on Equity**	**218.63**	**226.48**	**226.48**

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 2021-22. CSPTCL submitted computation of Income Tax, Income Tax challans and other documentary evidences for FY 2021-22. Further, CSPTCL clarified that no adjustment towards MAT credit has been made during FY 2021-22 and during the year FY 2021-22, CSPTCL has received Nil refund of Income Tax.

5.10 Interest on Working Capital

CSPTCL's Submission

For computation of Interest on Working Capital (IoWC) for FY 2021-22, CSPTCL has considered one month of O&M expenses, maintenance spares at 40% of R&M expenses, and receivables equivalent to one month of revenue billed for computing the working capital requirement. CSPTCL has considered the interest rate of 10.90% (i.e., 7.40% - SBI Base Rate on 1st April 2021 plus 350 basis points) for FY 2021-22. CSPTCL requested the Commission to approve IoWC of Rs. 14.13 Crore for FY 2021-22.

Commission's View

The Commission has computed IoWC in accordance with Regulation 25 of the MYT Regulations, 2015. For computation of working capital requirement as per the formula specified in the CSERC MYT Regulations, 2015, the Commission has considered the revised normative value of O&M expenses as approved in this Order. Further, the receivables have been considered based on the actual revenue billed by CSPTCL during FY 2021-22. The interest rate has been considered as per Regulation 25.4 of the MYT Regulations, 2015, i.e., 10.90% (7.4% + 3.5%) for FY 2021-22. The normative IoWC approved by the Commission is shown in the Table below:

Table 5-21: Approved Interest on Working Capital for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	O&M expenses for One Month	23.67	24.02	23.87
2	Maintenance Spares @ 40% of R&M Expenses	17.75	24.98	22.29
3	Receivables @ 1 Month	84.94	80.64	80.64
4	Total Working Capital requirement	126.36	129.63	126.80
5	Less: Security Deposit from Transmission Users			

Sr. No.	Particulars	Tariff Order	Petition	Approved
6	Net Working Capital Requirement	126.36	129.63	126.80
7	Rate of Interest on Working Capital	10.90%	10.90%	10.90%
8	**Interest on Working Capital**	**13.77**	**14.13**	**13.82**

5.11 Non-Tariff Income

CSPTCL's Submission

CSPTCL submitted the Non-Tariff Income of Rs. 16.85 Crore for FY 2021-22 based on audited accounts and requested the Commission to approve the same.

Commission's View

For the purpose of true-up for FY 2021-22, the Commission has considered the Non-Tariff Income for Transmission Business as per Segmental Notes of Accounts for FY 2021-22. Accordingly, the Commission has considered Non-Tariff income of Rs. 16.85 Crore for FY 2021-22, as shown in the Table below:

Table 5-22: Approved Non-Tariff Income for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Non-Tariff Income	**13.50**	**16.85**	**16.85**

5.12 Incentive/Penalty on Transmission System Availability Factor (TSAF)

CSPTCL's Submission

CSPTCL submitted that Target Availability of the transmission system is specified in Regulation 51 of the CSERC MYT Regulations, 2015, for incentive/penalty payable/levied to a Transmission Licensee. In the MYT Order dated 30th April 2016, the Commission has approved the annual Target Availability factor for incentive/penalty as 99% and stipulated the modalities for computation of incentive/penalty on account of actual Transmission System Availability Factor (TSAF).

CSPTCL submitted that it has achieved TSAF of 99.79% for FY 2021-22. Accordingly, CSPTCL has claimed the incentive of Rs. 4.00 Crore for FY 2021-22.

Commission's View

As regards Incentive/Penalty calculation related to the TSAF, the CSERC MYT Regulations, 2015 specifies as under:

> ***"51. INCENTIVE/ PENALTY TO TRANSMISSION LICENSEE***
>
> *Incentive/ Penalty may be payable/levied to a transmission licensee in case the availability of the transmission system during a year deviates from the target availability, which shall be specified by the Commission in the MYT Order for the next Control Period."*

In the MYT Order for the Control Period from FY 2016-17 to FY 2020-21, the Commission stipulated as under:

"10.3.11 Incentive/Penalty Calculation

A. As per Clause 51 of the MYT Regulations, 2015, target availability of transmission system has to be specified for the control period for incentive/penalty payable/levied to a transmission licensee.

B. Annual target availability factor for incentive/penalty consideration shall be 99% for entire MYT Control period from FY 2016-17 to FY 2020-21:

Provided further that no incentive/penalty shall be payable for availability beyond 99.75%:

C. The transmission licensee shall be entitled to incentive/penalty on achieving the annual availability beyond/lower than the target availability in accordance with the following formula:

Incentive/Penalty = Annual Fixed Charges for that year x (Annual availability achieved – Target availability) / Target availability

D. Incentive/Penalty shall be shared equally (50:50) between the transmission licensee and beneficiaries."

The Incentive/Penalty has been allowed in accordance with the above said principle specified in the Regulations.

The Commission has validated the actual TSAF based on CSLDC Certificate submitted for FY 2021-22. The Commission notes that the actual TSAF duly certified by CSLDC is 99.77% for FY 2021-22, which is higher than the Target TSAF. Hence, CSPTCL is entitled for incentive.

Accordingly, the Commission approves the Incentive on account of TSAF for FY 2021-22, as shown in the Table below:

Table 5-23: Approved Incentive for Higher Transmission System Availability for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Annual TSAF (%)	99.79%	99.77%
2	Target TSAF (%)	99.00%	99.00%
3	Maximum TSAF that can be considered for incentive	99.75%	99.75%
4	Incentive/(Penalty)	8.01	8.00
5	**Sharing of gain/(loss) (50%)**	**4.00**	**4.00**

5.13 Aggregate Revenue Requirement (ARR)

Based on the above, the ARR approved after true-up for FY 2021-22 is shown in the Table below:

Table 5-24: Approved ARR after true-up for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Employee Expenses	196.37	188.32	188.32
2	A&G Expenses	46.37	49.42	49.43

Sr. No.	Particulars	Tariff Order	Petition	Approved
3	R&M Expenses	47.52	62.44	62.44
4	Terminal Benefits	87.65	87.65	87.65
5	Less: Capitalization of Employee and A&G Expenses		11.98	11.98
6	Depreciation	251.33	256.75	256.75
7	Interest on Loan	177.34	187.61	187.54
8	Interest on Working capital	14.03	14.13	13.82
10	Return on Equity	218.63	226.48	226.48
11	Gain/(Loss) on sharing O&M efficiency		(0.38)	(0.38)
12	Incentive on Transmission Availability		4.00	4.00
13	Current Tax		9.14	9.14
14	Total	**1,039.24**	**1,073.58**	**1,073.21**
15	Less: Non-Tariff Income	13.5	16.85	16.85
16	**Aggregate Revenue Requirement (ARR)**	**1,025.74**	**1,056.73**	**1,056.36**

5.14 Revenue Gap/(Surplus) for FY 2021-22

CSPTCL's Submission

CSPTCL submitted the Revenue Gap/(Surplus) for FY 2021-22, as shown in the following Table:

Table 5-25: Revenue Gap/(Surplus) submitted by CSPTCL for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22
1	AFC for FY 2021-22 as approved in Tariff Order dated 02.08.2021	1025.74
2	Surplus adjusted with carrying cost up to FY 2021-22 as approved in Tariff Order dated 02.08.2021	46.06
3	**Adjusted ARR for FY 2021-22**	**979.63**
4	**ARR determined based on True-up for FY 2021-22**	**1056.73**
5	**Gap/(Surplus)**	**30.99**

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 during FY 2021-22 in this regard.

CSPTCL requested the Commission to approve the Revenue Gap of Rs. 30.99 Crore for FY 2021-22.

Commission's View

The Commission has computed the Revenue Gap/(Surplus) after true-up for FY 2021-22 for CSPTCL, as shown in the Table below:

Table 5-26: Approved Revenue Gap/(Surplus) for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Approved
1	Revenue from Transmission Charges for FY 2021-22	967.64
2	Surplus of adjusted with holding cost up to FY 2021-22 as approved in tariff order dated 02.08.2021	46.06
3	Total Revenue for FY 2021-22	1,013.70
4	Actual ARR determined based on Final True-up for FY 2021-22	1,056.36
5	**Revenue Gap/(Surplus) (2-1)**	**42.66**

The Commission approves the Revenue Gap of Rs. 42.66 Crore after true-up for CSPTCL for FY 2021-22. This Revenue Gap has been adjusted in the revenue requirement of CSPDCL for FY 2023-24 along with holding cost.

5.15 Adjusted ARR for FY 2023-24

CSPTCL's Submission

CSPTCL has submitted cumulative gap for FY 2023-24, as shown in the Table below:

Table 5-27: Cumulative Gap/(Surplus) submitted by CSPTCL for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening Gap	0	32.68	36.24
2	Standalone Gap	30.99	0	36.24
3	Closing Gap	30.99	32.68	0.00
4	Interest Rate	10.90%	10.90%	10.90%
5	Carrying Cost	1.69	3.56	1.98
6	**Total Closing Gap**	**32.68**	**36.24**	**38.22**

Commission's View

The Commission has considered the Revenue Gap of Rs. 42.66 Crore approved after true up for FY 2021-22 along with carrying cost, which amounts to Rs. 51.24 Crore. This Revenue Gap has been adjusted against the approved ARR for FY 2023-24 as shown in the Table below:

Table 5-28: Adjusted approved ARR for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR approved vide Order dated 13.04.2022 for FY 2023-24	1155.61	1155.61
2	Plus: FY 2021-22 deficit with carrying cost till FY 2023-24	38.22	51.24
3	**Adjusted ARR for FY 2023-24**	**1193.83**	**1206.85**

5.16 Transmission Charges for FY 2023-24

CSPTCL's Submission

CSPTCL submitted that it has computed net ARR for FY 2023-24 by considering the provisions of Regulation 71 of the CSERC MYT Regulations, 2021.

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 2023-24 by considering the projected maximum demand of 5401 MW. The estimated energy input to be handled by CSPTCL's system for FY 2023-24, based on load factor of 70% on maximum demand met, has been considered as 33118.93 MU.

Commission's View

Regulations 71.2 and 71.2 of the CSERC 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 CSERC 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.

In the response of the Commission's query, CSPTCL submitted the justification of projecting Maximum Demand of 5401 MW for FY 2023-24. Accordingly, the Commission considered Maximum Demand in the State for FY 2023-24 as 5401 MW. The estimated energy input to be handled by CSPTCL's system for FY 2023-24, based on load factor of 70% on Maximum Demand met, is computed as 33209.67

MU. Accordingly, the Transmission Charges for STOA for FY 2023-24 have been determined as shown in the Table below:

Table 5-29: Approved STOA Charges submitted by CSPTCL for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR approved vide Order dated 13.04.2022 for FY 2023-24	1155.61	1155.61
2	Plus: FY 2021-22 deficit with carrying cost till FY 2023-24	38.22	51.24
3	**Adjusted ARR for FY 2023-24**	**1193.83**	**1206.85**
4	Max Demand Projected in MW	5401	5401
5	Energy Input in MU considering 70% Load Factor	33118.93	33209.67
6	**STOA Charges in Paisa/Kwh**	**36.05**	**36.34**

6 TRUE-UP OF ARR FOR FY 2021-22 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 determined the ARR and Tariff for FY 2021-22 on August 02, 2021 and the final true up of ARR for FY 2021-22 had been carried out by comparing actual performance with the values as approved in Order dated August 02, 2021.

Now, CSLDC has submitted the present Petition for true-up of ARR for FY 2021-22 based on the Audited Accounts of FY 2021-22.

In accordance with Regulation 10.4 of the CSERC MYT Regulations, 2015, the Commission has undertaken the true-up of FY 2021-22 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 2021-22 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, 2015.

6.2 Annual Charges for SLDC

Regulation 74.1 of the CSERC MYT Regulations, 2015 specifies the components of Annual Charges for SLDC as under:

(a) Operation and Maintenance Expenses;

(b) Contribution to Pension and Gratuity Fund;

(c) Return on Equity;

(d) Interest on loan capital;

(e) Depreciation; 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 47.5 of CSERC MYT Regulations, 2015. CSLDC submitted that O&M Expenses includes Employee expenses, A&G expenses, and R&M expenses. CSLDC has considered O&M expenses for FY 2021-22, as shown in the Table below:

Table 6-1: O&M Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22
1	Gross Employee Expenses	9.46
2	Gross A&G Expenses	0.90
3	Gross R&M Expenses	1.70
4	**Total O&M Expenses**	**12.06**

Also, CSLDC submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2022. The total sanctioned strength of different class of employees of CSLDC is 76 out of which 47 are currently working and balance 29 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 2022

Sr. No.	Particulars	Sanctioned	Working	Vacant
1	Class I	20	19	1
2	Class II	24	12	12
3	Class III	24	14	10
4	Class IV	8	2	6
5	**Total**	**76**	**47**	**29**

CSLDC requested to approve actual O&M Expenses of Rs. 12.06 Crore for FY 2021-22.

Sharing of gain and losses on account of O&M Expenses

For computation of gain and losses, CSLDC has considered provisions of Regulations 8, 11.2 and 13 of MYT Regulations, 2015.

As per the MYT Regulations, 2015 and the subsequent amendment, 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 as per Regulation 47.5 of the MYT Regulations, 2015.

Accordingly, CSLDC has computed the normative A&G expenses and R&M expenses for FY 2021-22 by applying WPI escalation factor of 13% on approved expenses of FY 2020-21. The normative A&G expenses and R&M expenses for FY 2021-22, as submitted by CSLDC are shown in the Table below:

Table 6-3: Normative A&G Expenses and R&M Expenses for FY 2021-22 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2021-22
1	Normative A&G Expenses	1.38
2	Normative R&M Expenses	2.01

The normative A&G expenses and R&M expenses have been considered for the purpose of sharing of gains/losses for FY 2021-22. The actual A&G expenses and R&M expenses are Rs. 0.90 Crore and Rs. 1.70 Crore (net of capitalisation), respectively, for FY 2021-22. 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 2021-22 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
1	Net A&G expenses	1.38	0.90	0.48
2	Net R&M expenses	2.01	1.70	0.32
3	**Total**	**3.39**	**2.60**	**0.79**
4	**CSLDC share (1/2 of Total Gain/(Loss))**			**0.40**

CSLDC submitted the sharing of gains of Rs. 0.40 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 2021-22.

Commission's View

Regulation 47.5 of the CSERC MYT Regulations, 2015 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 2021-22 by applying the actual inflation over base-year's approved O&M expenses. The Commission has considered the WPI as per the MYT Regulations, 2015 and, accordingly, computed escalation factor of 13% for R&M expenses and A&G Expenses for FY 2021-22. Accordingly, the normative O&M Expenses approved for FY 2021-22 are shown in the Table below:

Table 6-5: Approved Normative O&M Expenses for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	Revised Normative Expenses
A&G Expenses	1.24	1.38	1.37
R&M Expenses	1.81	2.01	2.01

The Commission has considered actual O&M expenses for FY 2021-22 as per audited accounts and Segmental Notes, as submitted by CSLDC. Accordingly, the Commission approves actual O&M Expenses of Rs. 12.06 Crore for FY 2021-22.

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2021-22, as per MYT Regulations, 2015. As regards the sharing of gains and losses, the following provision has been inserted in Regulation 13.1 by the First Amendment to the MYT Regulations, 2015 on June 16, 2017:

> *"Provided further that employee cost shall not be factored in for sharing of gains or losses on account of operations and maintenance expenses…"*

Accordingly, the Commission approves the Employee Expenses at actuals as Rs. 9.46 Crore for FY 2021-22.

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 2021-22, as shown in the Table below:

Table 6-6: Sharing of gain/(loss) on A&G expenses and R&M expenses for FY 2021-22 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
1	Net A&G expenses	1.37	0.90	0.47
2	Net R&M expenses	2.01	1.70	0.31
3	**Total**	**3.39**	**2.60**	0.78
4	**CSLDC share (1/2 of Total Gain/(Loss))**			**0.39**

In this Order, the Commission approves the O&M expenses based on audited accounts for FY 2021-22. Further, the Commission approves sharing of gains of Rs. 0.39 Crore for FY 2021-22.

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. 1.80 Crore for FY 2021-22. 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. 1.80 Crore for FY 2021-22 as claimed by CSLDC.

6.5 Gross Fixed Assets and Means of Finance

CSLDC submitted that the Commission in MYT Order approved the methodology for determination of capital structure of GFA into debt and equity. CSLDC has considered GFA addition of Rs. 0.09 Crore for 2021-22 as per Audited Accounts.

Commission's View

The Commission has approved the closing GFA for FY 2020-21 as Rs. 16.38 Crore after True-up in the Order dated April 13, 2022. The Commission has accordingly considered the same amount as Opening GFA for FY 2021-22. As discussed in earlier Chapter of this Order, the Commission notes that CSPTCL's audited accounts for FY 2021-22 reported the actual capitalisation of Rs. 134.83 Crore during the year, which is entirely attributable to CSPTCL. For CSLDC, capitalisation in FY 2021-22 is Rs. 0.09 Crore, and the Commission has considered the same for FY 2021-22 based on submission of CSLDC. Accordingly, the Commission approves the GFA and its funding for FY 2021-22 as shown in the following Table:

Table 6-7: Gross Fixed Assets and its Funding for FY 2021-22 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	16.38	16.38	16.38
2	Capitalisation during the Year	0.00	0.09	0.09
3	Closing GFA	16.38	16.47	16.47
	Means of Finance			
4	Consumer Contribution/Grants	-	-	-
5	Equity		0.03	0.03
6	Debt		0.06	0.06
7	**Total Capitalisation**	**0.00**	**0.09**	**0.09**

6.6 Depreciation

CSLDC's Submission

CLSDC submitted that it has computed depreciation as per Regulation 24 of CSERC MYT Regulations, 2015. 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 2021-22 has been considered for CSLDC. CSLDC requested to approve depreciation of Rs. 0.86 Crore for FY 2021-22.

Commission's View

The Commission has approved the depreciation for FY 2021-22 in accordance with the approach adopted in the past Orders. The closing GFA approved in the true up for FY 2020-21, has been considered as the opening GFA for FY 2021-22. The GFA addition for FY 2021-22 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, 2015, has been considered for FY 2021-22 for CSLDC. The depreciation approved by the Commission for FY 2021-22 is shown in the Table below:

Table 6-8: Depreciation for FY 2021-22 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	16.45	16.38	16.38
2	Additional capitalization during the year	2.01	0.09	0.09
3	GFA at the end of the year	18.46	16.47	16.47
4	Average GFA for the year	17.45	16.42	16.43
5	Depreciation Rate	5.26%	5.26%	5.26%
6	**Depreciation**	0.92	0.86	0.86

6.7 Interest on Loan

CSLDC's Submission

CSLDC has calculated Interest and Finance Charges as per Regulation 23 of the MYT Regulations, 2015. 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 2020-21 as per the true-up Order, as the opening normative loan balance for FY 2021-22. 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 23.5 of the MYT Regulations, 2015. The actual weighted average interest rate of 9.97% for FY 2021-22 has been considered by CSLDC for computation of the interest on loan. CSLDC requested to approve the Interest and Finance Charges of Rs. 0.12 Crore for FY 2021-22.

Commission's View

The Commission has approved interest on loan capital for FY 2021-22 as per Regulation 23 of the CSERC MYT Regulations, 2015. The Commission has considered the closing net normative loan balance for FY 2020-21, as approved after True-up, as the opening net normative loan balance for FY 2021-22. 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 23.5 of the MYT Regulations, 2015 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 2021-22, in absence of segregation of actual loan for CSLDC. Accordingly, the Commission has considered the weighted average rate of interest of 9.97% for FY 2021-22. The interest on loan approved for FY 2021-22 is shown in the Table below:

Table 6-9: Interest on Loan for FY 2021-22 for CSLDC approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Total Opening Net Loan	1.67	1.62	1.62
2	Repayment during the period	0.92	0.86	0.86
3	Additional Capitalization of Borrowed Loan during the year	1.41	0.06	0.063
4	Total Closing Net Loan	2.16	0.82	0.82
5	Average Loan during the year	1.91	1.22	1.22
6	Weighted Average Interest Rate	10.02%	9.97%	9.97%
7	**Interest Expenses**	**0.19**	**0.12**	**0.12**

6.8 Return on Equity (RoE) and Income Tax

CSLDC's Submission

CSLDC has computed RoE as per the Regulation 22 of the MYT Regulations, 2015. The closing permissible equity balance of FY 2020-21, as approved in the true-up Order, has been considered as opening equity balance for true-up of FY 2021-22. CSLDC has considered base rate of RoE of 15.50% (without grossing up by MAT rate). CSLDC requested to approve RoE of Rs. 0.82 Crore for FY 2021-22.

