

CHHATTISGARH STATE POWER GENERATION COMPANY LIMITED
(A Govt. of C.G. Undertaking)

NO. 03-09/True-up/ 327

Raipur. Dtd 04/06/2025

To,

**The Secretary,
Chhattisgarh State Electricity Regulatory Commission
New Shanti Nagar, Raipur.**

Sub: Submission of additional information in respect of petition no. 95/2024.

Ref: (i) CSERC's letter no. P No. 95 of 2024/882 dtd 22.05.2025.

(ii) CSERC letter no. P No. 95 of 2024/936 dtd 30.05.2025.

Respected Sir,

Hon'ble Commission, vide captioned letter has desired some additional information in respect of Petition no 95 of 2024. As desired CSPGCL humbly makes additional submission in respect of the subject petition for kind consideration please.

Encl: As above.

CHIEF ENGINEER (C&RA)
CSPGCL, Raipur

Petition No. 95 of 2024,

Point wise CSPGCL submission on Additional Information received vide CSERC letter no 882 dtd 22.05.2025.

True-Up of FY 2023-24 of its Conventional Thermal and Hydro Power Plants

1. CSPGCL has claimed PLF greater than PAF in HTPS and KWTPP for FY 2023-24. (PAF as per SLDC Certificate for HTPS and KWTPP is 78.91% and 84.75%, respectively). However, actual PLF has been submitted as 79.48% and 85.21% for HTPS and KWTPP, respectively. CSPGCL should explain how PLF in these 2 stations is higher than the PAF for FY 2023-24.

CSPGCL Response:

It is humbly submitted that as per the provisions of the regulations and well settled principle & procedure, based on the Declared Capacity (DC) declared by the generating company and the demand projections submitted by the distribution licensee, SLDC provides the block wise Schedule Generation (SG). As CSPGCL stations have comparatively lower ECR, normally the SG is equal to DC. Further due to various operational reasons, for grid stability etc., the actual injection tends to marginally deviate from the schedule. Thus the Net Generation is summation of Scheduled Generation and the DSM energy.

It is humbly submitted that Hon'ble Commission may like to appreciate that as a responsible utility, CSPGCL, to the best of its ability, try to support the grid in the time of need and therefore many times actual injection is slightly higher than the scheduled generation. Therefore, for the two stations at Korba West the actual net generation was higher than the generation computed from certified DC.

At the same time CSPGCL for the sake of transparency, respectfully clarify that its petition is based on certified PAF and generation number (in MU) and in the petition at any place, CSPGCL has not quoted PLF in percentage terms.



Determination of Input Coal Price at GP-III mine end for FY 2025-26

2. CSPGCL has considered O&M Expenses GP-III mine for FY 2025-26 by considering an escalation factor of 5.25% for 2 years over actual O&M Expense/MT of coal production of GP-III Mine in FY 2023-24. In this regard:
- a) CSPGCL should explain the linkage of O&M Expenses to the quantity of coal production

CSPGCL Response:

CSPGCL most humbly submits that to the best of its knowledge and faith, at present no scientific formula establishing linkage between the O&M cost of Coal and quantity of coal produced is available. The regulations framed by Hon'ble Central Commission, National Electricity Policy and Tariff Policy, which act as guiding principles for Tariff Regulations by Hon'ble SERCs are silent on the issue. Even the CEA, the Apex authority on technical matters has not prescribed any crystalized formula to link the two. It is also submitted that the O&M expenses on one mine may differ from the other because of number of peculiarities, geographical as well as contractual. The same holds true for cost to be incurred in a year with the cost being incurred in the other. Hon'ble Commission has very prudently appreciated these facts in the MYT order.

Therefore, as ~~per~~ prevailing practice, for the purpose of prudence check as intended by the Hon'ble Commission, CSPGCL crave leave to submit the component wise comparison of year wise expenses (which otherwise also has been desired by the Hon'ble Commission at sub query (C) of the instant data gap query).