Commission's View

Regulation 22 of the CSERC MYT Regulations, 2015 provides that RoE shall be computed by grossing up the base rate with the prevailing MAT rate of the base year for projection purposes. 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 rate of 15.50% as per Regulation 22 of the CSERC MYT Regulations, 2015.

For computation of RoE, the Commission has considered the closing equity as approved for FY 2020-21 after True-up, as opening equity for FY 2021-22. The equity addition for FY 2021-22 has been considered as 30% of the capitalisation during the year. The Commission approves the RoE for FY 2021-22 as shown in the Table below:

Table 6-10: Return on Equity for FY 2021-22 for CSLDC as approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Permissible Equity in Opening GFA	5.3	5.28	5.28
2	Addition of Permissible Equity during the year	0.6	0.03	0.027
3	Permissible Equity in Closing GFA	5.9	5.31	5.31
4	Average Gross Permissible Equity during the year	5.6	5.29	5.29
5	Rate of Return on Equity	15.50%	15.50%	15.50%
6	**Return on Equity**	0.87	0.82	0.82

6.9 Interest on Working Capital (IoWC)

CSLDC's Submission

CSLDC has considered IoWC as per Regulation 25 of the CSERC MYT Regulations, 2015. CSPTCL submitted that it has considered one month of O&M expenses, maintenance spares at 40% of R&M expenses, and receivables equivalent to one month of revenue billed for computing the working capital requirement for FY 2021-22. CSLDC has considered the interest rate of 10.90% (SBI Base Rate on 1st April 2021 @ 7.40% plus 350 basis points) for FY 2021-22 for computing the IoWC for FY 2021-22. CSLDC requested to approve IoWC of Rs. 0.35 Crore for FY 2021-22.

Commission's View

The Commission has computed IoWC in accordance with Regulation 25 of the MYT Regulations, 2015. It has been observed that CSLDC has considered actual R&M expenses for calculation of Maintenance spares instead of normative R&M expenses. For computation of working capital requirement as per the formula specified in the CSERC MYT Regulations, 2015, the Commission has considered the revised normative value of O&M expenses for FY 2021-22, as approved earlier in this Order. The receivables have been considered based on the actual revenue of CSLDC during FY 2021-22, as compared to CSLDC's approach of calculating the receivables from the revenue required for FY 2021-22. The interest rate of 10.90% (7.40% + 3.5%) has been considered for FY 2021-22, as per Regulation 25.4 of the MYT Regulations, 2015. The normative IoWC approved for FY 2021-22 is shown in the Table below:

Table 6-11: IoWC approved for FY 2021-22 for CSLDC by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	CSLDC Petition	Approved
1	O&M expenses for One Month	0.90	1.07	1.07
2	Maintenance Spares @ 40% of R&M Expenses	0.73	0.80	0.81
3	Receivables @ 1 Month	1.24	1.37	1.54
4	Total Working Capital requirement	2.88	3.24	3.42
5	Rate of Interest on WC	10.90%	10.90%	10.90%
6	**Net Interest on Working Capital**	**0.31**	**0.35**	**0.37**

6.10 Non-Tariff Income

CSLDC's Submission

CSLDC submitted that it has considered Non-Tariff Income (NTI) as Rs. 0.02 Crore for FY 2021-22 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 2021-22. Accordingly, the Commission considers NTI of Rs. 0.02 Crore for FY 2021-22.

6.11 Aggregate Revenue Requirement for CSLDC

Based on the above, the ARR approved for CSLDC after final truing-up for FY 2021-22 is shown in the Table below:

Table 6-12: Aggregate Revenue Requirement (ARR) for FY 2021-22 approved by the Commission (Rs. Crore)

Sr. No	Particulars	Tariff Order	Petition	Approved after True-up
1	Employee Expense	7.80	9.46	9.46
2	A&G Expenses	1.24	0.90	0.90
3	R&M Expenses	1.81	1.70	1.70
4	Terminal Benefits	1.80	1.80	1.80
5	Provision for Interim Wage Relief			
6	Less: Capitalization of Employee, R&M and A&G Expenses			
7	Depreciation	0.92	0.86	0.86
8	Interest on Loan	0.19	0.12	0.12
9	Interest on Working Capital	0.31	0.35	0.37
10	Prior Period (Income)/ Expenses			
11	Return on Equity	0.87	0.82	0.82
12	Gain/(Loss) on sharing O&M Expenses		0.40	0.39
13	Current Tax			
14	Total	14.94	16.41	16.43
15	Less: Non-Tariff Income	0.02	0.02	0.02
16	**Aggregate Revenue Requirement (ARR)**	**14.93**	**16.39**	**16.41**

6.12 Revenue from CSLDC Charges

CSLDC's Submission

CSLDC submitted the revenue from CSLDC Charges of Rs. 14.90 Crore for FY 2021-22 based on the audited accounts.

Commission's View

The Commission has considered the actual revenue from CSLDC Charges of Rs. 14.90 Crore in the true-up for FY 2021-22.

6.13 Revenue Gap/(Surplus) for CSLDC

CSLDC's Submission

CSLDC submitted the Revenue Gap/(Surplus) for FY 2021-22, as shown in the Table below:

Table 6-13: Revenue Gap/(Surplus) for FY 2021-22 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement	16.39
2	*Less:* Revenue from SLDC Charges	14.90
3	**Standalone Revenue Gap/(Surplus)**	**1.49**
4	Previous Gap	0.00
5	**Total Revenue Gap/(Surplus)**	**1.49**

CSLDC requested the Commission to approve the Gap of Rs. 1.49 Crore for FY 2021-22 and adjust Rs. 1.83 Crore (with carrying cost) in the ARR of FY 2023-24.

Commission's View

After undertaking the final true-up for FY 2021-22, the Commission has computed the Revenue Gap/(Surplus) for FY 2021-22, as shown in the following Table:

Table 6-14: Revenue Gap/(Surplus) for FY 2021-22 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No	Particulars	Petition	Approved
1	Aggregate Revenue Requirement	16.39	16.41
2	Less: Revenue from SLDC Charges	14.90	14.90
3	Surplus/(Deficit) adjusted with carrying cost up to FY 2021-22 as approved in Tariff Order dated 02.08.2021	-	3.63
4	Total Revenue for FY 2021-22	14.90	18.53
5	**Revenue Gap/(Surplus)**	**1.49**	**(2.12)**

The Commission approves the Revenue Surplus of Rs. 2.12 Crore after true-up for CSLDC for FY 2021-22.

6.14 SLDC Charges for FY 2023-24

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 2023-24 have been allocated to System Operation Charges, and 20% of the annual SLDC Charges determined as above for FY 2023-24 have been allocated to intra-State Market Operation Charges.

CSLDC has projected net ARR for FY 2023-24 as Rs. 18.93 Crore. CSLDC has computed adjusted ARR for FY 2022-23 by considering net ARR of Rs. 18.93 Crore and surplus arrived for FY 2020-21 along with holding cost of Rs. 3.34 Crore, as discussed in the true up Chapter of this Order. Accordingly, CSLDC has requested the Commission to approve total SLDC charges as Rs. 15.58 Crore, as shown in the Table below:

Table 6-15: SLDC Charges claimed by CSLDC for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	ARR for FY 2023-24 as approved vide order dated 13.04.2022	19.55
2	Adjustment of Gap of FY 2021-22 after treatment of carrying cost upto FY 2023-24	1.83
3	**Adjusted ARR for FY 2023-24**	**21.38**
4	System Operation Charges	17.11
5	Intra-State Market Operation Charges	4.28
6	Total SLDC Charges	21.38

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 2021-22 has approved Surplus of Rs. 2.12 Crore. This Surplus along with holding cost, amounting to Rs. 2.55 Crore has been adjusted against the ARR approved for FY 2023-24. Considering the adjusted ARR for FY 2023-24 and above Regulation, the Commission has approved the System Operation Charges and Intra-State Market Operation Charges, as shown in the Table below:

Table 6-16: Adjusted ARR and SLDC Charges approved for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR for FY 2023-24 as approved vide order dated 13.04.2022	19.55	19.55
2	Adjustment of Gap/(Surplus) of FY 2021-22 after treatment of carrying cost upto FY 2023-24	1.83	(2.55)
3	**Adjusted ARR for FY 2023-24**	**21.38**	**17.00**
4	System Operation Charges	17.11	13.60
5	Intra-State Market Operation Charges	4.28	3.40
6	**Total SLDC Charges**	**21.38**	**17.00**

7 REVIEW OF ORDER FOR FY 2022-23 FOR CSPDCL

7.1 Background

The Commission issued the Tariff Order on 13th April 2022 in Petition No. 75/2021, wherein the Commission approved the final true up of FY 2020-21 and determined the ARR for each year of the Control Period from FY 2022-23 to FY 2024-25 and approved the retail supply tariff for FY 2022-23.

In the same order, the Commission also disposed of the Review Petition against Tariff Order dated 02.08.2021.

CSPDCL submitted that they had filed a Review Petition against the order dated 02.08.2021 passed by the Commission in Petition No. 3 of 2020. The Commission has 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. 54 of 2021 in the Tariff Petition for the subsequent year.

CSPDCL has submitted that under review of order for FY 2021-22, the Commission analysed power purchase expenses allowed to CSPDCL for FY 2018-19 and FY 2019-20, and on its own decided to deduct the expenditure of Rs. 488.69 Crore under the head of “Other charges under Central Generating Stations (CGS)” being provision for power banking in FY 2018-19 and also deducted Rs.154.67 Crore towards provisioning of RPO/REC in FY 2019-20.

As regards the issue of deduction of Rs. 488.69 Crore in FY 2018-19, the Commission has not considered the reversal entry of Rs. 388.54 Crore in FY 2019-20, which is made in accounts to neutralize the unutilized provisions. Had this reversal entry not been made in the accounts, the actual power purchase expenses towards central generating stations would increase to Rs. 3846.33 Crore instead of audited figures of Rs. 3457.73 Crore.

The aforesaid deduction has ignored the standard accounting practice of making provisions for the expenses, which are to be incurred during the year and thus, increase the expenses during that year. However, the unutilized provisions are reversed during the next year through a negative entry thereby reducing the expenses in the year of reversal. Under standard practice, the expenses are claimed as per audited accounts, which include the new provisions created during the year and reversal of the unutilized provisions during the previous year. Thus, the impact of provisioning is considered on a net basis. Mere consideration of deducting Rs. 488.69 Crore in FY 2018-19 (as provisioning for expenses) without adding Rs. 388.54 Crore in FY 2019-20 (negative entry to reverse unutilized provisions) has caused double jeopardy to the petitioner.

Therefore, CSPDCL has filed this Review Petition to reconsider disallowance of Rs.388.54 Crore in respect of provisioning of banking in power purchase expenses of FY 2018-19.

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.

7.2 Grounds for Review

CSPDCL's Submission

CSPDCL submitted that the instant review petition is preferred against the impugned order dated 13.04.2022 passed in Petition No. 75 of 2021, wherein the Commission while truing up for FY 2020-21, has reopened the complete trued up parameters of FY 2018-19 and FY 2019-20 even when no review was preferred against such parameters.

CSPDCL submitted that they had initially preferred a review petition against some parameters in the Petition No. 03 of 2021 and that review petition was registered as Petition No. 54 of 2021. Further, while deciding the review Petition, the Commission had directed the Petitioner to include the details of such parameters in the tariff determination petition for the subsequent years.

Further, CSPDCL has submitted that as per the directions of the Commission, the Petitioner herein included the parameters for which it had filed review petition in the tariff petition No. 75 of 2021. It is to be noted that the Petitioner had included those parameters with respect to which it had filed review petition as the same was directed by the Commission. However, the Commission while deciding the Petition No. 75 of 2021, which was for truing up of FY 2020-21, reviewed the already trued up figures of FY 2018-19 and FY 2019-20 even when no prior order with respect to review of such parameters was passed by the Commission.

CSPDCL has further added that the Commission has inadvertently erred by reopening the trued-up tariff figure of the past years in the tariff determination petition for the subsequent year due to which the Petitioner has suffered huge losses and therefore, the instant review petition is filed.

Also the Commission while redetermining the trued-up figures of the past years in Petition No. 75 of 2021 has committed accounting errors due to which Petitioner has suffered losses amounting to Rs. 488.69 crore.

Commission's View

The Commission has clearly laid out the basis on which the review of order in Petition No. 75/2021 has been carried out. The relevant extracts are reproduced below:

"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.:

- *Error apparent on the face of the record;*
- *On submission of new and important evidence that was not in the knowledge of the Petitioner at the time of the original Order;*
- *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."*

Hence, there is no merit in CSPDCL's contention that the Commission has exceeded its jurisdiction in reviewing issues that were not raised by CSPDCL in its Review Petition.

Further, this Review effectively amounts to seeking review of a Review Order, which is not permissible. However, the Commission has adopted a holistic approach rather than limiting itself to the narrow scope of Review, and has addressed the issue raised by CSPDCL in its Review 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.

7.3 Disallowance of provisioning of banking of Rs. 488.69 Crore in FY 2018-19 causing negative impact on power purchase expenses from Central Generating Stations by Rs. 388.54 Crore during FY 2019-20

CSPDCL's Submission

CSPDCL submitted that the Commission has dealt up with this issue at Para 6.11 of impugned tariff order at page 174 to 176 and net impact at Table 6.16.

That decision to disallow Rs. 488.69 crore is based on fiction and imagination, which reveals from the phrase "It could be included in the 'Other charges' of Rs. 384.55 Crore claimed and allowed in the true up for FY 2019-20" and without taking into consideration the audited accounts submitted in support with final true up as well as Review Petition. Relevant observation in impugned tariff order as given below:

"It could be included in the 'Other charges' of Rs. 384.55 crore claimed and allowed in the true up for FY 19-20. Hence there is a credit amount of Rs. 100.16 crore which has been adjusted in the book of accounts of CSPDCL but which is yet to be adjusted in the regulatory accounts. In this order, on revised true up of FY 19-20, the Commission has not disallowed any expenses against provision for banking, in the absence of real data in this regard".

CSPDCL has submitted that the provisioning is an accounting process, wherein the provisions are created for the foreseen expenses and the unutilised provisions are reversed during the subsequent years. The Commission has disallowed the provisions created in FY 2018-19 without considering the impact of reversal of these provisions in FY 2019-20. The extracts of audited accounts (with GL entry) and constituents of approved power purchase expenses demonstrate that effect of non-considering reversal entry in account has caused disallowance of Rs. 388.54 Crore in expenditure incurred in power purchase from Central Generating Stations (CGS) is shown in table below:

Source	Power Purchase Cost (in Rs. Crore)		Disallowed expenses as per audited accounts
	Audited Accounts (with GL entry)	Approved in final true up	
CGS	4015.13 (E170101)	3626.59	388.54
CSPGCL	5782.65 (E170102)	5782.65	-
IEX/PXIL/TRAD	616.19 (E170104/108)	616.19	-
CPP/IPP/Short Term	522.4 (E170105)	522.40	-
Concessional Power	274.57 (E170104)	274.57	-
Others– Renewables	879.96 (E170106,107,110)	879.97	-
Transmission Charges	1368 (E170201)	1368	-
Other Miscellaneous Charges	7.94 (E170208/214)	(7.94)	-
Border Villages	6.38 (E170103)	6.38	-
Net DSM Charges	43.14 (E170116)	43.14	-
Gross Power Purchase Cost	13500.48	13111.95	388.54

CSPDCL submitted that disallowance of provisioning of power banking in FY 2018-19 on one hand and allowing reversal entry to approve power purchase expenses in FY 2019-20 on other hand is contradictory approach causing double jeopardy to the petitioner. The observation that 'In this order on revised true up for FY 2019-20, the Commission has not allowed any expenses against provision for power banking, in the absence of clear data' (page no. 176) is misconception as the petition was supported by audited accounts as well as replies to additional queries raised in data gaps.

Commission's View

CSPDCL has claimed impact of Rs. 388.54 Crore under the Review. In the Order in Petition No. 75 of 2021, the Commission has made the following observations:

a) It could be included in the 'Other charges' of Rs. 384.55 crore claimed and allowed in the true up for FY 2019-20.

b) Also, there is a credit amount of Rs. 100.16 crore, which has been adjusted in the book of accounts of CSPDCL, but which is yet to be adjusted in the regulatory accounts.

c) In this order, on revised true up of FY 2019-20, the Commission has not disallowed any expenses against provision for banking, in the absence of real data in this regard.

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:

> *"CSPDCL humbly submits that actual Party wise details of the provision made, and the reversals made during 2019-20 as shown under:*

(Amount in Rs. Crore)

Particulars	***Credit***	***Debit***	***Net Balance***
Being Provision for Power Purchase made		*0.05*	*0.05*
Being provision for Power Purchase made		*395.89*	*395.89*
Being reversal of opening provision for Power Purchase made	*11.58*		*11.58*
Total	***11.58***	***395.94***	***384.35***

"

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.

8 TRUE-UP OF FY 2021-22 FOR CSPDCL

8.1 Background

CSPDCL has filed the Petition for final True-up of FY 2021-22 based on the Audited Accounts in accordance with Regulations 10.2 and 10.3 of the CSERC MYT Regulations, 2015, which provides 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."*

CSPDCL submitted that the revenue impact of the issues raised in the review of the Tariff Order dated April 13, 2022 have also been included in the true up gap of FY 2021-22.

In accordance with the above, the Commission has undertaken the final true-up for FY 2021-22. In this Chapter, the Commission has analysed all the elements of audited expenditure and revenue of CSPDCL for FY 2021-22 and undertaken final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2015.

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, 2015.

8.2 Energy Sales

CSPDCL's Submission

CSPDCL submitted that there were 60,23,795 consumers at LV level and 3,356 consumers at HV and EHV level during FY 2021-22. The Commission in the MYT Order had merged HV and EHV categories into supply at HV level effective from 1st April 2016. CSPDCL submitted that the connected load recorded during FY 2021-22 was 6,908.31 MW at LV level and 3,393.50 MW at EHV and HV level.

The category-wise energy sales were recorded as 25,161.29 MU for FY 2021-22, comprising 14,349.96 MU sales to LT consumers and 10,811.33 MU to HV and EHV consumers.

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 2021-22. The Commission also sought voltage-wise break up for HV and EHV sales for FY 2021-22. CSPDCL submitted the R-15 data for FY 2021-22.

Agriculture Consumption

The Commission sought explanation for the higher actual agricultural sales reported by CSPDCL as compared to the approved sales. In its reply dated 23rd January 2023, CSPDCL submitted that the Commission while approving the sales for FY 2021-22 has considered the actual sales from April 2020 to November 2020 and further this category of consumers did not get significantly impacted by the lockdown on account of Covid-19. Also, the actual numbers of metered consumers increased during FY 2021-22 as compared to the estimated number of consumers during FY 2019-20. The relevant details of number of consumers along with consumption is shown in the table below:

Sl. No.	**Month**	**FY 2021-22 (Actuals)**	
		No. of Consumer	**MU Sold**
1	April 2021	461572	482.61
2	May 2021	462703	307.70
3	June 2021	465116	303.59
4	July 2021	468569	434.85
5	August 2021	471819	517.91
6	September 2021	475669	377.73
7	October 2021	477284	399.74
8	November 2021	479569	272.59
9	December 2021	481771	336.79
10	January 2021	484460	374.48
11	February 2021	486116	456.26
12	March 2021	489664	556.02
YEAR 2021-22		**489664**	**4820.29**
Actual 2020-21		**459686**	**4938.63**

CSPDCL further submitted that as per past performance of CSPDCL during FY 2020-21, it had sold 4938.63 MU to LV 3 category, which signifies that the sales to LV 3 category in FY 2021-22 is on lower side as compared to the actual sales in FY 2020-21.

CSPDCL further submitted month-wise average hours of supply to agriculture category, which shows average supply approximately of 18 hours/day for each month of FY 2021-22.

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 2021-22. It is observed that actual average annual load factor recorded was 45.25% for FY 2021-22, which translates to average running of 11 hours per day throughout the year. Further examination reveals that in some months, the actual load factor has been reported much higher, at 61.67% for March 2022 and 58.83%, 56.46%, and 49.51% for August 2021, April 2021, and July 2021, respectively. This translates to average running hours of 12 hours in July 2021, ~ 14 hours in April and August 2021, and as high as ~15 hours in March 2022. 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 CSERC MYT Regulations, 2015 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 2021-22.