However before proceeding to component wise O&M cost comparison, in the interest of clarity it is submitted that for GP III Mine major operation and maintenance activities are in the scope of the MDO, appointed by CSPGCL through a transparent process of competitive bidding. However, as already established in T.O. 22-23, there are certain statutory requirements, which are to be fulfilled by CSPGCL. These requirements include engagement of certain manpower to perform and discharge the duties laid down in the Mines Act and the rules laid down thereunder. Further, as has been settled in previous orders, CSPGCL has to maintain managerial resources and take other actions, as may be required. With the above background, the component wise cost comparison with justification for deviation is submitted hereunder:

Break up of O&M Cost FY 23-24 Vis-a Vis 22-23

Description	FY 23-24	FY 22-23
HR Expenses		
Employee Cost	9.80	10.15
Manpower deployed on out sourcing basis	0.59	0.61
Net HR Cost	10.39	10.76
M&G Cost (Excluding Fuel related cost)	5.82	0.77
Add -Total Coal Related Expenses	-0.04	0.44
Less- CSR Expenses	0.04	0.00
M&G Cost (After Adjustments)	5.74	1.20
Net O&M Expenses	16.13	11.96

As the adjustments on account of Coal related expenses and CSR are minor and year specific, the comparison is limited to the two major cost components which have been acknowledged in the Regulations too.

- A. **HR Expenses:** It may please be appreciated that the deviation is very minor (just about 3.5%).

Reasons for Deviation: Multiple factors have a bearing on HR cost. They include Inflation, transfers / retirements / promotions / recruitments etc. As such the deviation is quite justifiable.

- B. **M&G Expenses:** The deviation is major. Therefore, further detailing has been resorted. Head wise analysis has been undertaken and it reveals that there were two major sub heads where the deviation was registered. Both are submitted in detail.

- I. **R&M Civil Works:** The expense in FY 23-24 was about 2.87 Cr whereas in FY 22-23 the same was only about Rs 0.28 Cr. It is to submit that in FY 23-24 two major Maintenance activity carried out which were essential for safe and smooth transport of coal from mine to loading point.

Brief about the two works is submitted below:

- i. **Repair / Renovation of bituminous road from Hukradipa to Banjari mandir:**

The existing PWD road from Hukradipa to Banjari mandir is the only road for transportation of coal up to railway siding. This road is also being used by other coal producing companies like Ambuja, SEML. Due to plying of heavy trucks

about 7.5 km patch of this road got deteriorated, leading to severe public resentments and agitation by villagers. It led to intervention of DM/ Collector Raigarh. Consequently, SDO Gharghoda vide letter dated 07.09.2022 (Annexure-I) directed CSPGCL, SEMML and Ambuja Cements for construction and upgradation / renovation work of 7.5 KM road patch jointly. Accordingly, CSPGCL has undertaken and executed work of 2.4 KM road for which expense of Rs.2.06 Cr has been incurred.

It is submitted that as the instant work was carried out as per directions of Government authorities and as per settled legal preposition, compliance of direction by government authority amounts to compliance of law, the expenditure qualifies for pass through.

ii. Levelling work of available land beyond loading platform at Gharghoda railway siding:

The coal from GP-III coal mine is being transported by road up to Robertson and Gharghoda railway siding. Though Gharghoda siding is nearer to the mine, the loading platform is very short and hence Gharghoda railway siding suffered severe constraint in loading of coal rakes. Therefore, to reduce the average cost of transportation and increase the number of Rakes to plant, levelling work on available land was undertaken to widen the platform so that dispatch can be enhanced. As the land on which leveling was carried out is not owned by CSPGCL, the same do not qualify for capitalisation and has to be booked as M&G expense. With the expenditure of just Rs. 81.49 lakhs, the coal dispatch from the siding was increased and savings in coal transport cost was realized. As such the expense well qualifies as a just and prudent expense incurred by CSPGCL.

II. Rates and taxes : It relates to Payment of GST on Abhivahan Shulk. In FY 23-24, expense incurred was about 2 Cr while in FY 22-23 the same was Nil.

In the above context, it is submitted that the matter of applicability of GST on Abhivahan Shulk (Forest Tax) was before Appellant Authority of Advance Ruling CG. Therefore, in FY 22-23 the booking under the head "Rates & Taxes" was Nil. Subsequently, the Hon'ble Authority ruled that GST shall be applicable on the Abhivahan Shulk. Accordingly, CSPGCL has paid the GST since start of coal dispatch. The complete amount for the period FY 20-21 to FY 23-24, appears in the accounts under the head "Rates & Taxes".

In light of the above detailed submissions, Hon'ble Commission is prayed to allow the O&M expenses incurred by CSPGCL in full.

- b) What is the basis for considering escalation factor of 5.25% for this projection?

CSPGCL Response:

CSPGCL submits that the MYT Regulation 2021 has not specified escalation factor for FY 25-26. The escalation factor specified in the regulation for O&M estimation is linked to the Control Period and as per Regulation 3.16 the "Control Period" is only upto 31st March 2025. Most importantly, while directing the companies for filing of the ARR/ Tariff petition for FY 25-26 in accordance to the broad principles laid down in the Regulation Hon'ble Commission has also highlighted this limiting criterion. Kind attention is invited to para 4 of the Hon'ble Commission's letter dated 24th October. It categorically states

"Further, in view of the limitation of the control period, the Commission issued the draft MYT Regulation 2024 for the next control period on 02.07.2024"

Except for the specific issues highlighted in the explanatory memorandum, the broad principles adopted in the draft regulation were same as adopted by the Hon'ble Commission in the MYT Regulation 2021. In the draft Regulation the annual escalation rate prescribed is 5.25%, hence CSPGCL has adopted the same in the petition. It is also submitted that for FY 25-26 Central Commission has also adopted escalation rate of 5.25%.

It is humbly submitted that the adoption of 5.25% escalation rate is a religious adoption by CSPGCL of the principles adopted by the Hon'ble Commission as well as the Central Commission. As such, the same may please be allowed.

- c) CSPGCL should provide the head-wise breakup of actual O&M Expense of FY 2023-24 vis-vis actual O&M expense of FY 2022-23 of GP-III Coal mine and provide the reasons for deviation.

CSPGCL Response: Already covered in the (a) above.

- d) CSPGCL should provide the break-up of actual no. of employees of CSPGCL for FY 2023-24 in the following format:

Actual No. of Employees	CSPGCL (without GP-III Mine)	GP-III Mine	CSPGCL as a whole
Group - I			

Group - II			
Group - III			
...			
Total			

CSPGCL Response:

In the above context, it is humbly submitted that CSPGCL faces a genuine difficulty in such submission. The head office serves all the power stations as well as the GP III Mine. Though the methodology for bifurcation of expenses has been settled but in none of the previous order such segregation had been resorted and as such no such empirical segregation is readily available. Further, during the year, due to retirement, transfers, recruitments number of employees tend to vary every month. Therefore, difficulty is also being faced in ascertaining the average numbers for the whole FY 23-24.

In light of the above, CSPGCL humbly crave leave to submit that apparently the purpose of the desired data set may be to enforce a prudence check on the HR cost for FY 23-24. It is submitted that as submitted in reply to query 2 (a), the HR expenses in FY 23-24 was slightly lower than that of FY 22-23. The HR expenses vary due ^{to} multiple factors such as transfers / retirements / promotions etc. and hence the very minor deviation (just about 3.5%) is quite justifiable and as such may be allowed by the Hon'ble Commission.

3. CSPGCL has projected the Non-Tariff Income of GP-III Mine for FY 2025-26 considering escalation factor of 5.25% over the actual Non-Tariff Income of FY 2023-24. CSPGCL should submit the basis for considering escalation factor of 5.25% for this projection.

CSPGCL Response: Submission on point no 2(b) may please be adopted.

4. CSPGCL should submit the copy of Notification of the Ministry of Coal, GoI specifying the Fixed Reserve Price of Rs. 136.02/MT.

CSPGCL Response:

The copy of notification of the Ministry of Coal, GoI specifying the Fixed Reserve Price of Rs. 136.02/MT is submitted as Annexure-II.

XS

**Determination of Tariff for FY 2025-26 of CSPGCL's Thermal and Hydro
Power Plants**

5. CSPGCL has projected the Non-Tariff Income of CSPGCL for FY 2025-26 considering escalation factor of 5.25% over the actual Non-Tariff Income of FY 2023-24. CSPGCL should submit the basis for considering escalation factor of 5.25% for this projection.

CSPGCL Response: Submission on point no 2(b) may please be adopted.

6. CSPGCL has projected the Ash utilization expenses of CSPGCL for FY 2025-26 considering escalation factor of 5.25% over the actual Ash utilization expenses of FY 2023-24. CSPGCL should submit the basis for considering escalation factor of 5.25% for this projection.

CSPGCL Response: Submission on point no 2(b) may please be adopted.



कार्यालय अनुविभागीय अधिकारी (रा) घरघोड़ा, जिला-रायगढ़ (छ.ग.)
घरघोड़ा, दिनांक 07.09.2022

पत्र संख्या: अर-1/2022

- 1-अधीक्षण अभियंता,
कोयला खदान विभाग प्रकोष्ठ
छ.ग. स्टेट पॉवर जनरेशन क.लि.
घरघोड़ा
- 2-महाप्रबंधक शारदा एनर्जी
लि.मि.4/7 करवाही
- 3-महाप्रबंधक अबुजा रीजेंट लि.मि.
करवाही, खम्हरिया

विषय:-

हुंकराडीपा चौक से लेकर बंजारी मंदिर तक की सड़क के निर्माण करने एवं
मजबूतीकरण व सुदृढीकरण के संबंध में।