The consumer category-wise sales for FY 2021-22 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 2021-22 (MU)

Consumer Category	Tariff Order	Petition	Final True-up
LV Categories (A)	**13,917.83**	**14,349.96**	**14,349.96**
Domestic Including BPL Consumers	6,595.60	6,223.74	6,223.74
Non-Domestic (Normal Tariff)	927.52	266.20	266.20
Non-Domestic (Demand Based)		741.51	741.51
Agriculture Metered	4,408.13	4,820.29	4,820.29
Agriculture allied	25.69	31.03	31.03
LT Industry	564.89	672.63	672.63
Public Utilities	442.18	466.06	466.06
IT Industry	0.08	1.20	1.20
Temporary	953.74	1,127.31	1,127.31
HV Categories (B)	**11,283.82**	**10,811.33**	**10,811.33**
Railway Traction	1,085.30	1,159.65	1,159.65
Mines (Coal & Others)	737.32	682.98	682.98
Other Industry & General Purpose Non-Industrial	1,915.81	1,879.09	1,879.09
Steel Industries	7,173.41	6,691.62	6,691.62
PWW, Irrigation & Agriculture allied activities	185.04	191.27	191.27
Residential Purpose	171.68	177.91	177.91
Start-up Power Tariff	12.39	18.64	18.64
Industries related to manufacturing of equipment for RE power generation	2.39	2.92	2.92
IT Industries	0.48	7.24	7.24
Temporary	-	-	-
Grand Total (A+B)	**25,201.65**	**25,161.29**	**25,161.29**

8.3 Distribution Loss and Energy Balance

CSPDCL's Submission

CSPDCL submitted that the energy losses for 33 kV and below system has been computed based on Regulation 71.1 and 71.2 of the CSERC MYT Regulations, 2015, as reproduced below:

> *71.1 "The energy loss for 33 kV and below voltage level, shall be evaluated taking into consideration the clause 4.2.5 and 8.4.3 of the State Grid Code 2011. The difference between the energy injected at 33 kV voltage level and the sum of energy sold to all consumers (retail and open access), at voltage level 33 kV and below shall be the energy loss for the 33 kV and below system. The same shall be considered for gain/loss at the time of true up.*
>
> *71.2. Energy sold shall be the sum of the metered sales and assessed unmetered sales, if any, based on prudence check by the Commission."*

In view of the above said provisions, CSPDCL has submitted the Distribution Loss and Energy Balance for FY 2021-22, as shown in the Table below:

Table 8-2: Energy Balance for FY 2021-22 as submitted by CSPDCL (MU)

Sl.	Particulars	Tariff Order	Petition
1	LV Sales	13,917.82	14,349.96
2	HV Sales	8,007.10	7,019.36
3	Total Sales below EHV Level	21,924.92	21,369.32
4	**Distribution Loss below 33 kV (in %)**	**16.00%**	**18.48%**
5	Distribution Loss below 33 kV (in MU)	4,176.18	4,842.97
6	Gross Energy requirement at 33 kV Level	26,101.10	26,212.29
7	*Less:* Direct Input to distribution at 33 kV Level	150.75	305.92
8	Net Energy Input required at Distribution Periphery at 33 kV Level	25,950.35	25,906.37
9	Sales to EHV consumers	3,276.73	3,791.97
10	Net energy requirement at Distribution periphery	29,227.08	29,698.34
11	**Distribution loss including EHV Sales**	**14.22%**	**16.14%**

Commission's View

In the Tariff Order for FY 2021-22, the Commission had directed CSPDCL to submit the energy input/output duly certified by CSLDC for the year for which True-up is being sought along with the next Tariff Petition. However, CSPDCL has not submitted such certification from CSLDC. For the purpose of true-up for FY 2021-22, 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 2021-22.

The Commission has approved the Energy Balance as per the provisions of CSERC MYT Regulations, 2015 and methodology adopted in previous Tariff Orders. The approved Distribution Losses and Energy Balance after final true-up for FY 2021-22, 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 2021-22

Sl.	Particulars	Tariff Order	Petition	Final True-up
A	**Input: Total Energy available (MU)**	**29,377.83**	**30,004.26**	**30,004.26**
	i. Available at 33 kV outgoing feeder	25,950.35	25,906.37	25,906.37
	ii. Injected by CPP/IPP at 33/11kV S/s	150.75	305.92	305.92
	iii. Available a EHV Level	3276.73	3791.97	3791.97
B	**Output: Total Energy Sales (MU)**	**25,201.65**	**25,161.29**	**25,161.27**
	i. LV Sales	13,917.82	14,349.96	14,349.96
	ii. HV Sales	8,007.10	7,019.36	7,016.21
	iii. EHV Sales	3276.73	3,791.97	3,795.11
C	**Energy Loss below 33 kV (MU) *{(Ai + Aii) – (Bi +Bii)}***	**4,176.18**	**4,842.97**	**4846.12**
D	**Energy Loss below 33 kV (%) *{C/(Ai+Aii)*100}***	**16.00%**	**18.48%**	**18.49%**
E	**Distribution Loss Including EHV Sales (MU) (*A – B)***	**4176.18**	**4842.97**	**4842.99**
F	**Distribution loss including EHV Sales** *(E/A*100)*	**14.22%**	**16.14%**	**16.14%**

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
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:

"CSPDCL has submitted that the tripartite MoU signed between GoI, GoCG and CSPDCL should not be considered as an agreement and hence cannot supersede the Distribution Loss trajectory specified in MYT Regulations, 2015. In this regard, the Commission notes that the prevailing Loss trajectory specified in the MYT Regulations, 2015 (Regulation 71.3) was amended on June 16, 2017, providing for adoption of any subsequent trajectory agreed upon between CSPDCL on one hand and State and/or Central Government on the other. The Amendment is reproduced below:

"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."

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 CSERC MYT Regulations, 2015 specifies as under, as regards 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 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 50:50 or as may be specified in the Order of the Commission passed under these Regulations."

Further, while computing the efficiency loss on account of higher than approved Distribution Losses, CSPDCL has excluded the Transmission Charges and quantum and cost of purchase from Marwah station of CSPGCL. 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, however, the quantum and cost of purchase from Marwah station of CSPGCL cannot be excluded.

In response to the Commission's query in this regard, CSPDCL has submitted the revised computation of sharing of loss without deduction of power purchase cost from Marwah as shown below:

Table 8-5: Revised 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
8	Net Power Purchase Cost for Loss Sharing (Rs.	H	14,180.59

Sl.	Particulars	Legend	Petition
	Crore)		
9	Per Unit Cost of Power Purchase (Rs/kWh)	I = H/D*10	3.76
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	276.64
15	**CSPDCL Share (Rs. Crore)**	**O = N/2**	**138.32**

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.

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 2021-22.

CSPDCL submitted that the gross power purchase cost as per final audited accounts is Rs.16,112.50 Crore for purchase of 37,692.29 MU, i.e., average cost per unit of Rs. 4.27/kWh, which includes Transmission Charges of Rs. 1931.91 Crore. CSPDCL further submitted that it has purchased 308.67 MU through banking arrangement and has sold 718.68 MU through banking arrangement, with the cost of both the transactions being considered as NIL, in line with the Judgment of Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013. CSPDCL also submitted that the Delayed Payment Charges (DPC) billed by CSPGCL, CGS Stations and Transmission Utilities has not been included in the power purchase cost claimed by CSPDCL.

CSPDCL has considered the revenue from sale of surplus power to Telangana and others as Rs. 1854.14 Crore. The net power purchase cost claimed by CSPDCL for purchase of 31,730.02 MU for FY 2021-22 is Rs. 14258.36 Crore, resulting in average cost per unit of Rs. 4.49/kWh, including the Transmission Charges.

Commission's View

The Commission has scrutinized the available records including the power purchase cost reflecting in the audited accounts of FY 2021-22, and the actual source-wise power purchase cost for FY 2021-22 as submitted by CSPDCL in its Petition and replies to queries.

CSPDCL has purchased power from CSPGCL Stations, CGS Stations, RE Sources, and Short-Term sources. CSPDCL has claimed gross power purchase cost of Rs.16,112.50 Crore for purchase of 37,692.29 MU, i.e., average cost per unit of Rs. 4.27/kWh, including Transmission Charges of Rs. 1931.91 Crore. CSPDCL has submitted that it has only considered the forward Banking and return Banking units and no cost has been considered against these units, in accordance with the related APTEL Judgment.

CSPDCL has claimed net power purchase cost of Rs. 14,258.36 Crore for purchase of 31,730.02 MU for FY 2021-22 at an average cost of Rs. 4.49/kWh, including the Transmission Charges, and after netting off the revenue from sale of surplus power.

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 2021-22, as discussed in the paragraphs below.

CSPGCL Stations

CSPDCL has claimed purchase of 16,416.06 MU at a cost of Rs. 5,892.84 Crore from CSPGCL Stations. However, the Commission has considered the cost as CSPGCL actual revenue, which is Rs. 5,602.35 Crore, at an average cost of Rs. 3.41/kWh.

The Commission has hence, approved power purchase of 16,416.06 MU at a total cost of Rs. 5,602.35 Crore from CSPGCL stations for FY 2021-22.

Central Generating Stations (CGS)

CSPDCL has claimed purchase of 15,429.44 MU at a cost of Rs. 6,029.59 Crore from CGS Stations. The Commission has verified these expenses from the Audited Accounts.

The Commission asked CSPDCL to submit the details and the Commission has considered the cost as Rs. 6022.56 Crore as per reply dated January 23, 2023 by CSPDCL, after reducing the DPC of Rs. 0.40 Crore of NTPC.

The Commission asked CSPDCL to submit the details of 'Other Charges' of Rs. 279 Crore claimed by CSPDCL under CGS Power Purchase. Vide its reply dated 23rd January 2023, CSPDCL submitted the details of the 'Other Charges', as under:

Table 8-7: Details of 'Other Charges' under CGS Power Purchase for FY 2021-22 (Rs. Crore)

Sl.	Details	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
1	OHPCL	16.44	2.96	1.80
2	NHPCL	445.70	191.14	4.29
3	NEEPCO	55.01	22.04	4.01
4	Bundled Thermal Power	168.00	62.70	3.73
	Total	**685.15**	**278.84**	**4.07**

The power purchase quantum and cost against other CGS sources, viz., NTPC, NTPC-SAIL, NPCIL and OHPCL, NHPCL, NEEPCO, etc., have been considered as submitted by CSPDCL in its reply dated 23rd January 2023.

The Commission has accordingly approved the quantum and cost of power purchase from CGS for FY 2021-22 as 15,429.44 MU at the cost of Rs. 6,022.56 Crore in the true-up for FY 2021-22.

Renewable Energy Sources

The Commission has scrutinised the source-wise details of RE purchase during FY 2021-22. The Commission has verified the rates of power purchase based on tariffs approved by the Commission in the past.

The Commission sought confirmation from CSPDCL regarding whether expense against provisioning for RE power or RPO has been claimed in the true-up for FY 2021-22. In reply, CSPDCL submitted that no provision has been made for RE or RPO during FY 2021-22 in the books of accounts.

The Commission has approved the quantum and cost of purchase from RE sources, viz., Biomass, Solar, and Hydel/Other RE as submitted by CSPDCL, after verification from the Audited Accounts of FY 2021-22.

The Commission has accordingly approved the quantum and cost of power purchase from RE Sources for FY 2021-22 as 2,339.04 MU at the cost of Rs. 1,348.95 Crore in the true-up for FY 2021-22.

Power Purchase from CSPTrdCL (Concessional Power)

It is observed that CSPDCL has purchased 2,185.62 MU at the cost of Rs. 492.83 Crore during FY 2021-22 at an average rate of Rs. 2.25/kWh.

The commission has asked CSPDCL to submit the source-wise quantum and rate of power purchase from 'Concessional Power through CSPTrdCL' to which CSPTCL has submitted the breakup as below:

S. No.	Concessional Power through CSPTrdCL in FY 2021-22	Quantum (MU)	Amount (Rs. In Crore)	Rate (Rs. /kWh)
1	M/s ACB (India) Ltd. (270 MW)	47.69	7.63	1.60
2	M/s ACB (India) Ltd. (50 MW)	0.14	0.02	1.60
3	M/s Spectrum Coal & Power Ltd. (Unit-I & Unit-II)	11.92	1.91	1.60
4	M/s Jindal Power Ltd.	443.35	68.45	1.54
5	M/s ACB (India) Ltd. (30 MW)	2.35	0.38	1.60
6	M/s Korba West Power Company Ltd. (REGL)	166.61	26.66	1.60
7	M/s Sai Lilagar Power Generation Ltd. (Formally known as M/s ACPCL)	111.72	17.88	1.60
8	M/s DB Power Ltd.	268.13	86.58	3.23
9	M/s Balco	257.98	45.68	1.77
10	M/s Maruti Clean Coal & Power Ltd.	41.05	6.57	1.60
11	M/s Lanco Amarkantak Power Ltd.	90.05	17.78	1.97
12	M/s TRN Energy Pvt. Ltd	14.83	2.37	1.60
13	M/s KSK Mahanadi	315.90	50.54	1.60
	Rebate		(0.92)	
14	M/s S K S Power Generation Ltd.	30.32	4.85	1.60
15	REL	383.58	61.37	1.60
(A)	Total	2185.62	397.75	1.82
	TCS		0.03	
	Additional Charges		95.16	
	TOTAL INCLUDING TCS	**2185.62**	**492.93**	**2.25**

The Commission has observed that CSPDCL has claimed "additional charges" of Rs. 95.16 Crore without any explanation, which the Commission has disallowed.

Thus, the Commission after due prudence check has considered the cost of Rs. 397.77 Crore at an average rate of Rs. 1.82/kWh towards purchase of Concessional Power for FY 2021-22.

<u>Other Sources</u>

In the Petition, CSPDCL had submitted that during FY 2021-22, CSPDCL has purchased 260.97 MU from short-term sources such as Traders and Power Exchanges at a cost of Rs. 192.71 Crore at an average rate of Rs. 7.38/kWh. However, in its replies to the data gaps, CSPDCL revised the cost to Rs. 230.62 Crore, at an average rate of Rs. 8.84/kWh. The Commission, after due prudence check, has accepted the total cost of short-term purchase of Rs. 230.62 Crore, as submitted by CSPDCL.

Unscheduled Power

In the Petition, CSPDCL had submitted that during FY 2021-22, CSPDCL has received 337.78 MU of Unscheduled power at a rate of Rs. 1.65 /kWh, with total cost of Rs. 55.82 Crore. However, in its replies to the data gaps, CSPDCL revised the cost to Rs. 44.12 Crore, at an average rate of Rs. 1.31/kWh. The Commission, after due prudence check, has accepted the total cost of Unscheduled power of Rs. 44.12 Crore, as submitted by CSPDCL.

UI Purchase

In the Petition, CSPDCL had submitted that during FY 2021-22, CSPDCL has purchased 411.73 MU under UI at a rate of Rs. 4.81/kWh, with total cost of Rs. 198.10 Crore. However, in its replies to the data gaps, CSPDCL revised the quantum and cost to 409.74 MU and Rs. 216.57 Crore, at an average rate of Rs. 5.29/kWh. The Commission, after due prudence check, has accepted the total quantum and cost of UI power, as submitted by CSPDCL.

Banking Purchase and Sale

CSPDCL has submitted that it purchased 308.67 MU through banking arrangement and sold 718.68 MU of banked power during FY 2021-22. CSPDCL has stated that it has considered the cost of banking purchase and sale in FY 2021-22 as Nil, in accordance with the Judgment of the Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013.

The relevant extract of the Judgment is reproduced below:

> *"In the present case, the electricity is actually available to distribution licensee during financial year when it requires the electricity. The said electricity has been accounted for and has been supplied to the consumers but the same ought not to be taken for calculating the total quantum of electricity available with the distribution licensee during the year only for the purposes of calculation of APPC. We may further observe that there can be no notional cost attributed to such banked energy and the cost, if any, has to be included in the total power purchase cost of the distribution licensee when the corresponding electricity is supplied to the third party. In our view, the State Commission has correctly taken the price of the banked energy as available with the distribution licensee/HPSEBL at a zero cost. The banking is a continuous transaction. The principle of banking of energy is that the electricity received by the distribution licensee is to be returned. When the banked energy is rolled over, its return is only postponed. It is not that electricity is not to be received. The quantum of electricity to be returned would only increase in the subsequent years in future to compensate for the roll over and thereby increase the APPC substantially."*

Though CSPDCL has been specifically claiming in all its Petitions that it has considered the cost of banking purchase and sale as Nil in accordance with the above-said Judgment of the Hon'ble APTEL, the Commission has observed in the earlier Chapter on Review of the Tariff Order for FY 2022-23 and in the previous Order that CSPDCL has been including the provision made against such banked power quantum every year in its Petitions. The Commission asked the petitioner to reconfirm whether any expense has been claimed against banked power for FY 2021-22, to which the

Petitioner has replied that it has booked power banking income of Rs. 115.12 Crore. The Commission has not considered the provisioning made by CSPDCL towards power banking in FY 2021-22 under the power purchase cost. Further, the Commission had given a directive to CSPDCL in the previous Order to submit details and reconciliation of year-wise amount provisioned against Banked Power till date, and actual amount spent/utilised against this provisioning till date. This data is to be submitted along with the true-up Petition for each year, henceforth. Also, CSPDCL is directed to ensure that all expenses towards return of banked power be fulfilled by utilising the funds provisioned against Banked Power or any such similar name/purpose till date, and ensure that such expenses are not claimed separately, till such time as the entire provisioning amount is exhausted.

The Commission reiterates its direction that in future, CSPDCL shall not include the expenses provisioned against banked power in its power purchase cost, and shall consider the actual expenses incurred for the banking return, once the amount of provisioning made till date is exhausted. CSPDCL shall submit a complete passbook of forward banking and return banking showing all transactions in energy terms till date, including the amount of expense provisioning done, expense provisioning set off till date, and balance provisioning available for future set-off, along with the true-up Petition for each year. In the absence of such complete data, the Commission may be constrained to disallow a part of the power purchase expenses in future Orders.

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 2021-22.

Delayed Payment Charges

The Commission notes that the power purchase cost booked in the audited accounts of CSPDCL for FY 2021-22 includes DPC of Rs. 277.51 Crore against CSPGCL as a provision for surcharge.

CSPDCL submitted that it has not claimed the DPC booked in the Accounts of FY 2021-22 under the power purchase expenses in the true-up for FY 2021-22, which has been verified by the Commission.

As per the approach adopted by the Commission in earlier Orders, both the income and expense against DPC are not considered at the time of true-up. Hence, the Commission has excluded the DPC of Rs. 277.51 Crore in the final true-up for FY 2021-22.

Reactive Charges and RRAS

CSPDCL has considered credit amount of Rs. (19.03 Crore) against RRAS settlement. In reply to the Commission's query, CSPDCL submitted the break-up of the RRAS settlement and stated that the credit amount has been adjusted against the gross power purchase cost being a revenue receipt. The Commission has verified CSPDCL's claim and considered the same in the true-up for FY 2021-22.

Transmission Charges

CSPDCL has claimed inter-State Transmission Charges of Rs. 957.53 Crore, intra-State Transmission Charges of Rs. 962.50 Crore, and CSLDC Charges of Rs. 11.87 Crore, totalling to Transmission Charges of Rs. 1931.91 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 the Review for FY 2018-19 and FY 2019-20.

The Commission has scrutinized the Transmission Charges as submitted by CSPDCL for FY 2021-22 in its true-up Petition and verified the same from the audited Accounts of FY 2021-22. CSPTCL's claim of Transmission Charges tallies with the amount booked in the Audited Accounts, excluding the DPC amount, which has not been claimed by CSPDCL.

The Commission has allowed the inter-State Transmission Charges as claimed by CSPDCL in its Petition. The intra-State Transmission Charges against CSPTCL have been considered based on the revenue booked by CSPTCL for FY 2021-22, i.e., Rs. 967.64 Crore.

CSPDCL has claimed CSLDC Charges of Rs. 11.87 Crore for FY 2021-22, as against CSLDC's claim of revenue of Rs. 14.90 Crore for FY 2021-22. The Commission has approved the amount of Rs. 14.90 Crore as CSLDC Charges equal to the revenue booked by CSLDC for FY 2021-22.

In view of the above, after due prudence check, the Commission approves the Transmission Charges of Rs. 1,940.07 Crore for FY 2021-22.

Revenue from Sale of Surplus Power

CSPDCL has submitted the revenue from sale of surplus power for FY 2021-22. 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 separate accounting of 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 to reduce the gross power purchase expenses. The revenue from sale of surplus power considered by the Commission is shown in the Table below:

Table 8-8: Revenue from Sale of Power as approved by the Commission

Particulars	MU	Rs. Crore	Rs/kWh
Sale of Surplus Power to Telangana	1631.25	699.36	4.29
Sale of Surplus Power to Power Exchange	3214.89	1125.45	3.50
UI Sale	305.10	122.61	4.02
Banking Sale	718.68		
Grand Total	**5869.92**	**1947.42**	**3.32**

The source-wise power purchase quantum and cost considered by the Commission after final true-up for FY 2021-22, is shown in the Table below:

Table 8-9: Approved Power Purchase Cost after True-up for FY 2021-22 (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	***14,825.65***	***5,347.41***	***3.61***	***15,429.44***	***6,029.59***	**3.91**	***15,429.44***	***6022.56***	***3.90***
NTPC	*14236.4*	*5094.41*	*3.58*	*14,124.92*	*5,504.40*	3.90	*14,124.92*	5504.93	3.90
NTPC-SAIL (NSPCL)	*280.46*	*158.8*	*5.66*	*272.28*	*127.67*	4.69	272.28	127.69	4.69
NPCIL	*300.94*	*92.42*	*3.07*	*347.09*	*118.68*	3.42	347.09	117.48	3.38
Others	*7.85*	*1.78*	*2.27*	*685.15*	*278.84*	4.07	685.15	272.46	3.98
Less: Rebate in AFC – COVID-19									
Other Charges					*0.00*				
CSPGCL	***18,866.84***	***6,058.09***	***3.21***	***16,416.06***	***5,892.84***	**3.59**	***16,416.06***	***5602.35***	***3.41***
Total CSPGCL Thermal & Hydro	*18493.71*	*5994.01*	*3.24*	*16,384.26*	*5,881.42*	3.59	*16,384.26*	*5590.93*	*3.41*
CSPGCL – Renewables	*373.13*	*64.08*	*1.72*	*31.81*	*11.42*	3.59	*31.81*	*11.42*	*3.59*
Short-term Purchase	**124.49**	**41.93**	**3.37**	**260.97**	**192.7146**	**7.38**	**260.97**	**230.62**	**8.84**
Concessional Power - through CSPTrdCL	**1,530.87**	**244.94**	**1.60**	**2,185.62**	**492.83**	**2.25**	**2,185.62**	**397.77**	**1.82**
Others - Renewables	***2,111.33***	***1,109.36***	**5.25**	***2,340.46***	***1,329.12***	**5.68**	***2,339.04***	**1348.95**	**5.77**
Biomass	*686.28*	*442.44*	*6.45*	*951.38*	*622.36*	6.54	*949.96*	*670.92*	*7.06*
Solar	*960.33*	*428.32*	*4.46*	*934.21*	*414.63*	4.44	*934.21*	*386.18*	*4.13*
Hydel/Other RE	*464.72*	*143.62*	*3.09*	*454.87*	*292.14*	6.42	*454.87*	*291.85*	*6.42*
Solar and Non-solar RECs		*94.98*							
Other Charges - RE									
Transmission Charges		***1644.6***			***1931.91***			***1940.07***	
Inter-State Transmission Charges		*603.93*			*957.53*			*957.53*	
Intra-State Transmission Charges		*1025.74*			*962.50*			*967.64*	

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)**
CSLDC Charges		*14.93*			*11.87*			*14.90*	
Less: Rebate in AFC – COVID-19					*0.00*				
Unscheduled Power	***0***	***0***	***0***	***337.78***	***55.82***	***1.65***	***337.78***	***44.12***	***1.31***
UI Purchase	***0***	***0***	***0***	***411.73***	***198.10***	***4.81***	***409.74***	***216.57***	***5.28***
Border Villages	***0***	***0***	***0***	***1.56***	***1.46***	***9.34***	***1.56***	***1.24***	***7.96***
Banking Purchase	***0***	***0***	***0***	***308.67***			***308.67***		
Reactive Charges	***0***	***0***	***0***		***7.15***			***7.15***	
RRAS Settlement					***(19.03)***			***(19.03)***	
Gross Power Purchase Cost excluding Transmission Charges	***37,459.18***	***12801.73***	***3.42***				***37688.87***	***13852.30***	***3.68***
Gross Power Purchase Cost including Transmission Charges	***37,459.18***	***14,446.33***	***3.86***	***37,692.29***	***16,112.50***	***4.27***	***37688.87***	***15792.38***	***4.19***
Less: Adjustments	***7,328.18***	***3,120.08***	***4.26***	***5,962.27***	***1,854.14***	***3.11***	***5869.92***	***1947.42***	***3.32***
Sale to Telangana*	*6349.58*	*2850.96*	*4.49*	*1,631.25*	*699.36*	*4.29*	*1,631.25*	*699.36*	*4.29*
Sale of Surplus power to Power Exchange*	*978.6*	*269.12*	*2.75*	*3,214.89*	*1,126.57*	*3.50*	*3214.89*	*1125.45*	*3.50*
UI Sales				*397.45*	*28.22*	*0.71*	*305.10*	*122.61*	*4.02*
Banking Sale				*718.68*	-		*718.68*		
Net Power Purchase Cost	***30,131.00***	***11,326.25***	***3.76***	***31,730.02***	***14,258.36***	***4.49***	***31818.95***	***13844.96***	***4.35***

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. 15,792.38 Crore and Net Power Purchase Cost of Rs. 13,844.96 Crore after final Truing-up of FY 2021-22.

8.6 O&M Expenses

CSPDCL's Submission

Based on audited accounts, CSPDCL submitted the O&M expenses of Rs. 1,396.31 Crore for FY 2021-22 excluding terminal benefits (pension and gratuity), as shown in the Table below:

Table 8-10: Actual O&M expenses as submitted by CSPDCL (Rs. Cr.)

Sl. No.	Particulars	Tariff Order	Petition
1	Employee Costs	947.51	848.85
2	A&G Expenses	145.26	157.41
3	R&M Expenses	135.00	390.04
4	**Total O&M Expenses**	**1,227.78**	**1,396.31**

CSPDCL requested the Commission to approve actual employee expenses of Rs. 848.85 Crore for FY 2021-22 based on the Audited Accounts.

CSPDCL submitted that the major services involved in distribution business, such as, engagement of contract labour for operations of 33/11 kV Substations, meter reading, bill distribution and revenue collection, secretarial assistance in offices, housekeeping and security guards are performed through outsourcing, because a substantial strength of sanctioned posts in Class III and IV cadre are vacant, and expenditure for engaging outsourcing agencies are booked under the head of A&G expenses and R&M Expenses. If the services provided by outsourcing agencies are to be performed through regular appointments, then all such expenditures would qualify under employee expenses at higher cost. Hence, it is in the interest of consumers that these parts of the distribution business are performed by CSPDCL at a marginal low cost. The details of such expenses incurred are given in the Table below:

Table 8-11: Details of contract services as submitted by CSPDCL (Rs. Cr.)

Sl. No.	Particulars	A&G Exp.	R&M Exp.
1	Security services	2.01	-
2	Meter reading and other manpower service contracts	97.02	-
3	33/11 kV operations & Other manpower service contracts	-	64.26
4	**Grand Total**	**99.03**	**64.26**

CSPDCL requested to consider the expenditure indicated in the above Table as employee expenses rather than under controllable expenditure. CSPDCL submitted that the methodology adopted by the Commission is causing double jeopardy to CSPDCL as genuine expenses incurred towards distribution business are being currently disallowed.

CSPDCL has calculated the normative A&G expenses and R&M expenses for FY 2021-22 by escalating the normative A&G expenses and R&M expenses of FY 2020-21 with the increase in WPI of 13.00%.

For computation of sharing of gains/(losses), CSPDCL has not considered any gain and loss on account of employee costs in line with the first amendment to the CSERC MYT Regulations, 2015.

CSPDCL has submitted that it has computed sharing of (gain)/Loss after deducting actual expenses incurred towards engagement of outsourced labour to perform distribution business in lieu of amendments considered by the Commission in the MYT Regulations, 2021.

CSPDCL has further submitted that as per the provisions of the MYT Regulations, 2021 the Commission has already made provisions to consider the expenses towards outsourced manpower expenses under the head employee expenses. Further, Clause 83 of MYT Regulations, 2015 specifies as under:

> *"The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person."*

Thus, CSPDCL has submitted the sharing of efficiency gain against A&G expenses as Rs. 52.88 Crore and efficiency loss against R&M expenses as Rs. 86.62 Crore for FY 2021-22, after excluding the A&G expenses and R&M expenses that have been considered as employee expenses.

Commission's View

The Commission had approved O&M expenses of Rs. 1,227.77 Crore in the Tariff Order for FY 2021-22. As against this, CSPDCL has claimed actual O&M Expenses of Rs. 1,396.30 Crore for FY 2021-22 based on audited accounts.

Actual O&M Expenses

CSPDCL has claimed actual employee expenses of Rs 848.85 Crore for FY 2021-22 based on the Audited Accounts. The Commission has verified the actual employee expenses from the Audited Accounts of FY 2021-22, and allows the actual employee expenses as claimed by CSPDCL.

CSPDCL has claimed A&G Expenses of Rs. 157.41 Crore in the final true-up for FY 2021-22. The Commission has verified these expenses from the Audited Accounts of FY 2021-22, and allows the actual A&G expenses as claimed by CSPDCL.

CSPDCL has claimed actual R&M Expenses of Rs. 390.04 Crore for FY 2021-22. The Commission has verified these expenses from the Audited Accounts of FY 2021-22, and allows the actual R&M expenses 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	947.51	848.85	848.85
2	A&G Expenses	145.26	157.41	157.41
3	R&M Expenses	135.00	390.04	390.04
4	**Total O&M Expenses**	**1227.77**	**1396.30**	**1396.30**

Normative O&M Expenses

Regulation 57.4 of the CSERC MYT Regulations, 2015 specifies as under:

"

(a) Operation and Maintenance (O&M) Expenses for the distribution licensee shall include:

I. Employee Cost;

II. Administrative and general Expenses

III. Repairs and Maintenance Expenses

(b) The Commission shall stipulate a separate trajectory for each of the components of O&M expenses viz. employee cost, R&M expense and A&G expense for the control period.

(c) The employee cost, excluding pension fund contribution and impact of pay revision arrears for the base year i.e. FY 2015-16 shall be derived on the basis of the normalized average of the actual employee expenses, excluding pension fund contribution and impact of pay revision arrears, available in the accounts for the previous five years immediately preceding the base year FY 2015-16, subject to prudence check by the Commission. Any other expense of non-recurring nature shall also be excluded while determining normalized average for the previous five years.

(d) The normalization shall be done by applying last five years average increase in Consumer Price Index (CPI) on year to year basis. The average of normalized net present value for FY 2010-11 to FY 2014-15, shall then be used to project base year value for FY 2015-16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the employee expenses (excluding impact of pension fund contribution and pay revision, if any) for each year of the control period.

At the time of true-up the employee costs shall be considered after taking into account the actual increase in CPI during the year instead of projected inflation for that period.

Provided further that impact of pay revision (including arrears) and pension fund contribution shall be allowed on actual during true-up as per accounts, subject to prudence check and any other factor considered appropriate by the Commission."

Further, Regulation 57.4 (e) and (f) of CSERC MYT Regulations, 2015 regarding A&G Expenses and R&M Expenses specify as under:

"(e) The administrative and general expenses and repair and maintenance expenses, for the base year i.e. FY 2015-16, shall be derived on the basis of the normalized average of the actual administrative and general expenses and repair and maintenance expenses, respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2015-16, subject to prudence check by the Commission. Any expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.

(f) The normalization shall be done by applying last five-year average increase in Wholesale Price Index (WPI) on year to year basis. The average of normalized net present value for FY 2010-11 to FY 2014-15, shall then be used to project base year value for FY 2015-16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the administrative and general expense and repair and maintenance expenses for each year of the control period.

At the time of true up, the administrative and general expenses and repair and maintenance expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period."

Based on the above Regulations, the Commission has considered the normative A&G expenses and R&M expenses for FY 2021-22.

The Commission notes that CSPDCL has requested to treat 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 MYT Regulations, 2015 do not allow such treatment for A&G expenses and R&M expenses. In view of the above, the Commission has not considered the prayer of the CSPDCL for consideration of expenses for contract services as uncontrollable factor.

Further, CSPDCL's contention that the methodology adopted by the Commission is causing double jeopardy to CSPDCL as genuine expenses incurred towards distribution business are being disallowed, is incorrect, as expenses are not being disallowed. The efficiency gains/losses are being shared between CSPDCL and the consumers in the manner specified in the MYT Regulations, 2015.

The Commission has considered escalation factor of 13.00% for R&M expenses and A&G Expenses for FY 2021-22 based on the applicable WPI.

The revised normative A&G expenses and R&M expenses approved for FY 2021-22 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	164.14	161.24
2	R&M Expenses	152.54	149.87

The Commission notified the CSERC MYT Regulations, 2016 (First amendment) on June 16, 2017 and made it effective from April 1, 2017, whereby employee expenses are excluded from accounting of sharing of gains/(losses). The relevant Regulation is as under:

"In clause 13.1 of the principal regulations, the following proviso shall be inserted, namely: -

Provided further that the employee cost shall not be factored in for sharing of gains or losses on account of Operation and Maintenance expenses"

In line with above amendment, the employee expenses are now considered as uncontrollable expenses and therefore, the actual employee expenses approved in the truing-up of FY 2021-22 after due prudence check, are considered without any sharing of efficiency gains/losses. The Commission therefore, approves employee cost of Rs. 848.85 Crore after Truing-up for FY 2021-22.

As per the provisions in the Regulations for sharing of gains/(losses) of O&M expenses, the Commission has computed the efficiency gains/losses for FY 2021-22 on the basis of revised normative A&G expenses and R&M expenses, in accordance with the CSERC MYT Regulations, 2015, as shown in the following Table:

Table 8-14: Sharing of (Gain)/Loss for FY 2021-22 (Rs. Cr.)

Particulars	Revised Normative	Actual Expenses	Efficiency (Gain)/Loss	Entitlement of (Gain)/Loss	
				CSPDCL	Consumers
A&G Expenses	161.24	157.41	(3.84)	(1.92)	(1.92)
R&M Expenses	149.87	390.04	240.18	120.09	120.09
Total	**311.11**	**547.45**	**236.34**	**118.17**	**118.17**

The Commission approves the sharing of efficiency loss of Rs. 118.17 Crore after true-up for FY 2021-22.

8.7 Contribution to Pension and Gratuity

CSPDCL's submission

CSPDCL claimed the contribution to Pension and Gratuity of Rs. 449.48 Crore for FY 2021-22 as approved in the Tariff Order dated 2nd August 2021.

Commission's View

The Commission has considered the contribution to Pension and Gratuity of Rs. 449.48 Crore for FY 2021-22 as approved in the Tariff Order dated 2nd Aug 2021.

8.8 Capital Structure

CSPDCL's submission

CSPDCL has determined the capital structure for FY 2021-22 based on the following principles:

(a) The actual loan addition for FY 2021-22 has been considered as Rs. 194.84 Crore based on the Audited Accounts;

(b) Addition in consumer contribution/grants has been considered as Rs. 679.46 Crore as per the Audited Accounts for FY 2021-22;

(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. 1802.31 Crore as per the Audited Accounts for FY 2021-22.

CSPDCL submitted the Capital Structure for FY 2021-22 as given in the Table below:

Table 8-15: Capital Structure for FY 2021-22 as submitted by CSPDCL (Rs. Crore)

Particulars	Legend	Petition
Gross Fixed Assets (GFA)		
Opening GFA	A	9,769.35
Opening CWIP	B	3,284.50
Opening CAPEX	C=A+B	13,053.85
Capitalization during the year	D	1,802.31
Closing GFA	E=D+A	11,571.66
Closing CWIP	F	2,275.83
Closing CAPEX	G=F+E	13,847.49
Grants and Consumer Contribution		
Opening Grant and Contribution	H	5,489.73
Consumer contribution/grants during the year	I	679.46
Closing Consumer Contribution	J=H+I	6,169.19
Consumer Contribution in Opening GFA	K=H*A/C	4,108.45
Consumer Contribution in Closing GFA	L=J*E/G	5,155.28
Loan Borrowed		
Opening Borrowed Loan	M	3,126.02
Loan Borrowed during the year	N	194.84
Closing Borrowed Loan	O=M+N	3320.86
Borrowed Loan in Opening GFA	P=M*A/C	2,339.48
Borrowed Loan in Closing GFA	Q=MAX (O*E/G, P)	2,775.08
Equity		
Opening Gross Equity	R=C-H-M	4,438.10
Equity Addition During the Year	T=S-R	(80.65)
Closing Gross Equity	S=G-J-O	4,357.45
Gross Equity in Opening GFA	U=A-K-P	3,321.42
Gross Equity in Closing GFA	V=C-L-Q	3,641.30
Average Gross Equity During the year	W=Avg. (U, V)	3,481.36
Funding of Capitalized Assets		
Total Capitalization		1802.31
Contribution of Grant in Capitalized Assets		1046.83
Contribution of Equity in Capitalized Assets		226.64
Contribution of Loan in Capitalized Assets		528.84

Commission’s View

The approved closing balance after final True-up of FY 2020-21 has been considered as the opening balance of FY 2021-22 for Gross Fixed Assets (GFA), Capital Work in

Progress (CWIP), Capital Expenditure, Grants/Consumer Contribution, Loan and Equity.

The addition to GFA and Grant/Consumer Contribution has been considered for FY 2021-22 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, 2015 and approach adopted in previous Tariff Orders.

The GFA and its funding considered by the Commission for FY 2021-22 are shown in the Table below:

Table 8-16: Approved GFA and Funding for FY 2021-22 (Rs. Crore)

Sl.	Particulars	Petition	True-Up
	Gross Fixed Assets (GFA)		
1	Opening GFA	**9,769.35**	**9,769.35**
2	Capitalisation during the year	1,802.31	1,802.31
3	Closing GFA	**11,571.66**	**11,571.66**
	Funding of Capitalisation		
4	Grant	1,046.83	1,046.83
5	Equity	226.64	226.64
6	Debt	528.84	528.84
7	**Total Capitalisation**	**1,802.31**	**1,802.31**

The Commission approves the total capitalization of Rs. 1802.31 Crore and its funding after true-up for FY 2021-22 as shown in the Table above.

8.9 Depreciation

CSPDCL's Submission

CSPDCL submitted that depreciation has been calculated as per Regulation 24 of the CSERC MYT Regulations, 2015. CSPDCL has claimed depreciation of Rs. 344.93 Crore for FY 2021-22.

Commission's View

For the purpose of final true-up for FY 2021-22, the Commission has computed the depreciation as per Regulation 24 of the CSERC MYT Regulations, 2015. The Regulations provides for separate depreciation rates for each asset group. Accordingly, the weighted average depreciation rates has been computed as 5.50% for FY 2021-22.

The Commission has considered the depreciation on fully depreciated assets for FY 2021-22 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 24 of the MYT Regulations, 2015. Similarly, depreciation on assets converted from loan to grant under UDAY has been deducted.

The depreciation approved after final True-up for FY 2021-22 is shown in the Table below:

Table 8-17: Approved Depreciation for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening GFA	9,218.39	9,769.35	9,769.35
Additional Capitalisation during the Year	300.00	1,802.31	1,802.31
Closing GFA	9,518.39	11,571.66	11,571.66
Average GFA for the year	9,368.39	10,670.51	10,670.51
Depreciation Rates (%)	5.56%	5.50%	5.50%
Gross Depreciation	521.28	586.66	586.66
Less: Depreciation on consumer contribution on live assets	226.50	176.62	176.62
Less: Depreciation on Fully Depreciated Assets	16.51	18.61	18.61
Less: Depreciation on assets converted from loan to grant under UDAY	46.20	46.20	46.20
Net Depreciation	**232.08**	**344.93**	**344.93**

The Commission approves the total depreciation of Rs. 344.93 Crore after true-up for FY 2021-22 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 23 of the MYT Regulations, 2015. The allowable depreciation for the year has been considered as the normative repayment for the year. The actual weighted average interest rate of 8.87% has been considered for FY 2021-22 based on the actual loan portfolio for the year. CSPDCL claimed the interest on loan capital as Rs. 183.86 Crore for FY 2021-22.