-00-

उपरोक्त विषयांतर्गत लेख है कि हुंकराडीपा चौक से लेकर बंजारी मंदिर तक
की सड़क में आपकी कंपनियों को आबंटित कोयला खदान से उत्खनित कोयला का परिवहन
वाहनों के माध्यम से होता है जिसके कारण उक्त मार्ग की हालत बहुत ही जर्जर हो
गई है जिसके कारण स्थानीय लोगों को बहुत सी परेशानियों का सामना करना पड़ रहा है
एवं उनके द्वारा बार बार इस संबंध में शिकायत किया जाता है साथ ही दुर्घटना की संभावना
बनी रहती है एवं भी ग्रामीणों द्वारा आर्थिक नाकेबंदी की जा चुकी है।

अतएव इस पत्र के माध्यम से निर्देशित किया जाता है कि हुंकराडीपा चौक से
लेकर बंजारी मंदिर तक 7.5 कि.मी. की सड़क का निर्माण एवं सुदृढीकरण के संबंध में आपसी
सहमती से निर्धारित व्यय अनुसार कार्य कराकर इस कार्यालय को अवगत कराना सुनिश्चित
करें।

07.09.22
अनुविभागीय अधिकारी(रा.)
घरघोड़ा, जिला रायगढ़ (छ.ग.)

File No.: 103/23/2015/NA
Government of India
Ministry of Coal
Nominated Authority

R.No. 120, F-Wing, Shastri Bhawan,
New Delhi, Date: 30th Sept 2024

To,

The Managing Director,
M/s Chhattisgarh State Power Generation Company Limited
Vidyut Sewa Bhavan, Bhagania,
Raipur, Chhattisgarh -492013

Subject: Escalation of Reserve Price for the FY 2024-25 in respect of Gare Palma Sector -III coal mine allocated to M/s Chhattisgarh State Power Generation Company Limited under the Coal Mines (Special Provisions) Act, 2015.

Sir,

I am directed to address the Escalation of Reserve Price for the FY 2024-25 in respect of Gare Palma Sector -III coal mine, as stipulated in Clause 9.2.1 of the Allotment Agreement executed between the Nominated Authority and M/s Chhattisgarh State Power Generation Company Limited on 30.03.2015.

2. Clause 9.2.1 of the Allotment Agreement outlines the conditions under which the reserve price has to be escalated. The clause specifies:

"For the purposes of computation of the Monthly Payment, the Reserve Price shall be subject to an escalation on a year-on-year basis every financial year on the basis of the pre-specified escalation formula that is prescribed in the relevant Standard Bidding Document for Design, Build, Finance, Own and Operate (DBFOO) bidding as formulated by Ministry of Power for escalation of fuel cost from captive mines (the "Reference Index"), and the Reserve Price shall stand increased by the per cent increase of the Reference Index on a year-on-year basis. It is clarified that for the purposes of escalation in a subsequent financial year, the escalated Reserve Price of the immediately preceding year shall be considered. The last published Reference Index shall be used for computing the escalation. The subject escalation would be applicable after the issuance of the Allotment Order."

3. Therefore in accordance with Clause 9.2.1 of the Allotment Agreement, the Monthly Payment for coal extracted from the mines will be subject to an annual escalation, based on the Wholesale Price Index (WPI) (the "Reference Index"). The Monthly Payment will increase by the percentage growth in the WPI on a year-on-year basis. Accordingly, the escalated Reserve Price for FY 2024-25, for the Gare Palma Sector -III coal mine, is tabulated as below:

Name of Mine	Gare Palma Sector -III	Vesting order date: 14-09-2015		PRC: 5 MTPA
SL No	Escalated Reserve Price Applicable for the FY	Applicable WPI (Base Year 2011-12) for the month of march of previous financial year	Calculation of reserve price	
			Change in % WPI	Escalated Reserve Price
A	B	C	D	E
Vesting Year	2016-17	107.70		100.00
	2023-24	151.00	1.41	133.14
	2024-25	151.4	0.26	136.02

4. In view of the above, M/s Chhattisgarh State Power Generation Company Limited is requested to make monthly payments @ ₹ 136.02 per ton of coal to the State Govt. during the FY 2024-25.

Yours faithfully,

Signed by

Alok Verma

(Alok Verma)

Under Secretary to the Govt. of India

Date: 30-09-2024 11:07:51

Copy to:-

1. The Chief Secretary, State Government of Chhattisgarh
2. Secretary Mines/Director Mines State Government of Chhattisgarh