Commission's View

The closing Net normative loan approved in final True-up for FY 2020-21 has been considered as opening net normative opening loan for FY 2021-22. Loan addition during FY 2021-22 has been considered based on the approved capitalisation and funding for FY 2021-22, 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 2021-22. The actual weighted average interest rate has been computed as 8.87% for FY 2021-22, based on the interest expenses paid against the outstanding debt.

The interest expense approved for FY 2021-22 after final true-up is shown in the Table below:

Table 8-18: Approved Interest Expenses for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening Net Normative Loan	1654.72	1928.10	1928.10
Repayment during the year	232.08	344.93	344.93
Normative loan addition during the year	178.64	528.84	528.84
Closing Net Normative Loan	1601.28	2112.00	2112.01
Average Normative loan during the year	1628.00	2020.05	2020.05
Weighted Average Rate of Interest	10.28%	8.87%	8.87%
Interest Expenses	**167.36**	**179.12**	**179.18**
Add: Other Finance Charges	-	4.74	4.74
Total Interest on Loan	**167.36**	**183.86**	**183.92**

The Commission approves the Interest on Loan of Rs. 183.92 Crore after true-up for FY 2021-22, as shown in the Table above.

8.11 Interest on Consumer Security Deposit

CSPDCL's Submission

CSPDCL has considered the Interest on Consumer Security Deposit (CSD) paid to the consumers in line with Regulation 6.13 of the Chhattisgarh Electricity Supply Code, 2011. Accordingly, the actual interest on CSD paid by CSPDCL is Rs. 97.12 Crore for FY 2021-22 as per the Audited Accounts.

Commission's View

The Commission has verified the actual interest paid on the CSD as per the Audited Accounts for FY 2021-22. Accordingly, the Commission approves interest on CSD of Rs. 97.12 Crore for FY 2021-22, as shown in the Table below:

Table 8-19: Approved Interest on CSD for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Interest on CSD	140.30	97.12	97.12

8.12 Interest on Working Capital

CSPDCL's Submission

CSPDCL submitted that Interest on Working Capital (IoWC) has been computed as per Regulation 25 of the MYT Regulations, 2015. For computation of working capital requirement, CSPDCL has considered one month of the approved O&M expenses, maintenance spares @ 40% of R&M expenses, and one month of receivables equal to one month of expected revenue from sale of power. CSPDCL has considered the interest rate of 10.90% for computing the IoWC for FY 2021-22.

CSPDCL submitted the normative IoWC as Rs. (120.41) Crore for FY 2021-22.

Commission's View

The normative IoWC has been computed in accordance with the MYT Regulations, 2015. The Commission has considered the revised normative O&M expenses for computing the working capital requirement. The receivables have been considered equivalent to one month's actual revenue received. The average CSD has been considered as Rs. 2,479.26 Crore for FY 2021-22, as per the Audited Accounts submitted by CSPDCL. The interest rate for computing IoWC has been considered as equal to the SBI Base Rate as on 1st April of 2021 (7.40%) plus 350 basis points, i.e., 10.90% for FY 2021-22, in accordance with the MYT Regulations, 2015. The normative IoWC for FY 2021-22 works out to be negative, as shown in the Table below:

Table 8-20: Approved IoWC for FY 2021-22 (Rs. Crore)

Particulars	**Tariff Order**	**Petition**	**True-up**
O&M Expenses for one month	102.31	97.13	96.66
Maintenance spares @ 40% of R&M expenses	54.00	61.02	59.95
Receivables equal to 1 month of revenue from sale of power	1,346.86	1,216.43	1,216.43
Total Working Capital	**1,503.17**	**1,374.57**	**1373.04**
Less: Security Deposit	2,750.84	2,479.26	2,479.26
Net Working Capital Requirement	(1,247.67)	(1,104.69)	(1106.23)
Rate of Interest (%)	10.90%	10.90%	10.90%
Interest on Working Capital requirement	**(136.00)**	**(120.41)**	**(120.58)**

The Commission approves the Interest on Working Capital of Rs. (120.58) Crore after true-up for FY 2021-22, as shown in the Table above.

8.13 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, 2015. 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 2021-22. CSPDCL has claimed Return on Equity of Rs. 361.70 Crore for FY 2021-22.

Commission's View

The RoE has been computed in accordance with Regulation 17 of the MYT Regulations, 2015. The Commission has considered the closing permissible equity approved for FY 2020-21, as the opening permissible equity for FY 2021-22. The equity portion of the additional capitalisation for FY 2021-22 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 2021-22 is shown in the Table below:

Table 8-21: Approved RoE for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Permissible Equity in Opening GFA	2004.89	2,147.31	2,147.31
Permissible Equity in Closing GFA	2081.45	2,373.95	2,373.95
Average Equity during the year	2043.17	2,260.63	2,260.63
Rate of Return (%)	16.00%	16.00%	16.00%
Return on Equity	**326.91**	**361.70**	**361.70**

The Commission approves Return on Equity of Rs. 361.70 Crore after true-up for FY 2021-22, as shown in the Table above.

8.14 Non-Tariff Income

CSPDCL's Submission

CSPDCL submitted Non-Tariff Income (NTI) of Rs. 284.99 Crore for FY 2021-22 based on the Audited Accounts, comprising Rs. 69.74 Crore towards Non-Tariff income and Rs. 215.25 Crore towards revenue from Wheeling Charges, Open Access and Cross-Subsidy Charges. CSPDCL submitted that the amount of Rs. 249.98 Crore considered under the head Other Income in the Audited Accounts of FY 2021-22 pertains to the amortization of Capital grants received and hence, is not of the nature of income. This entry in the Audited Accounts is to meet the requirement of Ind-AS.

Commission's View

The Commission notes that CSPDCL has claimed Non-Tariff Income of Rs. 284.99 Crore for FY 2021-22.

The Commission accepts CSPDCL's justification regarding non-consideration of the amount of Rs. 249.98 Crore and has not considered this interest income under Non-Tariff Income. The Commission has considered the actual Non-Tariff income for FY 2021-22 based on the audited accounts.

The Non-Tariff Income approved after true-up for FY 2021-22 is shown in the Table below:

Table 8-22: Approved Non-Tariff Income for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Non-Tariff Income	241.16	69.74	69.74
Wheeling Charges, Open Access & CSS	76.87	73.35	73.35
POC		101.65	101.65
Meter rent		40.26	40.26
Total Non-Tariff Income	**318.03**	**284.99**	**284.99**

The Commission approves Non-Tariff Income of Rs. 284.99 Crore after true-up for FY 2021-22.

8.15 Aggregate Revenue Requirement

The summary of ARR approved in the True-up for FY 2021-22, based on the approved values of different components of the ARR, is shown in the Table below:

Table 8-23: Approved ARR for FY 2021-22 (Rs. Crore)

Sl.	Particulars	Tariff Order	Petition	True-up
A	**Gross Power Purchase Expenses**	**14,446.33**	**16112.50**	**15792.38**
1	Power Purchase Cost	12801.73	14180.60	13852.30
2	Inter-State Transmission Charges	603.93	957.53	957.53
3	Intra-State Transmission Charges	1025.74	962.50	967.64
4	CSLDC Charges	14.93	11.87	14.90
B	**Operation & Maintenance Expenses**	**1,677.26**	**1,845.79**	**1845.78**
1	Net Employee Expenses	947.51	848.85	848.85
2	Net A&G Expenses	145.26	157.41	157.41
3	Net R&M charges	135.00	390.04	390.04
4	Pension & Gratuity	449.48	449.48	449.48
C	**Interest & Finance Expenses**	**171.66**	**160.57**	**160.46**
1	Interest on Loan	167.36	183.86	183.92
2	Interest on Security Deposit	140.30	97.12	97.12
3	Interest on Working Capital Requirement	(136.00)	(120.41)	(120.58)
D	**Other Expenses**	**558.99**	**706.63**	**706.63**
1	Depreciation	232.08	344.93	344.93
2	Return on Equity	326.91	361.70	361.70
E	**Gain/(Loss) on Efficiency**		**(33.74)**	**(255.36)**
1	Gain/(Loss) on Sharing O&M Efficiency		(33.74)	(118.17)
2	Gain/(Loss) on account of Distribution Losses			(137.19)
F	**Less: Non-Tariff Income**	**318.03**	**284.99**	**284.99**
1	Non-Tariff Income	241.16	69.74	69.74
2	Wheeling Charges, Open Access & Cross Subsidy Charges, POC, Meter rent	76.87	215.25	215.25
G	**Aggregate Revenue Requirement**	**16536.21**	**18506.76**	**17964.91**

Note: The revenue from sale of power to Telangana, surplus power, and UI sale have been considered under Revenue, in the true-up for FY 2021-22

8.16 Revenue from Sale of Power

CSPDCL's Submission

CSPDCL submitted the total revenue from sale of power as Rs. 16,451.29 Crore for FY 2021-22 as per Audited Accounts, as against revenue of Rs. 15,220.40 approved by the Commission in the Tariff Order, including the revenue of Rs. 1854.14 Crore from sale of surplus power and sale of power to Telangana.

Commission's View

The Commission notes that CSPDCL has submitted the revenue from sale of power as Rs. 16,451.29 Crore for FY 2021-22 based on the audited accounts of FY 2021-22.

As per the methodology adopted in previous Tariff Orders, the Commission has treated revenue on account of sale of surplus power as revenue in the true-up for FY 2021-22. These amounts have been discussed in earlier Section of this Order.

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.

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.

Accordingly, the additional revenue to be considered against the Agriculture category is shown in the Table below:

Table 8-24: Additional Revenue from Agriculture Category for FY 2021-22

Consumer Category	MONTH	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	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
A - METERED KJJY	4 MONTH	143356	274.01	119.71	4.37	4.4	-0.03	0.85
	8 MONTH	148613	635.83	297.5	4.68	4.9	-0.22	14.06
	YEAR	**148613**	**909.84**	**417.21**	**4.59**			
B - FLAT RATE KJJY	4 MONTH	177873	605.79	194.36	3.21	4.4	-1.19	72.19
	8 MONTH	186225	1226.1	446.52	3.64	4.9	-1.26	154.27
	YEAR	**186225**	**1831.89**	**640.88**	**3.50**			
GENERAL / OTHER PUMP CONSUMERS	4 MONTH	147340	648.96	285.26	4.40	4.4	0.00	0.28
	8 MONTH	154826	1429.61	697.84	4.88	4.9	-0.02	2.67
	YEAR	**154826**	**2078.57**	**983.11**	**4.73**			
TEMPORARY CATEGORY	4 MONTH	114115	332.49	121.51	3.65	4.4	-0.75	24.79
	8 MONTH	124467	681.81	273.93	4.02	4.9	-0.88	60.16
	YEAR	**124467**	**1014.3**	**395.44**	**3.90**			
TOTAL	**4 MONTH**	**582684**	**1861.24**	**720.85**	**3.87**	4.4	-0.53	98.11
	8 MONTH	**614131**	**3973.35**	**1715.78**	**4.32**	4.9	-0.58	231.15
	YEAR	**614131**	**5834.59**	**2436.64**	**4.18**			**329.26**

Thus, there is under-recovery of energy charge, i.e., of Rs. 0.53/kWh for four months and 0.58/kwh for eight months for FY 2021-22, which translates to under-recovery of Rs. 329.26 Crore for FY 2021-22.

In view of the above, the Commission has considered the amount of Rs. 329.26 Crore as an additional revenue while approving the final true-up for FY 2021-22.

The Commission has accordingly considered total Revenue for FY 2021-22 as shown in the Table below:

Table 8-25: Approved Revenue for FY 2021-22 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Revenue from Retail Sale of Electricity	15,220.40	14,597.15	14597.15
Add: Subsidy from State Government		-	
Add: Additional revenue for Agriculture Metered category			329.26
Add: Revenue from sale of Power to Telangana and Surplus Power		1854.14	1947.42
Total Revenue from Sale	**15,220.40**	**16,451.29**	**16873.82**

The Commission approves total revenue of Rs. 16,873.82 Crore after true-up for FY 2021-22, after including revenue from sale of surplus power.

8.17 Revenue Gap/(Surplus)

CSPDCL's Submission

CSPDCL has submitted a standalone Revenue Gap of Rs. 2055.47 Crore for FY 2021-22. Further, after considering the adjustment of past Revenue Gaps/(Surplus), impact of Review Petition filed by CSPDCL, and the associated carrying cost, CSPDCL has submitted the cumulative Revenue Gap at the end of FY 2021-22 as Rs. 5,758.68 Crore.

Commission's View

The Commission has considered the ARR approved for CSPDCL after true-up for FY 2021-22 and the Revenue approved in the earlier Sections of this Chapter, to compute the Revenue Gap/(Surplus) for FY 2021-22. 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 2021-22, for correct computation of the Revenue Gap/(Surplus) after true-up. The impact of Review Petition has been considered as Nil, based on the reasoning elaborated in the previous Chapter of this Order.

The summary of Revenue Gap/(Surplus) approved after true-up of FY 2021-22 for CSPDCL is shown in the Table below:

Table 8-26: Approved Revenue Gap/(Surplus) for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	Petition	True-up
1	Net ARR	13,416.12	18,506.76	17964.91
2	Revenue from Sale of Power	15220.40	16,451.29	16873.82
3	**Standalone Revenue Gap/(Surplus)**	**(1,804.28)**	**2055.47**	**1091.08**
4	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPGCL	329.75	329.75	329.75
	Gap/ (Surplus) after true-up of CSPGCL RE Station (Order in Petition No. 16/2021)	(5.72)	(5.72)	(5.72)
	Additional NTI to CSPGCL from sale of scrap of KTPS	(10.00)	(10.00)	(10.00)
5	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPTCL	(46.06)	(46.06)	(46.06)
6	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSLDC	(3.63)	(3.63)	(3.63)
7	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPDCL	2235.39	2235.39	2235.39
	Regulatory Asset for CSPDCL	246.44	246.44	246.44
8	Add: Revenue Gap for Review Petition after Final True Up for FY 2020-21		518.03	-
9	**Closing Revenue Gap/(Surplus)**	**941.89**	**5,319.67**	**3837.25**
10	Rate of Interest (%)		10.90%	10.90%
11	(Carrying)/Holding cost	0.00	439.01	59.46
12	Total Closing Revenue Gap/(Surplus) at end of the year	**941.89**	**5,758.68**	**3896.72**

The Commission approves cumulative Revenue Gap of Rs. 3,896.72 Crore at the end of FY 2021-22 for CSPDCL. This Revenue Gap has been adjusted against the ARR of CSPDCL for FY 2023-24, along with the due Carrying Cost, as discussed in subsequent Chapter.

9 ARR OF CSPDCL FOR FY 2023-24

9.1 Background

CSPDCL submitted the projected ARR for FY 2023-24 under various heads, viz., Sales, Power Purchase expenses, O&M expenses, depreciation, interest on loans, interest on working capital, etc., in accordance with the CSERC MYT Regulations, 2021. The Commission has approved the revised ARR for FY 2023-24 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 2023-24, 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 three years, i.e., FY 2019-20, FY 2020-21, and FY 2021-22 for LV category and FY 2018-19, FY 2019-20, FY 2020-21, and FY 2021-22 for HV category. CSPDCL submitted that the consideration of separate duration of years period for LV and HV category is to avoid the effect of COVID-19 period in future projections, as industrial consumption has been affected adversely during COVID-19 period.

Subject to the specific characteristics of each consumer category, three-year CAGR 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 three-year period considered, then a shorter period 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 provisional sales in the sub-category to total sales of the category observed in FY 2021-22. 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 2023-24, as shown in the Table below:

Table 9-1: Category-Wise Sales Projected by CSPDCL for FY 2023-24

Sl. No.	Category Description	Category	CAGR (%)	FY 2023-24
A	**LV**			
1	Domestic Including BPL Consumers	LV 1	7.78%	7,230.30
2	Non-Domestic Normal	LV 2.1	0.00%	266.20
3	Non-Domestic Demand Based	LV 2.2	10.00%	897.22
4	Agriculture	LV 3	6.61%	5,478.22
5	Agriculture Allied Activities	LV 4	16.58%	42.17
6	Industry	LV 5	9.92%	805.56
7	Public Utilities	LV 6	10.00%	563.93
8	IT & Textile Industries	LV 7	10.00%	1.45
9	Temporary	LV 8	10.00%	1,366.11
B	**HV**			
1	Railway Traction	HV 1	6.69%	1,319.89
2	Mines	HV 2	4.18%	741.34
3	Other Industrial & General Purpose Non-Industrial	HV 3	1.95%	1,953.12
4	Steel Industries	HV 4	7.50%	7,733.01
6	Irrigation & Agriculture Allied Activities, PWW	HV 5	18.76%	269.79
7	Residential	HV 6	1.23%	182.30
8	Start Up Power	HV 7	10.00%	22.55
9	Industries related to manufacturing of equipment for RE power generation	HV 8	10.00%	3.53
10	IT & Textile Industries	HV 9	10.00%	8.76
11	Temporary	HV 10		
C	**Total (A+B)**			**28,885.46**

Commission's View

The Commission has obtained the actual sales in the 8-month period from April to November 2022, and estimated the category-wise sales for FY 2022-23. The Commission has considered the estimated sales for FY 2022-23 as the base year sales, for the purpose of projection of revised sales for FY 2023-24.

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 2021-22. The most appropriate growth rate has been considered for projecting the category-wise sales for the Control Period, over the sales estimated for FY 2022-23, 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 2023-24. 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 2022-23 has been applied to the sales projected for the category for FY 2023-24.

The category-wise connected load/Contract Demand and number of consumers have also been projected on similar basis.

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 2023-24 (MU)

Sl. No.	Category Description	CSPDCL Petition	Approved
		FY 2023-24	FY 2023-24
A	**LV**	**16,651.16**	**16,826.48**
1	Domestic Including BPL Consumers	7,230.30	7,276.32
2	Non-Domestic Normal	266.20	343.02
3	Non-Domestic Demand Based	897.22	943.91
4	Agriculture	5,478.22	5,618.43
5	Agriculture Allied Activities	42.17	39.15
6	Industry	805.56	719.31
7	Public Utilities	563.93	610.15
8	IT & Textile Industries	1.45	1.36
9	Temporary	1,366.11	1,274.83
B	**HV**	**12,234.30**	**13,808.22**
1	Railway Traction	1,319.89	1,305.90
2	Mines	741.34	725.26
3	Other Industrial & General Purpose Non-Industrial	1,953.12	2,327.73
4	Steel Industries	7,733.01	9,000.02
6	Irrigation & Agriculture Allied Activities, PWW	269.79	249.56
7	Residential	182.30	180.73
8	Start Up Power	22.55	11.64
9	Industries related to manufacturing of equipment for RE power generation	3.53	4.80
10	IT & Textile Industries	8.76	2.58
11	Temporary		
C	**Total (A+B)**	**28,885.46**	**30,634.70**

9.3 Inter-State Transmission Losses

CSPDCL's Submission

CSPDCL has considered actual weighted average all-India transmission loss of last 12 months, as the same practice is adopted by all State Commissions and is more practical as it captures varying loss. CSPDCL requested the Commission to consider the inter-State transmission losses as 3.42%.

Commission's View

The inter-State transmission losses have been considered as 3.42%, 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 2023-24 based on the Transmission Loss approved by the Commission in its latest tariff order (Order dated 13.04.2022).

Commission's View

The intra-State transmission losses have been considered as 3.00% for FY 2023-24, as approved in the MYT Order dated 13.04.2022, for the purpose of computing the energy requirement for CSPDCL.

9.5 Distribution Losses

CSPDCL's Submission

CSPDCL submitted that Regulation 98 of the CSERC MYT Regulations, 2021 specifies as under:

> ***"98 ENERGY LOSSES 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 f'or distribution licensee shall be as specified by the Commission in the tariff order."*

CSPDCL submitted that the Regulations provide that the Distribution Losses shall be specified by the Commission in the Tariff Order. The Ministry of Power vide its Office Memorandum No. 20/9/2019-IPDS provided the details of "Revamped Distribution Sector Scheme" with the objective of reduction of AT&C loss at pan-India level to 12-15% by FY 2024-25. The terms and conditions of the aforesaid scheme require approval of the State Government, which is pending so far. CSPDCL has considered the latest approved target of 15.33% for FY 2023-24 as the same has been stipulated by the Commission vide its MYT Order dated 13.04.2022. CSPDCL added that the aforesaid distribution loss trajectory projections would change in case the Revamped Distribution Sector Scheme (RDSS) is implemented in the State.

Commission's View

The Commission had approved the Distribution Loss level of 15.33% for FY 2023-24, as approved in the MYT Order dated 13.04.2022.

Table 9-3: Approved Distribution Losses for FY 2023-24 (%)

Sl. No.	Particulars	CSPDCL Petition	Approved
A	Distribution Losses	15.33%	15.33%

The Commission may further revise the Distribution Loss levels for the Control Period depending on the capital investments being made under RDSS.

9.6 Energy Balance

CSPDCL's Submission

CSPDCL has submitted the Energy Balance for FY 2023-24 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 2023-24 (MU)

Sl.	Particulars	Legend	CSPDCL Petition
1	LV Sales	A	16,651.16
2	HV Sales	B	7,926.57
3	Total Below EHV Level	C=A+B	24,577.73
4	**Energy Loss below 33 kV (in %)**	**D**	15.33%
5	Energy Loss below 33 kV (in MU)	E	3,767.77
6	Gross Energy requirement at 33 kV Level	F=C+E	28,345.49
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	27,993.72
9	Sales to EHV consumers	I	4,307.73
10	**Net energy requirement at Distribution periphery**	**J=H+I**	**32,301.45**
11	**Distribution loss including EHV Sales**	**K**	**11.54%**

Commission's View

The Commission has approved the Energy Balance for FY 2023-24 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 9-5: Approved Energy Balance for FY 2023-24

Particulars	Legend	CSPDCL Petition	Approved
LV Sales	A	16,651.16	16,826.48
HV Sales	B	7,926.57	8,613.35
Total Below EHV Level	C=A+B	24,577.73	25,439.83
Energy Loss below 33 kV (in %)	**D**	**15.33%**	**15.33%**
Gross Energy requirement at 33 kV Level	E=C/(1-D)	28,345.49	30,045.86
Energy Loss below 33 kV (in MU)	F=E-C	3,767.77	4,606.03
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	27,993.72	29,694.09
EHV Sales	I	4,307.73	5,194.87
Net energy requirement at Distribution periphery	**J=H+I**	**32,301.45**	**34,888.96**
Distribution loss including EHV Sales (in %)	K	**11.54%**	**13.07%**
Intra-State Transmission loss (in %)	L		3.00%
Intra-State Transmission loss (in MU)	M		1,079.04
Net energy requirement at Transmission periphery	**N=J+M**		**35,968.00**
Inter-State Transmission loss (in MU)	O		518.53
Net Power Purchase requirement	**P = N + O**		**36,486.53**

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 2023-24 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.

i. Existing 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. As CERC has issued the Tariff Order for Annual Fixed Charges (AFC) of CGS for the Control Period (FY 2019-20 to FY 2023-24), CSPDCL has considered the fixed charges for the generating stations whose Tariff Orders are issued by CERC and for other generating stations as allowed by the Commission in MYT Order dated 13.04.2022 for FY 2022-23 and FY 2023-24 for projecting power purchase expenses for FY 2023-24. The existing rates of energy charges of FY 2021-22 are considered. 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 2023-24.

ii. State Generating Stations

CSPDCL submitted that it mainly relies on the power from State Generating Stations, i.e., CSPGCL stations. Currently, it has allocation of 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 as approved by the Commission in the Tariff Order dated 13th April 2022. CSPDCL while projecting energy charges for FY 2023-24 has considered actual energy charges approved by the Commission vide Order dated 13.04.2022 for FY 2023-24 after reducing 10% of the Variable cost adjustment (VCA) estimated on the basis of actual variable cost adjustment made during FY 2021-22. For FY 2023-24, it has considered no escalation for projection of energy charges and 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 Marwa to Telangana at State periphery for FY 2023-24 as no power is supplied to Telangana State unless the State pays the long-pending dues to CSPDCL.

iii. 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 2023-24. Accordingly, CSPDCL has considered the RPO obligation for FY 2023-24.

Table 9-6: RPO Target for FY 2023-24 (%)

Sl. No.	Particulars	FY 2023-24
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 2023-24. The details of RE capacity addition with expected commissioning date is given in the Table below:

Table 9-7: RE Capacity Addition envisaged for FY 2023-24

Sl. No.	Source	Capacity (MW)	Expected Commissioning Date
1	SECI (Wind)	300	22-04-2022
2	SECI(Hybrid)	400	01-11-2021
3	SECI (Solar+BESS)	100	01-04-2023
4	NHPC (Solar)	400	01-04-2022
5	SECI (Hybrid)	400	01-01-2023
6	SECI (Blended wind)	170	01-06-2021
7	MBPCL	113	01-10-2023
8	SECI (Solar +Manufacturing)	300	01-10-2023
9	NTPC Solar	190	01-04-2022
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 the respective year.

iv. Concessional Power Purchase

The quantum and rate of concessional power purchase have been considered as projected by CSPDCL @ Rs. 1.86/kWh, however, it is clarified that for the generators whose tariff has already been determined for any financial year, energy charges for FY 2023-24 shall be billed at the latest tariff determined by the Commission.

v. 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 2023-24.

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 2023-24.

vi. Interstate sale

CSPDCL has 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.

Commission’s View

CSPDCL's submissions and assumptions have been analysed in detail and additional information was asked on the same. The power purchase expenses have been estimated 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 accepted, with the following modifications:

a) The quantum and rate of power purchase from CGS have been considered as projected by CSPDCL, except for purchase from a few stations;

b) No escalation has been considered on the rate of power purchase from any source, as the variation in rates will be adjusted through the FCA and VCA mechanism;

c) The quantum and rate of power purchase from CSPGCL Stations have been considered as considered by CSPDCL in its calculations;

d) Purchase from Traders/Power Exchanges and other short-term sources have been considered as Nil for FY 2023-24 in view of the overall surplus power availability.

e) The quantum and rate of concessional power purchase have been considered as projected by CSPDCL;

f) The Commission has considered the fixed cost of biomass power sources based on actuals of FY 2022-23; however, no quantum of purchase has been considered from biomass sources based on merit order despatch principles, as the variable cost of these sources is on the higher side;

g) The Commission has considered the quantum and cost of purchase from existing and new RE sources as projected by CSPDCL for FY 2023-24;

h) In case of shortfall in meeting the RPO targets on account of delay in the commissioning of new RE plants or lesser generation from the existing RE plants, CSPDCL should ensure that the RPO targets are met through purchase from other RE sources or RECs, etc.;

i) The inter-State transmission charges payable to PGCIL have been considered as same as approved in the Tariff Order dated 13th April 2022.

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 statutory and other charges such as water charges, SLDC charges, start-up power charges, etc., incurred by CSPGCL have also been included in the power purchase expenses based on the actuals of FY 2021-22, as these are reimbursed to CSPGCL at actuals, in order to reflect the power purchase expenses more realistically;

m) The revenue from sale of surplus energy has been considered separately at the latest rates, 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 2023-24 are given in the Table below:

Table 9-8: Approved Power Purchase Quantum and Cost for FY 2023-24

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	13866.74	4578.64	3.30	13205.52	5071.70	3.84
2	NTPC - SAIL	279.94	133.49	4.77	279.94	133.49	4.77
3	NPC Limited	277.93	94.34	3.39	277.93	94.46	3.39
4	Others	648.28	408.28	6.30	105.25	19.22	1.83
5	NTP New				543.04	389.06	7.16
	Sub Total A	**15072.89**	**5214.74**	**3.46**	**14411.66**	**5707.93**	**3.96**
B	**Purchase from Thermal and Hydel State Generating Stations**						
5	CSPGCL – Thermal	18023.59	6076.01	3.37	18023.59	6370.29	3.53
6	CSPDCL - Renewables	674.25	71.30	1.06	674.25	71.62	1.06
	Sub Total B	**18697.84**	**6147.31**	**3.29**	**18,697.84**	**6441.91**	**3.45**
C	**Purchase from Traders, IPPs, and others sources**						
7	Short-term Purchase	-	-	-	-	-	-
8	Concessional Power	2395.56	444.52	1.86	2395.56	444.52	1.86
	Sub Total C	**2395.56**	**444.52**	**1.86**	**2395.56**	**444.52**	**1.86**
D	**Purchase from Renewable Sources**						
9	Biomass	0.00	0.00	0.00	-	115.50	-
10	Solar	1994.01	754.86	3.79	960.33	240.08	2.50
11	Hydel/Other RE	464.72	158.64	3.41	464.72	158.47	3.41
12	Other/New RE	2236.91	559.23	2.50	3270.59	817.65	2.50
	Sub Total D	**4695.64**	**1472.73**	**3.14**	**4695.64**	**1331.70**	**2.84**
E	**Gross power purchase Cost**	40861.93	**13279.30**	**3.25**	**40200.70**	**13926.06**	**3.46**
F	**Transmission & Other Charges**						
13	Inter-State Transmission Charges	-	724.69	-	-	724.69	-
14	Intra-State Transmission Charges	-	1155.61	-	-	1155.61	-
15	CSLDC Charges	-	19.55	-	-	19.55	-
	Sub Total F	**-**	**1899.85**	**-**	**-**	**1899.85**	**-**

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)
G	**Gross Power Purchase Cost inclusive of transmission charges**	**40861.93**	**15179.15**	**3.71**	**40,200.70**	**15,822.19**	**3.94**
H	**Adjustments/Revenue from Sale of Surplus Power**						
16	Inter-State Transmission Losses	515.56	0.00	0.00	-		
17	Sale to Telangana	0.00	0.00	0.00	-	-	-
18	Sale of Surplus Power	7075.87	3495.48	4.94	3714.17	1921.02	5.17
	Sub-total G	**7591.43**	**3495.48**	**4.60**	**3714.17**	**1921.02**	**5.17**
I	**Net Power Purchase Cost**	**33270.49**	**11683.67**	**3.51**	**36,486.53**	**13901.17**	**3.81**

9.8 Other heads of ARR

CSPDCL Submission

In its Petition, CSPDCL has revised all the other components of ARR also for FY 2023-24.

The summary of other heads of ARR for FY 2023-24 as submitted by CSPDCL in the Petition are as shown in the table below:

Table 9-9: Other Components of ARR as claimed by CSPDCL for FY 2023-24

SI. No.	Particulars	CSPDCL Petition
A	**Operation & Maintenance Expenses**	**2,447.88**
1	Net Employee Expenses	1,317.28
2	Net A&G Expenses	93.38
3	Net R&M charges	268.82
4	Pension & Gratuity	768.40
B	**Interest & Finance Expenses**	**533.52**
1	Interest on Loan	360.37
2	Interest on Security Deposit	-
3	Interest on Working Capital Requirement	173.15
C	**Other Expenses**	**984.33**
1	Depreciation	531.78
2	Return on Equity	452.55
D	**Less: Non-Tariff Income**	**203.97**

Commission's View

The Commission has noted that CSPDCL has submitted revised ARR for FY 2023-24 by revising all components of the ARR in the submitted Petition. The Commission asked CSPDCL the basis and relevant provisions of the MYT Regulations, 2021 under which all the components of the ARR have been revised.

In reply, CSPDCL submitted that it has filed an additional Capital Investment Plan Petition, which was not envisaged in the Capital Investment Plan filed at the time of MYT Petition. CSPDCL added that as the additional CIP Petition filed shall impact the capitalization of CSPDCL during the ensuing years and the same shall impact the other components of ARR, therefore, CSPDCL has revised all the components of the ARR.

Regulation 5.7(b)(ii) of the MYT Regulations, 2021 specifies as under:

"(b)After first year of control period and onwards, the yearly true up petition shall comprise of:

...

ii. For Distribution Wire and Retail Supply Business

1. *The truing up petition for preceding year(s).*
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."*

Thus, 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 13 April 2022.

This is also as per the past practice adopted by the Commission. Further, the Commission has not approved the additional CIP submitted by CSPDCL.

Hence, in order to determine the revised ARR for FY 2023-24, the Commission has considered the projected sales and power purchase cost for FY 2023-24 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 Impact of APTEL Judgement

CSPDCL Submission

CSPDCL has requested the Commission to approve the income on consumer security deposit amounting to Rs. 30.98 Crore along with carrying cost from FY 2013-14 in accordance with the decision of the Hon'ble APTEL in Appeal No. 182 of 2015 against Tariff Order dated 23rd May 2015.

Commission's View

The Hon'ble APTEL has ruled in favour of CSPDCL in the matter of income on consumer security deposit, with the principal amounting to Rs. 30.98 Crore, as claimed by CSPDCL. However, the calculation of carrying cost done by CSPDCL is incorrect. The Commission has allowed the principal amount of Rs. 30.98 Crore in FY 2013-14 and has computed the amount with carrying cost up to FY 2023-24 as Rs. 96.24 Crore, as shown in the Table below:

Table 9-10: Impact of APTEL Judgment allowed in FY 2023-24 (Rs. Crore)

Particulars	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Op. Amount	30.98	33.02	37.48	42.54	47.99	54.04	60.63	68.24	76.19	84.49	92.09
Cl. Amount	30.98	33.02	37.48	42.54	47.99	54.04	60.63	68.24	76.19	84.49	-92.09
Interest Rate (%)	13.20%	13.50%	13.50%	12.80%	12.60%	12.20%	12.55%	11.65%	10.90%	9.00%	9.00%
Carrying Cosr	2.04	4.46	5.06	5.45	6.05	6.59	7.61	7.95	8.30	7.60	4.14
Cumulative Amount	33.02	37.48	42.54	47.99	54.04	60.63	68.24	76.19	84.49	92.09	96.24

9.10 Aggregate Revenue Requirement for FY 2023-24

The summary of the ARR claimed by CSPDCL and the ARR approved by the Commission for CSPDCL for FY 2023-24 is shown in the Table below:

Table 9-11: Approved ARR for CSPDCL for FY 2023-24 (Rs. Crore)

Sl.	Particulars	CSPDCL Petition	Approved
A	**Power Purchase Expenses***	**15,179.15**	**15,822.19**
1	Power Purchase Cost	13,279.30	13,922.34
2	Inter-State Transmission charge	724.69	724.69
3	Intra-State Transmission Charges	1,155.61	1,155.61
4	CSLDC Charges	19.55	19.55
B	**Operation & Maintenance Expenses**	**2,447.88**	**2,430.81**
1	Net Employee Expenses	1,317.28	1,308.04
2	Net A&G Expenses	93.38	92.42
3	Net R&M charges	268.82	261.95
4	Pension & Gratuity	768.40	768.40
C	**Interest & Finance Expenses**	**533.52**	**285.01**
1	Interest on Loan	360.37	149.52
2	Interest on Security Deposit	-	-
3	Interest on Working Capital Requirement	173.15	135.49
D	**Other Expenses**	**984.33**	**657.43**
1	Depreciation	531.78	296.63
2	Return on Equity	452.55	360.80
E	**Less: Non-Tariff Income**	**203.97**	**185.43**

Sl.	Particulars	CSPDCL Petition	Approved
F	**Impact of APTEL Judgement on CSD issue**	**135.71**	**96.24**
G	**Less: Revenue from Sale of Surplus Power**	**3,495.48**	**1,877.94**
1	Less: Sale of Power to Telangana	**-**	**-**
2	Less: Sale of Surplus Power	3,495.48	1,877.94
H	**Aggregate Revenue Requirement**	**15,581.14**	**17,228.31**

9.11 Revenue from sale of power

CSPDCL's Submission

CSPDCL submitted that the Revenue from Sale of Power for FY 2023-24 has been calculated based on the tariff approved by the Commission in the Tariff Order for FY 2022-23 dated 13th April, 2022 and the projected sales to each category. CSPDCL submitted the category-wise revenue from sale of power for FY 2023-24 at existing tariff as shown in the Table below:

Table 9-12: Revenue from sale of power at existing tariff for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**9,878.29**
1	LV 1	Domestic Including BPL Consumers	3,774
2	LV 2	Non-Domestic (Normal Tariff)	204
3	LV 2.1	Non-Domestic (Demand Based)	871
4	LV 3	Agriculture Metered	2,990
5	LV 4	Agriculture allied	29
6	LV 5	LT Industry	584
7	LV 6	Public Utilities	395
8	LV 7	IT & Textile Industries	1
9	LV 8	Temporary	1,031
HV Categories (B)			**9,465.88**
10	HV 1	Railway Traction	809
11	HV 2	Mines (Coal & Others)	684
12	HV 3	Other Industry & General Purpose Non-Industrial	1,846
13	HV 4	Steel Industries	5,734
14	HV 5	PWW, Irrigation & Agriculture allied	206
15	HV 6	Residential Purpose	144
16	HV 7	Start-up Power Tariff	36
17	HV 8	Industries related to manufacturing of RE power generation equipment	2
18	HV 9	IT & Textile Industries	4
19	HV 10	Temporary	-
Total (A + B)			**19,344.17**

Commission's View

The Commission observed that CSPDCL had not correctly computed the revenue from sale of power to different categories at existing tariff. As a result, the revenue from existing tariff had been over-estimated by CSPDCL. 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 impact of the Load Factor rebate to HV-1 Railways category and HV-4 Steel category is to be factored in the revenue for the respective category;
- The impact of Time of Day (ToD) tariff applicable to HV-2, HV-3 and HV-4 category is to be factored in the revenue for the respective category;

In reply, CSPDCL submitted revised revenue from existing tariff as Rs. 18,070.56 Crore, thereby showing reduced revenue to the extent of Rs. 1,273.61 Crore. Though CSPDCL has revised the Revenue in its replies, CSPDCL has not modified the consequential Revenue Gap/(Surplus) for FY 2023-24, hence, 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 13th April, 2022 and the sales approved for each category in this Order. The revenue from sale of power for FY 2023-24 at existing tariff, considering the higher sales projected by the Commission, works out to Rs. 19,032.47 Crore, as shown in the Table below:

Table 9-13: Revenue from sale of power at existing tariff for FY 2023-24 as computed by the Commission (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**9986.07**
1	LV 1	Domestic Including BPL Consumers	3797.13
2	LV 2	Non-Domestic (Normal Tariff)	257.39
3	LV 2.1	Non-Domestic (Demand Based)	908.16
4	LV 3	Agriculture Metered	3060.66
5	LV 4	Agriculture allied	27.35
6	LV 5	LT Industry	544.03
7	LV 6	Public Utilities	423.68
8	LV 7	IT & Textile Industries	0.83
9	LV 8	Temporary	966.84
HV Categories (B)			**9046.39**
10	HV 1	Railway Traction	685.11
11	HV 2	Mines (Coal & Others)	645.97
12	HV 3	Other Industry & General Purpose Non-Industrial	2065.67
13	HV 4	Steel Industries	5283.11
14	HV 5	PWW, Irrigation & Agriculture allied	192.95
15	HV 6	Residential Purpose	143.42
16	HV 7	Start-up Power Tariff	26.29

Sl.	Category Name	Category	Revenue
17	HV 8	Industries related to manufacturing of RE power generation equipment	2.38
18	HV 9	IT & Textile Industries	1.48
19	HV 10	Temporary	
Total (A + B)			**19032.47**

9.12 Stand-alone Revenue Gap/(Surplus) for FY 2023-24

CSPDCL's Submission

CSPDCL submitted that there would be a Revenue Surplus of Rs. 3763.03 crore in FY 2023-24 on a standalone basis, based on the projected ARR and revenue from existing tariffs.

Commission's View

The Commission has computed the standalone Revenue Surplus for FY 2023-24 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 2023-24 (Rs. Crore)

Particulars	CSPSCL Petition	Approved
Aggregate Revenue Requirement	15,581.14	17,228.31
Revenue from sale of power at existing tariff	19,344.17	19,032.47
Standalone Revenue Gap/(Surplus) for FY 2022-23	**(3,763.03)**	**(1,804.16)**

The Commission approves standalone Revenue Surplus of Rs. 1,804.16 Crore for FY 2023-24 for CSPDCL.

9.13 Cumulative Revenue Gap/(Surplus) for FY 2023-24

CSPDCL's Submission

CSPDCL submitted that there is net standalone Revenue Surplus of Rs. 3763.03 Crore for FY 2023-24. However, considering the net Revenue Gap of Rs. 6134.77 Crore carried forward from true up along with carrying cost, there is overall Revenue Gap of Rs. 2371.73 Crore for FY 2023-24 as shown in the Table below:

Table 9-15: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sr. No.	Particulars	Petition
1	Aggregate Revenue Requirement (A)	15,581.14
2	Income from sale of Power at Existing Tariff (B)	19,344.17
3	**Standalone Revenue Gap/(Surplus) (C=A-B)**	**(3,763.03)**

Sr. No.	Particulars	Petition
4	Gap/(Surplus) from true-up of FY 2021-22 including Review Petition	6,134.77
5	**Cumulative Revenue Gap/(Surplus)**	**2,371.73**

CSPDCL requested the Commission to approve the net Revenue Gap after considering surplus/deficit position of CSPGCL/CSPTCL/CSLDC.

Commission's View

The standalone Revenue Surplus of CSPDCL for FY 2023-24 has been combined with the Revenue Gap/(Surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL after truing up for FY 2021-22 and the impact of the Review Petition filed by CSPDCL on the Tariff Order for FY 2022-23, along with carrying cost, as discussed earlier.

Further, it is observed that there is an unadjusted RPO provisioning amount of Rs. 123 Crore, that has been allowed in the ARR of the earlier years. The Commission has adjusted the above amount of excess provisioning along with carrying cost, which works out to Rs. 179.50 Crore.

The cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2023-24, after considering all the above Revenue Gap/(Surplus) of CSPDCL, CSPGCL, CSPTCL, and SLDC, is given in the table below:

Table 9-16: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2023-24 as approved by the Commission (Rs. Crore)

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	**Cumulative Revenue Gap/(Surplus)**	**2371.73**	**2,924.53**
10	**Adjusted ARR for Recovery**	**17,952.87**	**20,152.84**
11	Total estimated sales (MU)	28,885	30,635
13	Stand alone cost of supply	5.39	5.62
14	**Adjusted Cost of supply after considering Gap**	**6.22**	**6.58**

10 TARIFF PRINCIPLES AND TARIFF DESIGN

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.

10.2 Voltage-wise Cost of Supply for FY 2023-24

The Commission has computed the Voltage-wise Cost of Supply (VCoS) for FY 2023-24 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 Order in this regard has been carried forward in this Order.

The VCoS for FY 2023-24, as calculated by the Commission based on approved ARR and available data, is given in the Table below:

Table 10-2: VCoS for FY 2023-24 as calculated by Commission

Sr. No.	Particulars	EHV	33 kV	11 kV and LV	Total
1	Energy Sales (MU)		7,922.42	17,517.41	25,439.83
2	Distribution Loss (%)		4.85%	19.35%	15.33%
3	Energy input at 33 kV (MU)		8,326.24	21,719.62	30,045.86
4	Less: Direct Input to Distribution at 33/11 kV (MU)		97.48	254.29	351.77
5	Energy input to Discom level (MU)		8,228.76	21,465.33	29,694.09
6	EHV Sales (MU)	5,194.87			
7	Energy requirement for Distribution (MU)	5,194.87	8,228.76	21,465.33	34,888.96
8	Transmission Loss (%)	3.00%	3.00%	3.00%	
9	Energy requirement at G<>T Interface (MU)	5,355.53	8,483.26	22,129.21	35,968.00
10	Avg. Power Purchase Cost Rate (Rs. /kWh)	4.40	4.40	4.40	
11	Power Purchase Cost (Rs. Cr.)	2,355.88	3,731.75	9,734.56	15,822.19
12	Other Cost (Rs. Cr.)	209.37	331.64	865.11	1,406.12
13	Past Revenue Gaps (Rs. Cr.)	435.45	689.77	1,799.31	2,924.53
14	Total Cost (Rs. Cr.)	3,000.70	4,753.16	12,398.98	20,152.84
15	Energy Sales (MU)	5,194.87	7,922.42	17,517.41	30,634.70
16	**Cost of Supply (Rs. /kWh)**	**5.78**	**6.00**	**7.08**	**6.58**

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.

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 2022-23, 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 2023-24 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 2022-23.

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 2023-24. The Commission has retained the slabs for fixed charges and energy charges as approved in the Tariff Order for FY 2022-23.

The energy charges of all consumption slabs have been retained as approved in the previous Tariff Order for FY 2022-23. 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 on 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.

A new sub-category "Saw mill with carpenters and furniture makers" has been introduced and included in LV-2: Non-Domestic Tariff Category.

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 retained as approved in the previous Tariff Order for FY 2022-23.

The Commission has continued with 50% rebate in energy charges for new mobile towers, to be set up in remote left-wing extremism affected districts after April 1, 2021.

Further, the Commission has continued with flat rate single part Tariff for charging stations of electric vehicles at Rs. 5/kWh.

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 rationalized the discount from 7% to 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

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 and tariff of this category has been retained as approved in the previous Tariff Order for FY 2022-23.

10.7.5 LV 5: LT Industries

The Commission has included “Mines with stone crusher unit” and “Mixer and/or stone crushers” in LV-5: L.V. Industry Tariff Category.

A 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 retained as approved in the previous Tariff Order for FY 2022-23.

10.7.7 LV 7: IT Industries & Export Oriented Textiles

The Commission has retained the applicability and tariff of this category as approved in previous Tariff Order.

10.7.8 LV 7: 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 2023-24 for HV categories is discussed below:

10.7.9 HV 1: Railway Traction

In order to give impetus to electrification of railway network in the State, a rebate of 10% in energy charges for new railway traction projects is being 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 have been finalised during FY 2018-19.

Load factor rebate to traction load of Indian Railways, has been retained i.e. if Load Factor for any month is above 20%, then a rebate of 20% shall be allowed on Energy Charge calculated on entire energy consumption for that month.

10.7.10 HV 2: Mines

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23. The Commission has included "Mixer and/or stone crushers" loads in HV-2 (Mines Tariff Category) which was earlier in HV-3 (Other Industrial and General Purpose NonIndustrial Tariff) Category.

10.7.11 HV 3: Other Industrial and General Purpose Non-Industrial

The Commission has shifted "Mixer and/or stone crushers" category from HV-3 (Other Industrial and General Purpose Non-Industrial Tariff) Category to HV-2 (Mines Tariff Category).

Special flat rate single-part tariff is continued for Electric Vehicle charging stations.

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.

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.

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.

10.7.12 HV 4: Steel Industries

The Energy Charges for 220 kV and 132 kV sub-categories have been increased by 25 paise/kWh, while the Energy Charges for 33 kV and 11 kV sub-categories have been retained as approved in the previous Tariff Order for FY 2022-23.

The Commission had retained the Load Factor rebate as provided in the Tariff Order for FY 2022-23.

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.

The Licensee and consumers shall ensure compliance with all safety requirements specified under the applicable laws and amendments thereof from time to time.

Further, rebate provided for 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), has been rationalised to 5% on energy charge which is being provided to the consumers starting production on or after April 1, 2017.

10.7.13 HV 5: Irrigation, Agriculture Allied Activities & Public Water Works

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23.

10.7.14 HV 6: Residential

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23.

10.7.15 HV 7: Start up Power

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23. 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. 12 per kVAh and this rate factors in the demand charges and the energy charges both. This was the spirit behind prescribing this rate in previous tariff orders and the same has been continued without any change.

10.7.16 HV 8: Industries related to manufacturing of equipment for power generation from renewable energy sources

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23.

10.7.17 HV 9: Information Technology & Export Oriented Textile Industries

The energy charges have been retained as approved in the previous Tariff Order for FY 2022-23.

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

The ToD time-slots have been retained as approved in the previous Tariff Order but rate of Off-peak load period (11.00 p.m. to 05.00 a.m. of next day.) has been changed from 65% to 80% of normal rate of energy charge and for other slot the rates are retained as approved in the previous Tariff Order.

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 29694.09MU based on the approved Energy Balance for FY 2023-24.

For long-term, medium-term and short-term open access customers, Wheeling Charges shall be Rs. 282.70/MWh (or Rs. 0.2827 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 at the rate 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.

For Renewable Energy 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:
   a. Energy Losses for using only the Transmission system of CSPTCL shall be 3%.

b. Energy Losses/for using only distribution system of CSPDCL shall be 6%.
c. 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 April 1, 2023, for the consumers of the State, for FY 2023-24. The category-wise revenue at revised tariffs approved in this Order is shown in the Table below:

Table 10-3: Revenue in FY 2023-24 at Tariffs approved by the Commission

Sl.	Category Name	Category	Revenue
LV Categories (A)			**9986.07**
1	LV 1	Domestic Including BPL Consumers	3797.13
2	LV 2	Non-Domestic (Normal Tariff)	257.39
3	LV 2.1	Non-Domestic (Demand Based)	908.16
4	LV 3	Agriculture Metered	3060.66
5	LV 4	Agriculture allied	27.35
6	LV 5	LT Industry	544.03
7	LV 6	Public Utilities	423.68
8	LV 7	IT & Textile Industries	0.83
9	LV 8	Temporary	966.84
HV Categories (B)			9442.42
10	HV 1	Railway Traction	685.11
11	HV 2	Mines (Coal & Others)	667.93
12	HV 3	Other Industry & General Purpose Non-Industrial	2129.37
13	HV 4	Steel Industries	5593.48
14	HV 5	PWW, Irrigation & Agriculture allied	192.95
15	HV 6	Residential Purpose	143.42
16	HV 7	Start-up Power Tariff	26.29
17	HV 8	Industries related to manufacturing of RE power generation equipment	2.38
18	HV 9	IT & Textile Industries	1.48
19	HV 10	Temporary	
Total (A + B)			**19428.50**

The computation of category-wise revenue from revised tariff approved for CSPDCL for FY 2023-24 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. 6.58 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 10-4: Cross-subsidy with Existing tariff and Approved tariff

Consumer Category		Approved in Tariff Order FY 2022-23		Approved in Tariff Order for FY 2023-24	
		ABR (Rs. /kWh)	**ABR/ ACOS (%)**	**ABR (Rs. /kWh)**	**ABR/ ACOS (%)**
LV	Domestic	5.13	82%	5.22	79%
	Non-Domestic	8.97	144%	9.06	138%
	Agriculture	5.43	87%	5.45	83%
	Industry	7.67	123%	7.56	115%
	Public Utilities	6.93	111%	6.94	106%
HV	Railway Traction	5.33	86%	5.25	80%
	Mines	9.02	145%	9.21	140%
	Other Industrial & General Purpose Non-Industrial	9.17	147%	9.15	139%
	Steel Industries	6.36	102%	6.21	94%

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:

The approved Cross-Subsidy Surcharge is as under:

Rs. 1.28 per kWh for 220 kV/132 kV consumers (which is 90% of the computed value of Rs. 1.43 per kWh)

Rs. 2.35 per kWh for 33 kV consumers (which is 90% of the computed value of Rs. 2.61 per kWh).

For Open Access consumers procuring power from Renewable Energy based power generating plant (excluding solar power), the Cross-Subsidy Surcharge payable shall be 50% of the Cross-Subsidy Surcharge determined for that year.

Accordingly, Cross-subsidy Surcharge for Renewable Energy transactions is as under:

(a) For 220 kV/132 kV consumers - Rs.0.64 per kWh (which is 50% of the CSS applicable for other 220 kV/132 kV consumers).

(b) For 33 kV consumers - Rs. 1.17 per kWh (which is 50% of the CSS applicable for other 33 kV consumers).

In case of a consumer receiving power from Solar power plants through open access, Cross Subsidy Surcharge shall be applicable as per the provisions of CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019, as amended from time to time and Orders thereunder.

10.14 Fuel and Power Purchase Adjustment Surcharge (FPPAS)

The Commission is likely to introduce the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt., which may be made effective from April 1, 2023.

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 Inter-State 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.

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 new FPPAS formula is likely to be implemented from 1st April 2023. Amount on account of variations in actual Energy Charge is to be claimed by CSPGCL as a line item namely fuel and other expenses through regular monthly energy bills instead of bimonthly basis envisaged earlier. The variation in energy charge due to change in landed price of coal and GCV as received during the month of April 2023 shall be recoverable in energy bill raised for the period of June 2023 and so on. Format for the calculation are enclosed as Annexure-IV.

In order to avoid simultaneous recovery of FCA in accordance to previous tariff order and variation in energy charge in accordance to aforesaid amendment, Generation company shall not claim FCA amount for the bi-monthly period February 2023 to March 2023 in the energy bill, instead the same shall be claimed during annual true-up of the year.

Further, as per the new formula, the change in power purchase cost for the month of April 2023 is to be recovered through FPPAS in the month of June 2023. Therefore, VCA for the month January, February and March 2023 which is scheduled to be recovered in the month of June, July and August 2023 respectively, should not be recovered from the consumer. The under recovery on account of change in VCA for month of January, February and March 2023 shall be taken care during truing up of FY 2022-23.

The values of various parameters required for calculation of FPPAS are given below:

i. Average Billing Rate (ABR) – Rs. 6.34/ kWh
ii. Intra-State Losses – 3%
iii. Distribution Losses – 13.07%
iv. Inter-State Losses – 3.43%
v. Projected average Power Purchase Cost (PPC) – Rs. 3.46/kWh

10.15 Parallel Operation Charges

The Commission has retained the Parallel Operation Charges (POC) as 13 paise/kWh as determined in the previous Tariff Order.

10.16 Applicability of Order

The approved Tariff Schedule for FY 2023-24 is given in the next Chapter.

The Order will be applicable from 1st April, 2023 and will remain in force till March 31, 2024 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 2023-24

This Tariff Schedule shall be applicable from April 1, 2023.

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	3.70
	101-200 units		3.90
	201 - 400 units		5.30
	401 – 600 units		6.30
	601 and above units		7.90

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, carpenters and furniture makers, saw mill with carpenters and furniture makers, 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, toy making industry, 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	5.85
	101 - 400 units		6.85
	401 and above units		8.25
LV-2.2: Three Phase Non-Domestic			
(A) Up to 15 kW	0-400 units	Demand Charges- Rs 120/kW/month on billing demand	6.85
	401 and above units		8.25
(B) Above 15 kW	All units	Demand Charges- Rs 200/kW/month on billing demand	7.55

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. 5 per unit shall be applicable.

v. The discount of 50% on Energy Charges applicable for mobile towers set up after 1st April 2021 in 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	5.05

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	5.05
LV-4.1 (B): Above 25 HP up to 150 HP	Rs. 110 per HP per month or Rs. 147 per kW per month	5.45
LV-4.2: Demand based tariff for Contract Demand of 15 to 112.5 kW	Rs. 200 per kW per month on billing demand	5.65

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, minor forest produce, ethanol industries, laboratories of engineering colleges, ITIs and polytechnics and industrial institutions, 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, 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, Standalone Saw Mill, mines, mines with stone crusher unit, stone crusher, mixer, mixer with stone crushers, Toy Industries, Wire Drawing / Steel Industries, Wire Product, 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	4.15
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 80/kW/month on billing demand	3.75

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	5.15
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 100/kW/month on billing demand	4.15
5.2.2	Above 25 HP up to 150HP (18.7 kW to 112.5 kW)	Rs. 150/kW/month on billing demand	5.90
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 130/kW/month on billing demand	5.40

*****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. In order to give impetus to LT industries located in rural areas, 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. In accordance with the Section 62(3) of EA 2003 providing for differentiation in tariff based on geographical position of any area, considerably lower tariff has been determined for consumers located 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).

iv. A rebate of 10% on Energy Charges shall be applicable for industrial activities being run exclusively by registered women self-help groups.

v. 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	6.25

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	5.15

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 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.

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)

The Commission is likely to introduce the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt., which may be made effective from April 1, 2023.

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 Inter-State 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.

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	4.55

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. In order to give impetus to electrification of railway network in the State, a rebate of 10% in energy charges for new railway traction projects shall be 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 are finalised during FY 2018-19.

5. Other terms and condition shall be as mentioned in the general terms and conditions of HV tariff.

6. For traction sub-stations of Indian Railways, if Load Factor for any month is above 20%, then a rebate of 20% shall be allowed on Energy Charge calculated on entire energy consumption for that month.

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	6.75
132 kV supply	500	6.90
33 kV supply	500	7.15
11 kV supply	500	7.45

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, 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.

3. 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.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
220 kV supply	375	6.45
132 kV supply	375	6.60
33 kV supply (Load factor >15%)	375	6.85
33 kV supply (Load factor <=15%)	190	7.05
11 kV supply (Load Factor >15%)	375	7.25
11 kV supply (Load Factor <=15%)	190	7.45

Notes:-

i. For charging stations of Electric Vehicles, a flat rate single part tariff of Rs. 5 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	5.70
132 kV supply	375.00	5.85
33 kV supply (Load factor >15%)*	375.00	6.10
33 kV supply (Load factor <=15%)*	190.00	6.60
11 kV supply (Load Factor >15%)*	375.00	6.20
11 kV supply (Load Factor <=15%)*	190.00	7.00

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
50% - 50.99%	rebate of 1% on normal Energy Charge calculated on entire energy consumption
51% - 51.99%	rebate of 2% on normal Energy Charge calculated on entire energy consumption
52% - 52.99%	rebate of 3% on normal Energy Charge calculated on entire energy consumption
53% - 53.99%	rebate of 4% on normal Energy Charge calculated on entire energy consumption
54% - 54.99%	rebate of 5% on normal Energy Charge calculated on entire energy consumption
55% - 55.99%	rebate of 6% on normal Energy Charge calculated on entire energy consumption

Monthly Load Factor (LF)	**Rebate**
56% - 56.99%	rebate of 7% on normal Energy Charge calculated on entire energy consumption
57% - 57.99%	rebate of 8% on normal Energy Charge calculated on entire energy consumption
58% - 58.99%	rebate of 9% on normal Energy Charge calculated on entire energy consumption
59% - 59.99%	rebate of 10% on normal Energy Charge calculated on entire energy consumption
60% - 60.99%	rebate of 11% on normal Energy Charge calculated on entire energy consumption
61% - 61.99%	rebate of 12% on normal Energy Charge calculated on entire energy consumption
62% - 62.99%	rebate of 13% on normal Energy Charge calculated on entire energy consumption
63% - 63.99%	rebate of 14% on normal Energy Charge calculated on entire energy consumption
64% - 64.99%	rebate of 15% on normal Energy Charge calculated on entire energy consumption
65% – 65.99%	rebate of 16% on normal Energy Charge calculated on entire energy consumption
66% - 66.99%	rebate of 17% on normal Energy Charge calculated on entire energy consumption
67% - 67.99%	rebate of 18% on normal Energy Charge calculated on entire energy consumption
68% - 68.99%	rebate of 19% on normal Energy Charge calculated on entire energy consumption
69% - 69.99%	rebate of 20% on normal Energy Charge calculated on entire energy consumption
70% - 70.99%	rebate of 21% on normal Energy Charge calculated on entire energy consumption
71% - 71.99%	rebate of 22% on normal Energy Charge calculated on entire energy consumption
72% - 72.99%	rebate of 23% on normal Energy Charge calculated on entire energy consumption
73% - 73.99%	rebate of 24% on normal Energy Charge calculated on entire energy consumption
74% and above	rebate of 25% on normal Energy Charge calculated on entire energy consumption

Provided that in case the monthly Load Factor is 49.99% 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 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 Chhattisgarh State Housing Board and 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 and bakery 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	5.85

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	6.05

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	8.35

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 12 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. 12 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. 12 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	4.15

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	4.25

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, shall be recorded by installing a TOD 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 (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

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.

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 permissible load 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
11 kV	60 kVA	500 kVA
33 kV	60 kVA	15 MVA
132 kV	4 MVA	40 MVA
220 kV	15 MVA	150 MVA

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.

For all other consumer, where TOD is applicable:

i. During Off-Peak Hours, no additional charge will be levied on exceeding Contract Demand up to a maximum limit of 20%.

ii. Beyond 120% of contract demand, excess supply will be billed as per prescribed formula.

iii. Maximum recorded demand during off peak load period will not be considered for the purpose of demand charges billing, i.e., demand charges will be levied on maximum recorded demand during normal and peak load period.

Provided further 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.

iii. No rebates/incentive is 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)

The Commission is likely to introduce the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt., which may be made effective from April 1, 2023.

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 Inter-state 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.

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

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. 100.57 Crore.

For short-term open access customer: Rs. 363.40 per MWh (or Rs. 0.3634 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. 282.70 per MWh (or Rs. 0.2827 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.

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. 1.28 per kWh (which is 90% of the computed value of Rs. 1.43 per kWh).

ii. For 33 kV consumers Rs. 2.35 per kWh (which is 90% of the computed value of Rs. 2.61 per kWh).

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. 10.26 per kWh (1.5 times of the average billing rate of Rs.6.84 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.13.68 per kWh (2 times of the average billing rate of Rs. 6.84 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.

9. Intra-State Open Access Charges for Renewable Energy transactions

a) Transmission Charges in cash for long-term/medium-term/short-term open access - NIL

b) Wheeling Charges in cash for long-term/medium-term/short-term open access - NIL

c) SLDC Charges (Operating Charges) for long-term/medium-term/short-term open access - NIL

d) The Open Access customers availing long-term/medium-term/short-term open access customers shall bear the energy loss specified as under:

a. Energy Losses for using only the Transmission system of CSPTCL shall be 3%.

b. Energy Losses/for using only distribution system of CSPDCL shall be 6%.

c. Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 6%.

e) Cross-Subsidy Surcharge

i. A consumer availing open access is required to pay the cross-subsidy surcharge.

ii. 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.

iii. The Cross-Subsidy Surcharge payable is 50% of the Cross Subsidy Surcharge determined for that year, which is as under:

a) For 220 kV and 132 kV consumers Rs.0.64 per kWh.

b) For 33 kV consumers Rs. 1.17 per kWh.

In case of a consumer receiving power from Solar power plants through open access, Cross Subsidy Surcharge shall be applicable as per the provisions of CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019, as amended from time to time and Orders thereunder.

iv. 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.

12 DIRECTIVES

12.1 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.

12.1.1 Distribution Losses

Observations

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.

Directives

In view of the above observation, following directives are given:

1. CSPDCL is directed to submit Division-wise loss reduction trajectory for FY 2023-24 by 30 June 2023 and submit quarterly report for the same.
2. CSPDCL should submit the achievement in respect of Division-wise actual loss reduction vis-à-vis loss reduction trajectory for FY 2022-23 along with truing up petition for FY 2022-23.

12.1.2 Distribution Transformer (DT) Metering

Observations

In tariff order for FY 2022-23, the Commission has directed CSPDCL to submit an action plan to achieve 100% DT metering target. In response, CSPDCL has submitted that it will achieve this target by FY 2023-24.

Directives

In view of the above, CSPDCL is directed to submit quarterly progress report of DT metering.

12.1.3 Separation of Agriculture Feeders

Observations

In compliance to the directive given to CSPDCL regarding separation of agriculture feeders, CSPDCL has submitted that 1067 nos. feeders have been proposed under agriculture feeder separation in RDSS which will be completed by the year 2026.

Directives

In regard to above, CSPDCL is directed to submit quarterly progress report for separation of agriculture feeders.

12.1.4 Agriculture Metering

Observations

In the Tariff Order 2022-23, the Commission had directed CSPDCL to ensure proper metering of agricultural connections and timely reading of meters. In compliance, CSPDCL submitted that 66.52% agriculture connections are billed on actual metered units. Balance connections are billed on assessment basis, based on the consumption of dedicated agriculture feeder/dedicated agriculture DTs.

Directives

In view of the above, CSPDCL is directed to submit an action plan for ensuring 100% metering of agricultural connections 30 June 2023 and submit quarterly report for the same.

12.1.5 Burnt/Defective Meters

Observation

Despite of several directives, CSPDCL could not bring down the burnt/defective meter cases within the prescribed ceiling limit.

Directives

In view of the above, CSPDCL is directed 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.

12.1.6 Reduction in Aggregate Technical and Commercial (AT&C) Loss

Observations

AT&C loss is a critical factor which depicts the financial health of a distribution licensee.

Directives

In view of the above, CSPDCL should 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.

Annexure-I - List of persons who submitted written submissions

1.	Shri S. G. Oak, General Secretary, CS Retired Power Engineers-Officers Association, Doongaji Colony, Raipur (CG)
2.	Shri Sanjeev Jain, Sr. Manager (Legal & Regulatory), Bharti Airtel Limited, Vijay Nagar, Indore (MP)
3.	Shri S.K.Goyal, Director, Shri Bajrang Power & Ispat Ltd., Raipur (CG)
4.	Shri Tilak Raj Dua, Director General, Digital Infrastructure Providers Association, Gole Market, New Delhi
5.	Lt. Gen. Dr. S. P. Kochhar, Director General, COAI (Cellular Operators Association of India) New Delhi
6.	Shri Hari Ram, Chief Electrical Engineer (EEM), South East Central Railway, Bilaspur (CG)
7.	Shri Bhupesh Kumar Verma, Prantiya Adhyaksha CG Vidyut Mandal Ptropadhi Abhyanta Sangh, Raipur (CG)
8.	Shri Vikram Jain, Director, SBT Textiles Pvt. Ltd., Raipur (CG)
9.	Shri Shiv Shankar Dani, President, Chhattisgarh Printers Association, Telibandha, Raipur (CG)
10.	Shri Surya Prakash Rathi, Maheshwari and Company, Bilaspur Road, Birgaon, Raipur (CG)
11.	Shri Vikas Agrawal President Chhattisgarh Mini Steel Plant Association, Raipur (CG)
12.	Er. Shri Shyam Kabra, Confederation of Electricity Consumers of Chhattisgarh
13.	Ms. Jyoti Agrwal, Bajaj Furniture, Raipur (CG)
14.	Shri Surendra Shukla, Prantiya Adhyaksha, Chhattisgarh Vidyut Karmchari Sangh (Federation) Raipur
15.	M/s Amril Metals and Gases LLP, Urla, Raipur (CG)
16.	Smt. Sunila Jain Advocate, Malviya Road, Raipur (CG)
17.	Shri Paresh Kalla, Vice President (Power Plant) M/s Jayaswal Neco Industries Ltd.
18.	Shri Jai Nanvani, Vice President, Chhattisgarh Chamber of Commerce & Industries, Raipur (CG)
19.	Shri Abhishek Garg
20.	Shri Aman Kumar Singh, Reliance JIO Infocom Limited, Raipur (CG)
21.	Telangana State Power Coordination Committee, Hyderabad

Annexure-II - List of persons who submitted comments during hearing

1.	Er. Shri Shyam Kabra, Confederation of Electricity Consumers of Chhattisgarh
2.	Shri Loknath Nayak, Saraypali (CG)
3.	Shri R. K. Gupta, Durg
4.	Shri Surendra Jain, Reliance Jio Infocom Limited
5.	Shri Aman Kumar Singh, Reliance Jio Infocom Limited
6.	Shri Abhishek Garg, Raipur
7.	Shri Yogesh Partati, South East Central Railway, Bilaspur
8.	Shri Paresh Kalla, Vice President (Power Plant) M/s Jayaswal Neco Industries Ltd.
9.	Shri P. N. Singh, CG Retired Power Engineers-Officers Association

Annexure-III - List of Members who attend the State Advisory Committee (SAC) meeting

1.	Shri Manoj Khare, Managing Director, CSPDCL
2.	Shri Amit Verma, Electrical Engg., Grahak Panchayat, Raipur
3.	Shri Umesh Chitlangia, President, Confederation of Indian Industries, Raipur
4.	Shri Jay Nanvani, Vice President, Chhattisgarh Chamber of Commerce and Industries, Raipur
5.	Shri Vikram Jain, General Secretary, Urla Industries Association, Raipur
6.	Shri Sanjeev Jain, CREDA, Raipur
7.	Smt. Dr. Shubhrata Gupta, Professor, Electrical Department, NIT, Raipur

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 2023-24

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 2023-24	Consumer Details: Number of consumer FY 2023-24	Load FY 2023-24	Revenue Billed (Rs Crores): Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
A	**LV**						**16,826.48**	**63,04,590**	**7,719.46**	**778.82**	**9,207.25**	**9,986.07**	**593**
1	**Domestic Including BPL Consume**	**LV 1**					**7,276.32**	**50,38,845**	**3,563.25**	**106.93**	**3,690.20**	**3,797.13**	**522**
i	*0-100*		*30.00*	*Rs/kW/Month*	*3.70*	*Rs/kWh*	*2,178.05*	*34,42,596*	*1,390.69*	*50.06*	*805.88*	*855.94*	*393*
ii	*101-200*		*30.00*	*Rs/kW/Month*	*3.90*	*Rs/kWh*	*1,490.55*	*8,66,710*	*651.31*	*23.45*	*581.32*	*604.76*	*406*
iii	*201-400*		*30.00*	*Rs/kW/Month*	*5.30*	*Rs/kWh*	*1,671.58*	*5,19,643*	*766.96*	*27.61*	*885.94*	*913.55*	*547*
iv	*401-600*		*30.00*	*Rs/kW/Month*	*6.30*	*Rs/kWh*	*703.00*	*1,28,316*	*351.33*	*2.11*	*442.89*	*445.00*	*633*
v	*601 and above units*		*30.00*	*Rs/kW/Month*	7.90	*Rs/kWh*	*1,233.13*	*81,580*	*402.95*	*3.70*	*974.17*	*977.87*	*793*
2	**Non Domestic Normal**	**LV 2.1**					**343.02**	**3,01,381**	**310.83**	**18.65**	**238.74**	**257.39**	**750**
i	*0-100*		*50.00*	*Rs/kW/Month*	*5.85*	*Rs/kWh*	*97.95*	*2,26,056*	*202.36*	*12.14*	*57.30*	*69.44*	*709*
ii	*101-400*		*50.00*	*Rs/kW/Month*	*6.85*	*Rs/kWh*	*148.16*	*65,973*	*79.80*	*4.79*	*101.49*	*106.28*	*717*
iii	*Above 400*		*50.00*	*Rs/kW/Month*	*8.25*	*Rs/kWh*	*96.91*	*9,352*	*28.67*	*1.72*	*79.95*	*81.67*	*843*
3	**Non Domestic Demand Based**	**LV 2.2**					**943.91**	**1,08,668**	**912.18**	**165.64**	**742.52**	**908.16**	**962**
	Upto 15 kW												
	0-400		120.00	Rs/kW/Month	6.85	Rs/kWh	82.20	50,146	278.43	40.09	*56.31*	*96.40*	*1173*
	Above 400		120.00	Rs/kW/Month	8.25	Rs/kWh	508.91	31,395	276.60	39.83	*419.85*	*459.68*	*903*
	Above 15 kW		200.00	Rs/kW/Month	7.55	Rs/kWh	352.80	10,761	357.15	85.72	*266.37*	*352.08*	*998*
4	**Agriculture**	**LV 3**					**5,618.43**	**5,43,598**	**1,387.97**	**223.36**	**2,837.31**	**3,060.66**	**545**
i	*Normal*		*100.00*	*Rs/HP/Month*	*5.05*	*Rs/kWh*	*5,618.43*	*5,43,598*	*1,387.97*	*223.36*	*2,837.31*	*3,060.66*	*545*
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**					**39.15**	**4,822**	**32.62**	**5.93**	**21.42**	**27.35**	**699**
i	*LV-4.1 (A): Up to 25 HP*	*4.1 A*	*100.00*	*Rs/HP/Month*	*5.05*	*Rs/kWh*							
ii	*LV-4.1 (B):Above 25 HP up to 150 HP*	*4.1 B*	*110.00*	*Rs/kW/Month*	*5.45*	*Rs/kWh*	*35.28*	*4,770*	*30.06*	*5.32*	*19.23*	*24.55*	*696*
iii	*LV-4.2: Demand based tariff for Contract Demand of 15 to 112.5 kW*	*4.2*	*200.00*	*Rs/kW/Month*	*5.65*	*Rs/kWh*	*3.88*	*52*	*2.55*	*0.61*	*2.19*	*2.80*	*723*

Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/ kWh/kVAh)		Sales (MUs) FY 2023-24	Number of consumer FY 2023-24	Load FY 2023-24	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)			
6	**Industry**	**LV 5**					**719.31**	**39,046**	**867.09**	**137.68**	**406.35**	**544.03**	*756*
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*	*4.15*	*Rs/kWh*	*50.01*	*15,348*	*118.68*	*11.39*	*20.76*	*32.15*	*643*
a)	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*80.00*	*Rs/kW/Month*	*3.75*	*Rs/kWh*	*14.01*	*4,519*	*36.98*	*3.55*	*5.25*	*8.80*	*628*
ii	*Other Industries*	*5.2*					*655.28*	*19,179*	*711.44*	*-*	*362.65*	*478.75*	*731*
a	*upto 25 HP*	*5.2.1*	*120.00*	*Rs/kW/Month*	*5.15*	*Rs/kWh*	*51.00*	*8,457*	*102.15*	*14.71*	*26.27*	*40.98*	*803*
	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*100.00*	*Rs/kW/Month*	*4.15*	*Rs/kWh*	*5.97*	*1,227*	*14.88*	*1.79*	*2.48*	*4.26*	*714*
iii	*Above 25 HP up to 150 HP*	*5.2.2*	*150.00*	*Rs/kW/Month*	*5.90*	*Rs/kWh*	*570.15*	*8,897*	*563.25*	*101.39*	*336.39*	*437.77*	*768*
a	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*130.00*	*Rs/kW/Month*	*5.40*	*Rs/kWh*	*28.16*	*598*	*31.16*	*4.86*	*15.21*	*20.07*	*713*
7	**Public Utilties**	**LV 6**	**142.00**	**Rs/HP/Month**	**6.25**	**Rs/kWh**	**610.15**	**55,680**	**185.26**	**42.33**	**381.34**	**423.68**	**694**
8	**IT Industries**	**LV 7**	**150.00**	*Rs/kW/Month*	**5.15**	**Rs/kWh**	**1.36**	**10**	**0.73**	**0.13**	**0.70**	**0.83**	**612**
9	**Temporary**	**LV 8**					**1,274.83**	**2,12,540**	**459.53**	**78.16**	**888.67**	**966.84**	**758**
i	*Domestic*		*0.22*	*Rs/kWh*	*7.61*	*Rs/kWh*	*51.01*	*42,350*	*57.74*	*1.12*	*38.80*	*39.93*	*783*
ii	*Non- Domestic*		*75.00*	*Rs/kW/Month*	*10.28*	*Rs/kWh*	*65.55*	*17,470*	*53.54*	*4.82*	*67.35*	*72.17*	*1101*
iii	*Agriculture Metered*		*100.00*	*Rs/HP/Month*	*5.05*	*Rs/kWh*	*527.63*	*80,980*	*197.69*	*31.81*	*266.45*	*298.27*	*565*
iv	*Agriculture Allied Activities*		*165.00*	*Rs/HP/Month*	*8.18*	*Rs/kWh*	*620.30*	*70,462*	*145.59*	*38.66*	*507.09*	*545.75*	*880*
v	*Industry*		*120.00*	*Rs/HP/Month*	*6.23*	*Rs/kWh*	*1.91*	*-*	*-*	*-*	*1.19*	*1.19*	
vi	*Other Industry*		*225.00*	*Rs/HP/Month*	*8.30*	*Rs/kWh*	*1.09*	*266*	*2.29*	*0.83*	*0.91*	*1.73*	*1589*
vii	*Public Utilties*		*213.00*	*Rs/HP/Month*	*9.38*	*Rs/kWh*	*7.32*	*1,012*	*2.68*	*0.92*	*6.86*	*7.78*	*1063*
viii	*IT Industry*		*-*	*-*	*7.73*	*Rs/kWh*	*0.02*	*-*	*-*	*-*	*0.02*	*0.02*	

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 2023-24	Number of consumer FY 2023-24	Load FY 2023-24	Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
B	HV						13,808.22	3,828	3,841.22	1,308.21	8,134.21	9,442.42	684
1	Railway Traction (132/220 kV)	HV 1	375.00	Rs/kVA/Month	4.55	Rs/kVAh	1,305.90	27	421.08	142.12	543.00	685.11	525
2	Mines	HV 2					725.26	121	231.76	104.29	563.64	667.93	921
i	*220 kV*		*500.00*	*Rs/kVA/Month*	*6.75*	*Rs/kVAh*	-	-	-	-	-	-	
ii	*132 kV*		*500.00*	*Rs/kVA/Month*	*6.90*	*Rs/kVAh*	*343.35*	*5*	*88.27*	*39.72*	*261.00*	*300.72*	*876*
iii	*33 kV*		*500.00*	*Rs/kVA/Month*	*7.15*	*Rs/kVAh*	*375.11*	*97*	*138.74*	*62.43*	*297.03*	*359.47*	*958*
iv	*11 kV*		*500.00*	*Rs/kVA/Month*	*7.45*	*Rs/kVAh*	*6.80*	*19*	*4.76*	*2.14*	*5.60*	*7.74*	*1139*
3	Other Industrial & General Purpose Non Industrial	HV 3					2,327.73	2,681	1,060.18	357.81	1,771.56	2,129.37	915
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*6.45*	*Rs/kVAh*	*76.80*	*1*	*19.94*	*6.73*	**57.24**	*63.97*	*833*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*6.60*	*Rs/kVAh*	*451.94*	*17*	*163.21*	*55.08*	**328.44**	*383.52*	*849*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.85*	*Rs/kVAh*	*1,579.84*	*1,770*	*700.17*	*236.31*	**1,205.67**	*1,441.98*	*913*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.05*	*Rs/kVAh*	-	-	-	-	-	-	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*7.25*	*Rs/kVAh*	*219.15*	*893*	*176.86*	*59.69*	**180.22**	*239.91*	*1095*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.45*	*Rs/kVAh*	-	-	-	-	-	-	
4	Steel Industries	HV 4					9,000.02	583	1,882.67	635.40	4,958.08	5,593.48	621
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*5.70*	*Rs/kVAh*	*758.72*	*5*	*320.76*	*108.26*	**448.78**	*557.04*	*734*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*5.85*	*Rs/kVAh*	*2,258.15*	*23*	*312.83*	*105.58*	**1,188.97**	*1,294.55*	*573*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.10*	*Rs/kVAh*	*5,967.47*	*531*	*1,240.21*	*418.57*	**3,311.42**	*3,729.99*	*625*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*6.60*	*Rs/kVAh*	-	-	-	-	-	-	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.20*	*Rs/kVAh*	*15.69*	*24*	*8.87*	*2.99*	**8.90**	*11.90*	*758*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.00*	*Rs/kVAh*		-	-	-	-	-	*0*
5	Irrigation & Agriculture Allied Activities, Public Water Works	HV 5	375.00	Rs/kVA/Month	5.85	Rs/kVAh	249.56	289	91.07	30.74	162.21	192.95	773
6	Residential	HV 6	375.00	Rs/kVA/Month	6.05	Rs/kVAh	180.73	78	64.97	21.93	121.49	143.42	794
7	Start Up Power (400/220/123/33/11 kV)	HV 7	200.00	Rs/kVA/Month	8.35	Rs/kVAh	11.64	35	86.10	15.50	10.80	26.29	2260
8	Industries related to manufacturing of equipment for power generation from renewable energy sources	HV 8	130.00	Rs/kVA/Month	4.15	Rs/kVAh	4.80	7	1.41	0.16	2.21	2.38	495
9	IT Industry	HV 9	150.00	-	4.25	Rs/kVAh	2.58	7	1.98	0.27	1.22	1.48	576
10	Temporary	HV 10					-	-	-	-	-	-	0
i	*Railway Traction*		*562.50*	*Rs/kVA/Month*	*6.83*	*Rs/kVAh*	-	-	-	-	-	-	
ii	*Mines*		*2.16*	*Rs/kVA/Month*	*11.66*	*Rs/kVAh*	-	-	-	-	-	-	
iii	*Other Industrial & General Purpose Non Industrial*		*2.31*	*Rs/kVA/Month*	*11.42*	*Rs/kVAh*	-	-	-	-	-	-	
iv	*Steel Industries*		*1.06*	*Rs/kVA/Month*	*8.26*	*Rs/kVAh*	-	-	-	-	-	-	
v	*Irrigation & Agriculture Allied Activities, Public Water Works*		*562.50*	*Rs/kVA/Month*	*8.78*	*Rs/kVAh*	-	-	-	-	-	-	
vi	*Residential*		*562.50*	*Rs/kVA/Month*	*9.08*	*Rs/kVAh*	-	-	-	-	-	-	
vii	*Industries related to manufacturing of equipment for power generation from renewable energy sources*		*195.00*	*Rs/kVA/Month*	*6.23*	*Rs/kVAh*	-	-	-	-	-	-	
viii	*IT Industry*		-	-		*Rs/kVAh*	-	-	-	-	-	-	
C	Total						30,634.70	63,08,418	11,560.68	2,087.04	17,341.46	19,428.50	634